

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village**  
**7/17/2018**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
Amendment to Agreement - Vendor Managed Inventory Program	Nan Newlon Director of Public Works

**SYNOPSIS**

A resolution has been prepared to authorize an amendment to the agreement with Genuine Parts Company/National Auto Parts Association (NAPA) of Naperville, Illinois for fleet parts and inventory program services for a not to exceed amount of \$716,412 for the two-year period.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2017-2019 include *Exceptional Municipal Services*.

**FISCAL IMPACT**

The cost for this contract in 2018 is estimated to be \$358,206. The FY18 budget includes \$358,206 in the Fleet Services Fund (Page 4-39, Lines 17 and 18) for this contract.

**RECOMMENDATION**

Approval on the July 17, 2018 consent agenda.

**BACKGROUND**

The Village awarded a three-year contract to Genuine Parts Company/National Auto Parts Association on September 15, 2015 for fleet parts and inventory program services in a not to exceed amount of \$1,000,500. This amount is based on three pricing components including operational costs, a management fee, and product costs described as follows:

- The Operational Costs shall not exceed \$97,000 per year.
- The Management Fee shall remain fixed at 10% of the total net sales.
- Product Costs shall remain at jobber net store acquisition cost for NAPA-branded products and NAPA's acquisition cost plus 0% mark-up for non-NAPA products.

The vendor has agreed to extend the contract with no cost increases until September 8, 2020.

**ATTACHMENTS**

Contract Amendment  
Resolution

**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION AUTHORIZING AN AMENDMENT TO THE AGREEMENT  
BETWEEN THE VILLAGE OF DOWNERS GROVE  
AND GENUINE PARTS COMPANY D/B/A NAPA**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Amendment (the "Agreement"), between the Village of Downers Grove ("Downers Grove") and Genuine Parts Company d/b/a NAPA ("Supplier"), for fleet parts and inventory program services, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_

Village Clerk

**AMENDMENT TO THE AGREEMENT BETWEEN  
THE VILLAGE OF DOWNERS GROVE AND  
GENUINE PARTS COMPANY d/b/a NAPA**

The Village of Downers Grove, Illinois ("Downers Grove") and Genuine Parts Company d/b/a NAPA ("Supplier") entered into an Agreement for fleet parts and inventory program services on or about September 8, 2015. Pursuant to the terms stated therein, the parties desire to amend and extend that agreement for a two-year period under the following terms:

1. The Paragraph entitled "OPTION TO EXTEND" in Section III. Detail Specifications is hereby amended to read as follows:

The Parties may agree to extend this Agreement one time for a two-year extension.

2. The Agreement shall be extended for a two-year period ending September 8, 2020.
3. The fees, costs and pricing shall remain the same as in the 2015 Agreement as follows:
  - a. The Operational Costs will be billed to Downers Grove at cost and shall not exceed \$97,000 per year for each year of the Agreement.
  - b. The Management Fee will be billed to Downers Grove and shall remain fixed at 10% of the total net sales for the two-year term of the Agreement.
  - c. Product Costs will be billed to Downers Grove and shall remain at jobber net store acquisition cost for NAPA branded products and NAPA's acquisition cost plus 0% markup for non-NAPA branded products.
4. All other terms from the 2015 Agreement remain in full force and effect.

[Remainder of page intentionally left blank / Signatures appear on next page]

VILLAGE OF DOWNERS GROVE

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Attest:

\_\_\_\_\_  
April Holden, Village Clerk

Date: \_\_\_\_\_

GENUINE PARTS COMPANY d/b/a  
NAPA

*Dennis Dills*

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Attest:

*Andrea Martini*

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Date: 6/19/18