

47115

## Delegated Authority Memorandum

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**TO:** Mark S. Woodard, County Administrator  
**THROUGH:** Paul Sacco, Assistant County Administrator  
**FROM:** Joe Lauro, Director  
Purchasing Department *Joe Lauro*  
**DATE:** April 21, 2015  
**SUBJECT:** First Amendment – Purchase Authorization – Vehicle and Equipment Parts Management System  
Contract No. 134-0296-PB(PF)

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**Recommended Action:**

Recommend the County Administrator approve and sign the first amendment to the purchase authorization with Genuine Parts Company d/b/a National Automotive Parts Association (NAPA), Atlanta, Georgia for the Vehicle and Equipment Parts Management System.

**Summary:**

The purpose of this amendment to the purchase authorization is to authorize NAPA to manage the disposition of non-purchased parts inventory at no cost to the County. Non-purchased inventory is defined as any inventory, owned by the County, which was not used during the twelve (12) months preceding commencement of the NAPA agreement.

Fleet Management considers this inventory obsolete because it is not needed to support current assets. Most of the obsolete or non-purchased inventory is old and from discontinued vehicles making it difficult to source a buyer. The obsolete inventory has a book value of \$42,553.72. Fleet Management intends to engage NAPA, using their extensive manufacturer and distributor network to dispose of the obsolete parts.

Under the terms of responsibility for the disposition of the non-purchased inventory, NAPA will work with their manufacturers to change over the non-purchased product to NAPA-branded product. NAPA will also work with non-NAPA vendors to return unused parts. All remaining non-returnable products will be returned to the County, prepared and packaged to be sold as surplus by the County. During the course of the disposition process, NAPA will report back to the County on the current stock and value of the non-purchased inventory, when requested.

**Background/Explanation:**

The Board of County Commissioners approved this purchase authorization on November 18, 2014 for the purpose of obtaining a parts, services and inventory management system from NAPA.

Pricing, terms and conditions are per National Joint Powers Alliance contract 010511-GBC.

Under the terms of the original agreement, NAPA was required to value the County's entire fleet parts inventory. The method to determine value was Fleet Management's original parts purchase price. NAPA was required to purchase all current useable, saleable inventories that had usage in the past twelve (12) months. The purchased inventory had a value of \$81,667.72, for which NAPA has compensated the County. By default, the balance of the parts inventory is defined as non-purchased inventory and valued at \$42,553.72.

**Fiscal Impact:**

NAPA is offering this service at no cost to the County. Credits obtained from the disposition of the non-purchased inventory will be applied to future new part costs at the time it is dispensed from the NAPA inventory. The estimated credit to be received is to be 25-30% of the non-purchased inventory value.

**Delegated Authority:**

Authority for the County Administrator to approve this amendment is granted under Code Section 2-62 (a)(2).

**Attachments:**

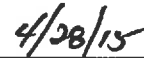
Contract Review

First Amendment with Exhibit A

Recommendation Approved:

  
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Mark S. Woodard, County Administrator

Date:

  
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4/28/15

