



# City Council Report

**Date:** July 1, 2020  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** Dollar Limit Increase to the Term Contract for AC Delco and Motorcraft Vehicle Parts for the Fleet Services Department **(Citywide)**

## Recommendation

Council is requested to approve the contract amendment as recommended.

The Fleet Services Department and Purchasing recommend increasing the dollar limit with Parts Mart Inc., by \$50,000 for Year 2, from \$225,000 to \$275,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

## Background / Discussion

This contract provides genuine AC Delco (General Motors) and Motorcraft (Ford) parts for the maintenance and repair of the City's fleet of sedans, light-duty trucks and vans. The fleet is comprised of approximately 156 Ford automobiles, 450 Ford light-duty trucks and vans, 110 General Motors automobiles, and 465 General Motors light-duty trucks and vans.

In response to COVID-19 and GM and Ford plant shutdowns, Fleet Services increased their parts purchases and stock inventory levels to ensure enough products are on hand to get the City through the pandemic; to reduce the impact of market (auto parts) shortages and subsequent fleet downtime due to lack of General Motors and Ford critical parts.

## Purchase Information

Action: Amendment (Year 2)  
Procurement Type: Request for Bids  
Contract Number: 2018206  
Initial Contract Term: Three years  
Possible Renewals: Up to a maximum of two years subject to Administrative review and approval  
Funding Source: Fleet Services Department operating budget through the Fleet Internal Services Fund

## Dollar Limit History

Original Council Award - 8/20/2018 (Years 1, 2 and 3):	\$200,000.00
Administrative approved Increase for Year 2 – 5/27/2020:	\$25,000.00
Increase Request for Year 2 – 7/1/2020:	<u>\$50,000.00</u>
New Contract Value (Year 2):	<u>\$275,000.00</u>
Contract Value (Year 3) Unchanged:	\$200,000.00