City Council Report

Date: May 6, 2013

To: City Council

Through: Alex Deshuk, Manager of Technology and Innovation

From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Alyce Benge, C.P.M., CPPO, Purchasing Administrator

Subject: Three-Year Term Contract for AC Delco and Motorcraft Vehicle Parts for the Fleet Services Department **(Citywide)**

Purpose and Recommendation

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

Fleet Services and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidder, USD, Inc. at $100,000 annually, based on estimated requirements.

Background / Discussion

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

The bid specifications required all parts to be genuine AC Delco and Motorcraft new and remanufactured parts; quoted percentage discounts to remain firm during the entire initial three-year period; and the vendor must be located within 25-miles from the City of Mesa city limit. The City reserved the right for multiple awards and award by group.

51 vendors (included 9 Mesa vendors) were invited to submit a response, in addition to the standard advertising in the Arizona Republic, Bid Net, Record Reporter and the City of Mesa Purchasing website. 25 vendors downloaded the solicitation from the Purchasing website. 5 responses and one No Bid response were received.

The initial contract period will be three years with one, two-year renewal possible subject to future Council consideration.

Alternatives

Council may choose not to authorize the purchase and new responses will be solicited.

Fiscal Impact

The total amount of $100,000 is available in the Fleet Services operating budget.

Coordinated With

Fleet Services and Purchasing

PURCHASING INFORMATION

Action: Initial Award
Procurement Type: Invitation for Bids
Solicitation Number: 2013017
Vendors Registered on Bid List: 51 (9 Mesa)
Advertising: Arizona Republic, Bid Net, Record Reporter, Purchasing Website
Downloads: 25
Protests Received: None
Initial Contract Term: Three years
Possible Renewals: Two-year renewal subject to future Council consideration
Prices: All discount percentages will be firm for the initial term of three years except where otherwise provided by the specifications, and include all transportation, insurance and warranty costs. No fuel surcharges will be accepted. No price increases will be accepted without proper request by the vendor and response by City Purchasing.
Cooperative: Pricing available to other public agencies.

March 20, 2013 Responses:
(Section 1 – AC Delco, Section 2 – Motorcraft)

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

AWARD RECOMMENDATION
USD, Inc.
Phoenix, AZ

Description
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: $100,000**