



Legislation Text

File #: 17-0470, **Version:** 1

Community Development Services, Department of Transportation, recommending the Board consider the following:

- 1) Authorize utilization of the National Joint Powers Alliance Request for Proposal 061015 with Genuine Parts Company, doing business as, NAPA Auto Parts to provide on-site fleet vehicle and equipment parts and inventory program services, for Department of Transportation's vehicle and light and heavy equipment maintenance and repair shops;
- 2) Approve Contract 2801 with Genuine Parts Company, doing business as, NAPA Auto Parts for use by the County of its on-site fleet vehicle and equipment parts and inventory program services for a term starting upon execution and expiring three (3) years thereafter, with a not-to-exceed amount of \$1,750,000; and
- 3) Adopt and authorize the Chair to sign Personnel Allocation Resolution **102-2018**, thereby deleting one vacant Parts Technician allocation, effective June 5, 2018; and
- 4) Direct that the above changes be added to the FY 2018-19 Position Allocation Schedule.

FUNDING: Road Fund and Fleet Services Internal Fund. (Local Funds)

DEPARTMENT RECOMMENDATION

Community Development Services, Department of Transportation (Transportation), recommending the Board consider the following:

- 1) Authorize utilization of the National Joint Powers Alliance (NJPA) Request for Proposal 061015 (RFP) with Genuine Parts Company, doing business as, NAPA Auto Parts (NAPA) to provide on-site fleet vehicle and equipment parts and inventory program services, for Transportation's vehicle and light and heavy equipment maintenance and repair shops;
- 2) Approve Contract 2801 with NAPA for use by the County of its on-site fleet vehicle and equipment parts and inventory program services for a term starting upon execution and expiring three (3) years thereafter, with a not-to-exceed amount of \$1,750,000; and
- 3) Adopt and authorize the Chair to sign Personnel Allocation Resolution **102-2018**, thereby deleting one vacant Parts Technician allocation, effective June 5, 2018; and
- 4) Direct that the above changes be added to the FY 2018-19 Position Allocation Schedule.

The position allocation change recommended above is not currently reflected in the FY 2018-19 Recommended Budget due to timing. If approved, the recommended allocation change will be reflected in an amended Position Allocation Schedule that will be presented to the Board for approval following the release of the FY 2018-19 Recommended Budget.

DISCUSSION / BACKGROUND

Transportation's Maintenance and Operations Division (Maintenance) provides maintenance and repair to both vehicles and light and heavy equipment at three different shop locations, a West Slope Equipment Shop and a Fleet Services Shop located in Placerville, and an East Slope Equipment Shop located in South Lake Tahoe. Altogether, there are 128 pieces of heavy equipment and 496 fleet services vehicles. A permanent, full-time Parts Technician position located in the West Slope Equipment Shop has been responsible for maintaining and ordering parts and managing the parts

inventory, until the employee filling this position retired in May 2017.

NAPA through the NJPA RFP provides the Integrated Business Solution System (IBS) and services to companies and/or agencies. IBS is a full service, on-site parts department, which provides the parts and related services necessary to facilitate the repair and maintenance of light and heavy equipment, as well as fleet vehicles. NAPA's IBS system and services will supply parts and needed services to all three shops. A full-time Parts Professional, employed by NAPA, will be on-site at the West Slope Equipment Shop, Monday through Friday, and will handle all ordering, inventory management, and physical counts. They will provide assistance to all three shops. The deletion of the County's Part Technician allocation will provide the cost savings to fund the NAPA personnel directly.

Since 2011, NAPA's IBS system and services have been used by the City of Sacramento, which has over 2,300 vehicles and pieces of equipment. Maintenance staff has spoken to two other agencies who have successfully implemented IBS into their parts management including City of Corona, California and City of Sierra Vista, Arizona whom has had IBS since 2015. The City of Sierra Vista has spoken to the efficiency of IBS in their organization, quoting they have "paid less and produced more with this program". Placer County is also in the process of adding IBS to its Fleet and Equipment Services Department.

This vendor managed inventory program has multiple benefits and efficiency improvements to the County, including:

- 1) The County would no longer need to utilize skilled Equipment Mechanics and Equipment Supervisors to order, receive, issue and manage parts and will be able to reallocate those resources to actively working on repairing and maintaining the County vehicles and equipment.
- 2) The County managed parts inventory will be eliminated over time to zero as parts quantities are used. Once eliminated, the staff resources used for monthly inventory/year-end inventory and reconciliation over several County divisions will be able to work on other needed assignments.
- 3) The County will no longer own parts inventory that can become aged, damaged, lost or otherwise lose value. With IBS, we do not purchase a product through NAPA until needed.
- 4) The County's contract will be with the local NAPA business in Placerville keeping the County's expenditures local.
- 5) NAPA has skilled staff that is familiar and knowledgeable regarding auto parts and vendors. The NAPA staff will be employed by NAPA and will be on-site during the County's regular business hours and also be on-call to assist in after hour and emergency situations, e.g. snow removal. This will provide minimal delay in getting parts.
- 6) NAPA can use their national bargaining power to negotiate lower prices on original equipment manufacturer parts.
- 7) Productivity savings will be realized with the elimination of multiple vendor setups, multiple annual blanket purchase orders and direct purchase orders, which are currently used to purchase parts and services. Productivity savings will also be found in the processing of parts invoices. Contracting with NAPA will decrease the amount of parts invoices being processed through the County divisions from an average of 150 a month to 5 a month. For example, Fiscal Year 2016/2017, 1850 inventory parts invoices were processed that year, with NAPA, that number will be reduced to 64 invoices.

These benefits and efficiency improvements should help with staff save time on fleet related activities.

Historically, the average budget for vehicle and equipment parts each year is \$483,000. This

amount, along with the NAPA Personnel cost of \$100,000 per year, was used to estimate a yearly cost of \$583,000, bringing the total cost of this 3-year agreement to a not-to exceed amount of \$1,750,000.

Once the program is implemented, we will follow up within a year with a progress report.

ALTERNATIVES

The Board could choose not to approve utilization of the NJPA RFP and Agreement with NAPA. Transportation would then move forward with filling the permanent Parts Technician position in order to provide parts ordering and inventory management for all three shops.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

CDS Admin and Finance, Fiscal Unit and Contracts and Procurement Unit, County's Procurement and Contracts Division, Chief Administrative Office, Information Technology, Auditors Office, County Counsel and Risk Management.

CAO RECOMMENDATION

It is recommended that the Board approve this item.

FINANCIAL IMPACT

There is no change to Net County Cost associated with this item. Funding for this IBS services and parts is included in Transportation's Fiscal Year 2017/18 budget and is funded by the Road Fund and the Fleet Services Internal Fund. The Parts Technician position costs were reallocated to directly fund NAPA personnel. The allocation will be removed with approval of the NJPA RFP and NAPA Agreement.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) The Clerk of the Board will obtain the Board Chair's signature on two (2) originals of the Agreement.
- 2) The Clerk of the Board will return one (1) original Agreement to the County Procurement and Contracts for further processing.
- 3) The Clerk of the Board to obtain the Chair's signature on the Resolution.
- 4) The Clerk of the Board to provide one (1) signed copy of the Resolution to County Human Resources.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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