

**REPORT FROM THE CITY MANAGER TO CITY COUNCIL
NOVEMBER 10, 2014**

SUBJECT: AWARD OF PROPOSAL FOR THIRD PARTY OEM AUTO PARTS

ADMINISTRATIVE SUMMARY

- The Farmington Hills DPW is responsible for the maintenance and repair of over three hundred (300) units of equipment including vehicles, light trucks, heavy equipment and specialty equipment. The City budgets approximately \$40,000 annually for the purchase of both standard original equipment manufacturer (OEM) and third party (OEM) auto and truck parts.
- Third party OEM parts are those parts made by direct partners of the auto manufacturer's and authorized for installation, when doing warranty work. Over the past year car manufacturers have brought sales of standard OEM parts back in-house and only sell parts through 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.
- Request for Proposals were advertised, available on the MITN e-procurement system and opened on Tuesday, October 14, 2014 on behalf of the Cities Farmington Hills and Rochester Hills with additional extension offered to the MITN Purchasing Cooperative. The total estimated purchase volume for participating agencies is \$75,000. Notification was sent to over one-hundred (100) vendors with only two (2) responding. One (1) Dealership (Jefferson Chevrolet) selling OEM Chevrolet parts and Rowerdink, Inc. representing many third party OEM parts.
- The request for proposals calls for a discounted price structure for parts manufacturers. This includes preventive maintenance parts (filters, belts, hoses, etc.) and auto/ truck repair parts for the maintenance of the entire City fleet. Additionally, the request required vendors to explain how they would meet our stringent delivery requirements for stock parts and emergency needs as well as provide information on opportunities for entity staff to be trained on current and new parts installation and maintenance.
- A committee made up of city staff and representatives from Rochester Hills evaluated responses, checked references for all proposals received. The committee is recommending award to Rowerdink, Inc. Their proposal product offering covered our most used third party OEM parts, their pricing was competitive (representing a savings over our current pricing), their knowledge of auto /truck repair was extensive, and their commitment to customer service was demonstrated by the many references received from local municipalities. The committee is confident that Rowerdink, Inc. understands the full scope of the contract and will provide satisfactory service. As the majority of purchases made by both agencies can be filled by third party OEM parts, purchases of standard OEM parts will not be awarded at this time and will be quoted on a case by case basis.
- Funding for auto and truck parts is budgeted and available in the DPW supply account.

EVALUATION TABULATION-ATTACHED

RECOMMENDATION

In view of the above, it is recommended that City Council authorize the City Manager to approve all budgeted purchases for Third Party OEM auto parts to Rowerdink, Inc. for a period of three (3) years and to renew for additional three (3) year period under the same terms and conditions upon mutual consent by the City and said vendor.

Prepared by: Michael Lasley, Director of Central Services
Reviewed by: Kevin McCarthy, DPW Superintendent
Reviewed by: Gary Mekjian, Director of Public Services
Approved by: Steve Brock, City Manager

City of Farmington Hills
RFP TABULATION
RFP-FH-14-15-1838
OEM AUTO PARTS
Opened 10/14/2014
General Info

Company	City/State	Section A-General	Section B Vendor Questionnaire	Section D-Legal Status of Bidder	Section E-Discount Proposal
Rowerdink	Grand Rapids, MI	<p>Complete</p> <p>Family business founded in 1919. Currently nine (9) warehouses. Locally Livonia, Madison Heights & Sterling Heights</p>	<p>Complete</p> <p>References include City of Troy, City of Rochester Hills & Macomb County Department of Roads. Inventories' and obsolete parts will be managed by rep. John Wojciechowski. Accepts on-line, call or fax. Will provide training classes free of charge. Can provide reports and technical help.</p>	<p>Complete</p> <p>Corporation</p>	<p>Complete</p> <p>Dealer Net price + 5% on AC Delco, Motorcraft, Mopar & all other lines represented by Rowerdink</p>
Jefferson Chevrolet	Detroit, MI	<p>Incomplete</p>	<p>Complete</p> <p>Up to 45% restocking fee, No returns on Special orders, electrical or items 10 days after sale. Orders are placed once a day. No buy back plan. City of Detroit & Wayne County are references</p>	<p>Complete</p> <p>Corporation</p>	<p>Complete</p> <p>10-20% off retail A/C Delco & GM parts -unable to provide Cities with a retail price sheet.</p>

City of Farmington Hills
RFP TABULATION
RFP-FH-14-15-1835
OEM AUTO PARTS
Discount listing

Manufacturer	Rowerdink	Jefferson Chevrolet
AC Delco	Dealer Net price + 5%	10-20% retail
Genuine Chrysler	No-Bid	No-Bid
Genuine Ford	No-Bid	No-Bid
Genuine GM	No-Bid	10-20% retail
Mopar	Dealer Net price + 5%	No-Bid
Motorcraft	Dealer Net price + 5%	No-Bid
Alternate Brands not listed	Dealer Net price + 5%	No-Bid

Represents Best Pricing

Rowerdink Sampling

Part #	Description	FH Current Price	Dealer Net Price	Rowerdink Contract Price
92257988	A/C Delco Front Brake	\$97.34	\$72.00	\$75.60
92265457	A/C Delco Rear Brake	\$118.86	\$92.00	\$96.60
BRRF38	Motorcraft Brakes	\$52.04	\$49.98	\$52.48
Total Savings over Current Cotntract		\$268.24		\$224.68

Jefferson Chevrolet (Unable to get directly from them-Used Internet Retail for compariosn)

Part #	Description	FH Current Price	Retail Price	Average 15% off
92257988	A/C Delco Front Brake	\$97.34	\$93.79	\$79.72
92265457	A/C Delco Rear Brake	\$118.86	\$184.00	\$156.40
BRRF38	Motorcraft Brakes	No-Bid	No-Bid	No-Bid
Total Sampling		\$216.20		\$236.12