

Agenda Item #: 3H-2

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

=====

**Meeting Date:** July 13, 2021  Consent  Regular  
 Ordinance  Public Hearing

**Departments:** Facilities Development & Operations  
Fire Rescue  
Purchasing

=====

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to Approve: Vehicle and Equipment Parts Management and Supply Agreement ("Agreement") with Genuine Parts Company d/b/a NAPA (NAPA) for onsite integrated inventory management services for Facilities Development & Operations/Fleet Management Division (FDO/Fleet) and Fire Rescue Support Services ("Fire Rescue") from July 22, 2021 through December 29, 2024 at an estimated annual cost of \$6,749,004.

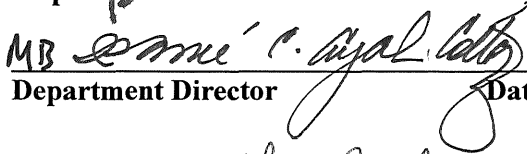
**Summary:** NAPA has been providing on-site integrated inventory management services to FDO/Fleet since 2012 (R2012-1322) and then via a new agreement executed in 2015 (R2015-1788) and then restated in 2016 (AIS November 1, 2016 #3H-7) to add similar services for Fire Rescue. The existing agreement with NAPA is set to expire on July 22, 2021, and this new Agreement with NAPA will be from July 22, 2021 through December 29, 2024. Under the Agreement, NAPA will continue to provide to both FDO/Fleet and to Fire Rescue comprehensive in-house store automotive parts functions including the provision of all materials, equipment, parts and supplies required for operation and maintenance with no less than an eighty percent (80%) in-stock availability for all parts requested. The Agreement provides that the County will pay NAPA: (i) 10% above NAPA Product Costs and 9% above Non-NAPA Product Costs (except for parts over \$3500 the markup is only 5%); and (ii) for operational costs that are included within the annual budget approved by the County during its normal budget process. NAPA will provide on-going review and adjustment of inventory, access to automotive and heavy-duty replacement parts and delivery of non-stocked parts. The inventory will include NAPA Products as well as Non-NAPA Products, based on FDO/Fleet and Fire Rescue's individual requirements. The Agreement is made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase services and supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case Sourcewell Contract No. 010511-GPC (the Sourcewell Contract). The County chose the Sourcewell Contract to piggyback due to its favorable terms. The Agreement contains local preference language for all parts and products purchased. The new Agreement also contains a Small Business Enterprise (SBE) price preference for all parts and products purchased. The County's Goal Setting Committee reviewed this contract on March 3, 2021. **(FDO/FR/Purchasing) Countywide (MWJ)**

**Background & Justification:** (Continued on Page 3)

**Attachments:**

Vehicle and Equipment Parts Management and Supply Agreement - NAPA

**Recommended by:**  6/2/2021  
Department Director Date

 6/10/21  
Department Director Date

**Approved by:**  7/2/21  
County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2021	2022	2023	2024	2025
Capital Expenditures	<u>0</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Operating Costs	<u>\$1,406,043</u>	<u>\$6,749,004</u>	<u>\$6,749,004</u>	<u>\$6,749,004</u>	<u>\$1,687,251</u>
External Revenues	<u>(\$679,785)</u>	<u>(\$3,262,966)</u>	<u>(\$3,262,966)</u>	<u>(\$3,262,966)</u>	<u>(\$815,742)</u>
Program Income (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
In-Kind Match (County)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>NET FISCAL IMPACT</b>	<u><b>\$726,258</b></u>	<u><b>\$3,486,038</b></u>	<u><b>\$3,486,038</b></u>	<u><b>\$3,486,038</b></u>	<u><b>\$871,510</b></u>

# ADDITIONAL FTE POSITIONS (Cumulative)

Is Item Included in Current Budget? Yes  No

	FY 21 (2.5 Months)	FY 22	FY 23	FY 24	FY 25 (3 Months)
FDO/Fleet	\$679,785	\$3,262,966	\$3,262,966	\$3,262,966	\$815,742
Fire Rescue	\$726,258	\$3,486,038	\$3,486,038	\$3,486,038	\$871,510
	\$1,406,043	\$6,749,004	\$6,749,004	\$6,749,004	\$1,687,251

Does this item include the Use of Federal Funds?  Yes  No


**Budget Account Nos:**

FDO/Fleet - Fund 5000 Department 410 Unit 7220 Object Various  
 Fire Rescue - Fund 1300 Department 440 Unit 4212 Object Various  
 Revenue: FDO/Fleet - Fund 5000 Department 410 Unit 7100 RSC Various

Reporting Category

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

FDO/Fleet is an Internal Service Fund and the Agreement is fully funded from revenue received from Fleet's customers. Fire Rescue is a Special Revenue Fund and the Agreement is funded by Ad Valorem Taxes and User Fees.

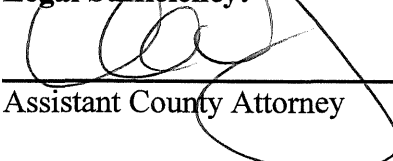
C. Departmental Fiscal Review: 

**III. REVIEW COMMENTS:**

**A. OFMB Fiscal and/or Contract Development & Control Comments:**

 6/14/21  
 OFMB AP 6/15/21 AD LM  
 6/15/21 6/15 6/15  
 6/24/21  
 Contract Development and Control  
 6-24-21 (TW)

**B. Legal Sufficiency:**

 7/2/21  
 Assistant County Attorney

**C. Other Department Review:**

  
 Department Director

This summary is not to be used as a basis for payment.

**Background and Justification**

The County's existing agreement with NAPA to provide inventory management services to FDO/Fleet and Fire Rescue is set to expire on July 22, 2021. This new Agreement will allow NAPA to continue to provide inventory management services from July 22, 2021 through December 29, 2024. Under the Agreement, NAPA will continue to provide to both FDO/Fleet and to Fire Rescue comprehensive in-house store automotive parts functions including the provision of all materials, equipment, parts and supplies required for operation and maintenance with no less than an eighty percent (80%) in-stock availability for all parts requested.

By outsourcing FDO/Fleet's and Fire Rescue's automotive parts function, the County eliminated responsibility for excess inventory and parts obsolescence, increased the quality of service/performance and realized cost savings by reducing the departments' procurement and inventory management activities. The Agreement requires NAPA to meet a quality of service/performance measurement of 80% fill rate (percentage of time that a technician can receive a parts order on the first trip to the parts counter.) NAPA has consistently met or exceeded this measurement which decreases equipment downtime and increases the productivity of the technicians.

The Agreement provides that the County will pay NAPA: (i) 10% above NAPA Product Costs and 9% above Non-NAPA Product Costs (except that the markup for parts over \$3500 is only 5%); and (ii) for operational costs that were included within the annual budget approved by the County during its normal budget process. NAPA has guaranteed parts pricing for: (i) Non-NAPA Products at the current price paid by NAPA to the vendor for such product; and (ii) NAPA Products at the price NAPA charges for such products sold to NAPA stores in which NAPA does not have an ownership interest, less any manufacturer rebates.

Any additional services requested by the County must be formalized in a written modification to the Agreement except that without invalidating the Agreement, the County, through its Director of Purchasing, reserves the right to issue increases or decreases to the authorized expenditure; provided that, increases of more than ten percent (10%) which reach or exceed two hundred thousand dollars (\$200,000) per annum must be approved by the Board. After a Board approval of an increased authorized expenditure amount, the Director of Purchasing may authorize increases of up to ten percent (10%) of the increased authorized expenditure amount.

The Agreement requires NAPA to purchase from a Palm Beach County vendor (Local Vendor) providing that the Local Vendor can meet all product specifications (including timeliness of delivery) and costs do not exceed 5% of the price by which NAPA can obtain the part meeting identical specifications (including timeliness of delivery) from a non-Local Vendor. This local preference applies to all parts. During the most recent year of the contract, NAPA achieved 55% local participation on parts of which 4.6% was by Glades vendors.

The new Agreement also contains a requirement that NAPA purchase from a County certified SBE providing that the SBE can meet all product specifications (including timeliness of delivery) and costs do not exceed 10% of the price by which NAPA can obtain the part meeting identical specifications (including timeliness of delivery) from a non-SBE. This SBE price preference applies to all parts and products. This SBE price preference is part of a pilot program under the County's EBO PPM for contracts where the County has outsourced the procurement function. NAPA will work with the County's Office of EBO to identify S/M/WBE vendors and begin reporting on SBE participation under this new Agreement.

Under the Agreement, NAPA handles all manufacturer warranty claims on behalf of the County, and the Agreement has always provided that the manufacturer's warranty is the sole remedy for defective parts and all other express or implied warranties for parts are waived.

The Agreement was made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase services and supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case Sourcewell Contract No. 110520-GPC (the Sourcewell Contract). The County chose the Sourcewell Contract to piggyback due to its favorable terms.