

**INTEROFFICE MEMORANDUM**

**DATE:** March 31, 2020

**TO:** Goal Setting Committee (GSC)

**FROM:** Audrey Wolf, Director Facilities Development & Operations (FDO) 

**SUBJECT:** Renewal Amendment for NAPA Contract (CMA # 555509) – Application of SBE Price Preference under EBO PPM Attachment 4

**Issue:** The EBO PPM was recently revised to include new Attachment 4, a pilot program for contracts where the County has outsourced procurement to a vendor. Under Attachment 4, the GSC can require the vendor to apply an SBE price preference when it purchases goods for the County. FDO and Fire Rescue have a contract, the NAPA Contract, where the County has outsourced the purchase of vehicle and equipment parts to NAPA. The Office of EBO has approved the extension of the NAPA Contract for 1 year through July 21, 2021. As part of this renewal Amendment, FDO would like to add to the contract an SBE price preference on the purchase by NAPA of parts for FDO and Fire Rescue.

**Request:** Under EBO PPM Attachment 4, apply an SBE price preference to the NAPA Contract

**Background:** NAPA provides on-site integrated inventory management services to FDO and Fire Rescue (the NAPA Contract). Under the NAPA Contract, NAPA provides to both FDO/Fleet and to Fire Rescue comprehensive in-house store automotive parts functions including the provision of all materials, equipment, parts and supplies required for operation and maintenance with no less than an 80% in-stock availability for all parts requested.

The NAPA Contract provides that the County will pay NAPA: (i) 10% above both NAPA Product Costs and Non-NAPA Product Costs (except for parts over \$3500 the markup is only 5%); and (ii) for operational costs that were included within the annual budget approved by the County during its normal budget process. NAPA provides on-going review and adjustment of inventory, access to automotive and heavy-duty replacement parts and delivery of non-stocked parts. The inventory includes NAPA Products as well as Non-NAPA Products, based on FDO/Fleet and Fire Rescue’s individual requirements.

The NAPA Contract was made in accordance with the Palm Beach County Purchasing Code, which authorizes the County to purchase services and supplies from a competitively bid proposal or contract secured by another governmental entity or government-related association, in this case the National Joint Powers Alliance (NJPA) Contract No. 010511-GPC, now known as the Sourcewell Contract No. 061015-GPC (the Sourcewell Contract). The County chose the Sourcewell Contract to piggyback due to its favorable terms. The Sourcewell Contract which was the subject of this County piggyback has been extended by Sourcewell through July 21, 2021. Accordingly, FDO/Fleet and Fire Rescue desire to amend the NAPA Contract to extend the Agreement through July 21, 2021.

The NAPA Contract currently contains local preference language for all NAPA and Non-NAPA products purchased, and NAPA achieved 43% local participation on parts in 2019.

In the Renewal Amendment, FDO would like to add to the NAPA Contract a Small Business Enterprise (SBE) price preference for all NAPA and Non-NAPA products purchased by NAPA for FDO and Fire Rescue. Under EBO PPM Attachment 4, the NAPA Contract would be revised to provide that NAPA purchase from

a County certified SBE providing that the SBE can meet all product specifications (including timeliness of delivery) and costs do not exceed 10% of the price by which NAPA can obtain the part meeting identical specifications (including timeliness of delivery) from a non-SBE.

NAPA purchases approximately \$4.7M of parts per year for FDO and Fire Rescue.

## ATTACHMENT 4

### PILOT PROGRAM INITIATIVES

#### **GOODS AND SERVICES**

In contracts where the County has outsourced the procurement function (i.e. the vendor is performing procurement services for the County) the following contract clause shall be implemented as a pilot program for a period of up two (2) years. The Office of EBO will be responsible for evaluating and reporting to the County Administrator on the effectiveness of this contract clause. Effectiveness can be measured by the increase in the dollar value of SBE participation on such contracts and other relevant factors as developed by the Office of EBO and the Originating Departments.

#### **1. Goods and Services (Race and Gender Neutral Remedies) – SBE Price Preference where procurement services are outsourced to a vendor**

If the County has outsourced a procurement function to a vendor, then the GSC may allow such vendor to apply an SBE price preference where the vendor will acquire goods from an SBE provided that the SBE can meet all the product specifications (including timeliness of delivery) and costs do not exceed 10% more than the price which the vendor can obtain the goods meeting identical specifications from a non-SBE.

**2. Outreach Coordination with the Office of EBO.** During the term of the outsourcing contract, the vendor shall work closely with the staff of the Office of EBO to identify SBEs that can provide the goods required under the outsourcing contract.