



City Council Report

Date: October 19, 2015
To: City Council
Through: Alex Deshuk, Chief Innovation Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal of the Term Contract for Original Equipment Manufacturer Auto and Light Truck Parts for the Fleet Services Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Original Equipment Manufacturer Auto and Light Truck Parts as recommended.

The Fleet Services Department and Purchasing recommend authorizing a one-year renewal with Brown & Brown Chevrolet dba AutoNation Chevrolet; and Chapman Scottsdale Autoplex dba Chapman Chrysler Jeep Dodge; cumulatively not to exceed \$100,000.00, based on estimated requirements.

Background / Discussion

This contract provides genuine Original Equipment Manufacturer (OEM) parts (General Motors, and Chrysler/Jeep) to maintain and repair the City's fleet of sedans, light trucks and vans. The fleet consists of 15 Chrysler/Jeep automobiles, 60 Chrysler/Jeep vans and light trucks, 115 General Motors autos and 225 General Motors vans and light trucks.

On September 10, 2012, Council approved the initial three-year contract with renewal options. This is the first, one-year renewal contract with one, one-year renewal option remaining.

The recommended dealerships offered to renew the contract without a price increase, and agreed to hold their percentage discount for another year. Both vendors have also maintained pricing during the entire initial three-year term. The Consumer Price Index increased approximately 4% from 2012 to 2015. The City has been satisfied with each vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Fleet Services has opted to rebid section 2 of the OEM Ford parts.

Alternatives

Council may choose not to authorize the purchase and new bids will be obtained.

Fiscal Impact

The annual contract amount is funded by the Fleet Services Department operating budget.

Coordinated With

Fleet Services and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Bids

Solicitation Number: 2012160

Responses Received: 10

Initial Contract Term: Three Years

Renewal Term: One Year

Renewal Terms Remaining: One-Year Renewal subject to future Council consideration

RENEWAL RECOMMENDATION

Description
<p><i>AutoNation Chevrolet – Mesa/Gilbert, AZ</i> <u>Section 3</u> - General Motors Auto & Light Truck Parts</p> <p><i>Chapman Scottsdale Autoplex dba Chapman Chrysler Jeep Dodge - Phoenix, AZ</i> <u>Section 1</u> - Chrysler/Dodge/Jeep Auto & Light Truck Parts</p> <p>per Terms and Conditions, Specifications and Pricing as offered</p> <p>Annual Contract Amount: <u>\$100,000.00</u> (cumulatively not to exceed)</p>

June 13, 2012 Bid Results

SECTION ONE Chrysler/Dodge/Jeep Auto & Light Truck Parts

Description/ Total Net Bid	Chapman Scottsdale Autoplex dba Chapman Chrysler Jeep Dodge Scottsdale, AZ		Earnhardt Gilbert Dodge dba Earnhardt Chrysler Jeep Dodge Gilbert, AZ		Power Dodge AutoNation Phoenix, AZ	
OEM Auto & Light Duty Truck Parts, per specifications	Discount %	Sample Item Total	Discount %	Sample Item Total	Discount %	Sample Item Total
Section 1	<u>32%</u>	<u>\$959.72</u>	28%	\$1,016.18	32%	\$930.93 \$959.72

* Pricing misquoted

SECTION THREE General Motors Auto & Light Truck Parts

Description/ Total Net Bid	Brown & Brown Chevrolet Mesa, AZ		Earnhardt Buick GMC Mesa, AZ	
OEM Auto & Light Duty Truck Parts, per specifications	Discount %	Sample Item Total	Discount %	Sample Item Total
Section 3	<u>35%</u>	<u>\$253.23</u>	35%	\$253.24

* Larger Inventory