



# STAFF REPORT

DATE: 03/19/2025  
TO: Honorable Mayor and City Council Members  
FROM: Public Works Department

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**2025-110**

## REQUEST FOR CITY COUNCIL ACTION

### **SUBJECT:**

THIRD AMENDMENT TO THE MAINTENANCE/GENERAL SERVICES AGREEMENT WITH GENUINE PARTS COMPANY (DBA NAPA AUTO PARTS)

### **EXECUTIVE SUMMARY:**

This staff report asks the City Council to approve the Third Amendment to the Maintenance/General Services Agreement with Genuine Parts Company (DBA NAPA Auto Parts). The City of Corona Fleet Services Division has used Genuine Parts Company (NAPA Auto Parts) to provide vendor-managed parts for Fleet since 2017.

### **RECOMMENDED ACTION:**

That the City Council:

- a. Approve the Third Amendment to the Maintenance/General Services Agreement with Genuine Parts Company (DBA NAPA Auto Parts).
- b. Authorize the City Manager, or his designee, to execute the Third Amendment to the Maintenance/General Services Agreement with Genuine Parts Company (DBA NAPA Auto Parts) for \$575,000 per fiscal year for the initial contract term ending December 3, 2028.

- c. Authorize the City Manager, or his designee, to execute three additional one-year Amendments to the Maintenance/General Services Agreement with Genuine Parts Company (DBA NAPA Auto Parts) in conjunction with Sourcewell.
- d. Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to 10% or \$57,500 as authorized in Corona Municipal Code Section [3.08.060\(J\)](#).
- e. Make a determination under Corona Municipal Code Section [3.08.140\(C\)](#) that competitive bidding has been satisfied for this purchase based upon the reasons provided in this agenda report.
- f. Authorize the City Manager, or his designee, to issue a purchase order to Genuine Parts Company (DBA NAPA Auto Parts) for \$575,000 per fiscal year through December 3, 2028.

#### **BACKGROUND & HISTORY:**

The City's Fleet division conducts maintenance and repair on city-owned vehicles and maintained an inventory of automotive parts for the use on various city vehicles. The maintenance of the fleet parts inventory, which included the ordering, receiving, and issuing parts, was done by staff and was a cumbersome process. Staff looked at other options to provide these services cost-effectively and more efficiently. On July 19, 2017, the City Council authorized an award of a Maintenance/General Services Agreement (MGSA) with Genuine Parts Company (GPC) (doing business as NAPA Auto Parts) of Atlanta, GA, for \$575,000 per fiscal year for inventory management through a competitive bidding process completed through the national bidding consortium Sourcewell (formerly National Joint Powers Alliance). Sourcewell's original contract expired on July 21, 2020, but Sourcewell approved an amendment through July 21, 2021. On June 3, 2020, the City Council approved the First Amendment to the MGSA with Genuine Parts Company to extend the contract through July 21, 2021.

On September 17, 2020, Sourcewell issued Request for Proposals (RFP) #110520 for Fleet and Facility Related Vendor Managed Inventory and Logistics Management Solutions. Proposals were Facility Related Vendor Managed Inventory and Logistics Management Solutions. Consequently, Sourcewell executed a contract with GPC, doing business as NAPA Integrated Business Solutions (NAPA Auto Parts), to provide vendor-managed inventory. The new contract expired December 29, 2024. On July 7, 2021, the City Council approved the Second Amendment to the MGSA with Genuine Parts Company to extend the contract through December 29, 2024.

NAPA Auto Parts provides parts ordering, receiving, and inventory management solutions to the City's Fleet division in a satisfactory manner since the award of the MGSA. NAPA Auto Part's software, known as TAMS, syncs with the AssetWorks software that Fleet utilizes for vehicle life-cycle management, work orders, purchasing, and parts inventory management, as well as to help streamline the parts and supplies ordering process. When conducting a repair or routine maintenance, the Fleet Technician requests parts

through Assetworks, automatically sending the request to NAPA Auto Part's system. NAPA Auto Parts then issues the parts from their software, and they post them as charges in the Assetworks software for the appropriate work order. NAPA Auto Parts can source parts nationwide as a national company and draw on resources from other NAPA Auto Parts stores to provide the product. Staff has worked closely with NAPA Auto Parts personnel to ensure appropriate parts are always on hand.

#### **ANALYSIS:**

On July 16, 2024, Sourcewell issued Request for Proposals (RFP) #090624 for Vendor Managed Inventory and Logistics Management Solutions for Fleets and Facilities. Subsequently, Sourcewell executed a contract with NAPA Auto Parts for this service. The contract is valid through December 3, 2028, and may be extended for three (3) additional one-year extensions following the December 2028 expiration date. The City has an existing MGSA with NAPA Auto Parts and recommends executing a Third Amendment to extend the terms of the agreement through December 3, 2028, to be consistent with the Sourcewell contract. The terms of the original agreement are still valid under the new Sourcewell contract. The City's agreement with the vendor utilizes pricing the following pricing option as outlined in the agreement:

- Goods are sold to the City at a 10% gross margin over NAPA's acquisition cost
- Operating expenses are billed to the City at actual cost with no markup
- NAPA's return is built into the price of the part, so no separate fee is billed

The City spends on average \$29,210 monthly on parts and \$4,868 monthly on the management fee. The proposed annual amount of \$575,000 annually will cover these monthly expenditures and provide capacity to adapt to anticipated cost increases.

#### **BASIS FOR DETERMINATION OF COMPETITIVE BIDDING:**

Staff believes that competitive bidding has already been completed for this purchase pursuant to Corona Municipal Code ("CMC") Section [3.08.140\(C\)](#), which states as follows:

**"Competitive bidding already completed.** When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that:

(1) Another public agency has conducted a competitive bid procedure including, but not limited to, another local agency, the state through the California Multiple Award Schedule (CMAS), the federal government through the General Services Administration (GSA), the U.S. Communities Government Purchasing Alliance, or the Western States Contracting Alliance (WSCA); and

(2) The price to the City is equal to or better than the price to that public agency."

Staff believes awarding this contract is in the City's best interest because the City receives competitive pricing consistent with Sourcewell's contract, and there would be no competitive advantage gained from conducting an in-house bid. NAPA Auto Part's

vendor-managed inventory system has been very successful for the City and eliminates the need for City staff to use time and resources to find and obtain necessary parts. Further, NAPA can leverage their nationwide buying power to obtain parts priced better than those available to the City because they buy in much larger quantities. Additionally, the management fee is reasonable and covers the cost of the NAPA Auto Part's staff person managing the program.

**FINANCIAL IMPACT:**

Funding for the recommended actions is available in the Public Works Department's operating budget within the Fleet Operations Fund 682. Funding for future fiscal years will be requested through the annual budget process.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. These actions are merely to extend a parts and services agreement with the City of Corona, and there is no possibility that these actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** MICHAEL GRIESINGER, FLEET MANAGER

**REVIEWED BY:** SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

**ATTACHMENTS:**

1. Exhibit 1 – Third Amendment to the Maintenance/General Services Agreement