



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2016-0221

TO: Mayor and City Council Members

FROM: Allan Schneck, P.E., Director Department of Public Services

DATE: June 20, 2016

SUBJECT: Third Party OEM Auto Parts

REQUEST:

City Council is requested to authorize an increase to the blanket purchase order for Third Party OEM Auto Parts to Rowerdink, Grand Rapids, Michigan and other auto parts vendors as required in the amount of \$15,000.00 for a new not-to-exceed amount of \$39,000.00 to expire on October 31, 2017.

REASON FOR PURCHASE:

Request for Proposals were solicited on the MITN e-procurement system on behalf of the cities of Farmington Hills and Rochester Hills with additional extension to the MITN Purchasing Cooperative. Notification was sent to over one-hundred (100) vendors with two (2) vendors responding.

Third Party OEM parts are those parts made by direct partners of the auto manufacturer's and authorized for installation, when doing warranty work. As car manufacturers have brought sales of Standard OEM parts back in house and only sell them from dealerships, at retail level pricing; purchasing Third Party OEM parts has become a great way to save money. Brands include AC Delco (approved as a substitute for GM parts), Motorcraft (approved as a substitute for Ford) and several others.

The request for proposal includes a discounted price structure for parts manufacturers. This includes auto/truck repair parts for the maintenance of the entire City fleet. Additionally, the request required vendors to meet our stringent delivery requirements for stock parts and emergency needs as well as provide training for staff on current and new parts installation and maintenance.

An increase in this blanket is required due to unanticipated part purchases for repairs to the City's aging ambulances and repairs being required through Fleet's in-sourcing contracts with other agencies.

PROCESS:

The City of Farmington Hills on behalf of the cities of Farmington Hills and Rochester Hills issued a Request for Proposals for Third Party OEM Parts. Brands included AC Delco, Motorcraft and several others. The proposals were evaluated by a committee consisting of members of the cities of Farmington Hills and Rochester Hills. Based on the scoring of the committee, Rowerdink Incorporated was selected as providing the best value based on their competitive pricing, their extensive knowledge of auto/truck repair, and their commitment to customer service as was demonstrated by the many references received from local municipalities.

Vendor Name and Address:

Rowerdink Incorporated
211 Fuller N.E.
Grand Rapids, MI 49503

Reason for Selection:

Best Value

Method of Purchase:

Blanket Purchase Order

BUDGET:

There are additional funds within the Fleet Fund Maintenance Vehicle account (661.938000) for this increase for FY 2016, primarily due to fuel prices coming in lower than were budgeted. Additional funds will be included for the FY 2017 and beyond.

Fund Name	Department Account No	Account No. Description	2-Year Budget Amount	2-year Cost	2-Year Remaining Budget
Fleet Fund	661.938000	Maintenance: Vehicle	\$39,000	\$39,000	\$0

RECOMMENDATION:

City Council is requested to authorize an increase to the blanket purchase order for Third Party OEM Auto Parts to Rowerdink, Grand Rapids, Michigan and other auto parts vendors as required in the amount of \$15,000.00 for a new not-to-exceed amount of \$39,000.00 to expire on October 31, 2017.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		