



City Council Report

Date: May 16, 2016
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
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 AC Delco and Motorcraft Vehicle Parts for the Fleet Services Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve a Renewal of the Term Contract for AC Delco and Motorcraft Vehicle Parts as recommended.

The Fleet Services Department and Purchasing recommend authorizing a one-year renewal with USD, Inc., at \$150,000.00 annually, based on estimated requirements.

Background / Discussion

This contract provides genuine AC Delco (General Motors) and Motorcraft (Ford) parts for the City's fleet. The fleet consists of approximately 320 Ford automobiles, 285 Ford vans and light trucks, 115 General Motors automobiles, and 225 General Motors vans and light trucks.

On May 6, 2013, Council approved the initial three-year contract with two, one-year renewal options. This is the first, one-year renewal option.

USD, Inc. has offered to renew the contract maintaining the original pricing. USD, Inc. provides both GM and Ford parts at the largest discount. The City has been satisfied with the vendor's performance. The discounts offered through this contract and the greater selection of products results in a cost savings to the City. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Alternatives

Council may choose not to authorize the renewal and new responses will be obtained.

Fiscal Impact

The annual contract amount is available in the Fleet Services Department operating budget.

Coordinated With

Fleet Services and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Bids

Solicitation Number: 2013017

Responses Received: 5

Initial Contract Term: Three years

Renewal Term: One year

Renewal Terms Remaining: One-year renewal subject to future Council consideration

March 20, 2013 Bid Results

(Section 1 – AC Delco, Section 2 – Motorcraft)

USD, Inc.	Section 1 – 58% (Awarded)
Phoenix, AZ	Section 2 – 49% (Awarded)
Berge Ford	Section 1 – 45%
Mesa, AZ	Section 2 – 45%
Thorobred Chevrolet	Section 1 – 30%
Mesa, AZ	Section 2 – No Bid
MCVT Motors Inc.	Section 1 – No Bid
Mesa, AZ	Section 2 – 38%
Factory Motor Parts	Section 1 – Various
Mesa, AZ	Section 2 – No Bid

No Bid response received from

Vanguard Truck Center

Phoenix, AZ

RENEWAL RECOMMENDATION

USD, Inc.
Phoenix, AZ

Description
AC Delco and Motorcraft Vehicle Parts per Contract No. 2013017 Terms and Conditions, Specifications and Pricing as offered
Section 1 – AC-DELCO Auto and Light Truck Parts Discount from Manufacturer's List Price – 58%
Section 2 – MOTORCRAFT Auto and Light Truck Parts Discount from Manufacturer's List Price – 49%
Annual Contract Amount: <u>\$150,000.00</u>