



# Detroit Water and Sewerage Department

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## Legislation Text

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**File #:** 19-00340, **Version:** 1

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The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve **DWSD to utilize an Omnia Partners cooperative contract with AutoZone Parts, Inc. for two as-needed contracts to purchase automotive parts and supplies for a total amount not-to-exceed \$2,000,000 and a term of up to 2.5 years per contract**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### Agenda of December 18, 2019

#### Item No. 19-00340

**Contractor:** AutoZone Parts, Inc.

**Address:** 7003 Gratiot Avenue, Detroit, MI 48207

**Contract Term:** 12/19/19 - 4/30/20, with two 1-year renewal options exercisable by the DWSD Director as per Omnia Partners extension of cooperative contract #R170201

**Contract No. 6002485 (for warehouse stock items)**

**Contract Amount:** \$2,000,000 per contract

**Contract No. 6002567 (for as-needed/non-stock items)**

**Contract Amount:** \$2,000,000

**TO:** The Honorable  
Board of Water Commissioners  
City of Detroit, Michigan

**FROM:** Gary Brown, Director  
Detroit Water and Sewerage Department

**RE: Proposed DWSD Contracts No. 6002485 & 6002567**  
**Purchase of as-needed automotive parts and supplies from AutoZone Parts, Inc.**

### MOTION

Upon recommendation of Mamata Burgi, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department, authorizes the Director to approve **DWSD to utilize an Omnia Partners cooperative contract with AutoZone Parts, Inc. for two as-needed contracts to purchase**

**automotive parts and supplies for a total amount not-to-exceed \$2,000,000 and a term of up to 2.5 years per contract**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

## BACKGROUND / JUSTIFICATION

Automotive parts and supplies are needed for the maintenance and repairs of DWSD vehicles and equipment. The DWSD Automotive Stores Warehouse stocks frequently used parts. This team is responsible for maintaining adequate inventory levels to meet the Fleet Department's needs. The total of both contract amounts requested will cover the entire term, including all renewal options and will be used by both Fleet for non-inventory part needs and the respective supporting warehouses located at CSF and West Yard for inventory replenishment by Automotive Stores,

Utilizing the Omnia Partners Cooperative Contract #R170201 allows DWSD to benefit from volume pricing while using optimal resources in order to keep DWSD vehicles in good working condition.

Benefits of this contract include:

- 50% discount off list price published on AutoZone Pro
  - On a daily basis, AutoZone's "best pricing logic program" automatically calculates the percent-off discount against any regional or national promotional pricing programs. If the promotional pricing offer provides a lower price than the catalog's normal discount pricing plan, DWSD will receive the lower of the two prices
- OEM, OEM-Quality & Heavy Duty Parts
- Chemicals, shop supplies, tools, equipment & accessories
- Bulk discounts available
- Online ordering - no additional membership fee
- On-demand delivery in less than an hour within five miles
- Multiple store locations near DWSD facilities

AutoZone stores located within 5 miles of DWSD locations that can deliver in less than 1 hour from time of order:

AutoZone Locations Near CSF	Distance to CSF	AutoZone locations near West Yard	Distance to WY
8801 Joseph Campau, Hamtramck, MI	2.2 miles	9423 Telegraph, Redford, MI	2 miles
7003 Gratiot Ave, Detroit, MI	2.4 miles	24250 Five Mile, Redford, MI	3.3 miles
12601-27 Gratiot, Detroit, MI	3.3 miles	19850 Grand River, Detroit, MI	3.6 miles
20550 Mound, Detroit, MI	3.8 miles	13465 Middle Belt, Livonia, MI	5 miles
12801 Woodward, Highland Park, MI	4.8 miles		

## PROCUREMENT METHOD

The DWSD Procurement Policy allows for participation in cooperative purchasing agreements from other

public purchasing consortiums of competitively solicited contracts. Omnia Partners through the National Intergovernmental Purchasing Alliance (National IPA) issued a Request for Proposals (RFP) #17-02 for automotive parts and supplies and awarded based on the highest ranked proposal. The contract term is through April 30, 2020, with two 1-year renewal options.

The DWSD Procurement Policy requires that Detroit Based Businesses (DBB) and Detroit Resident Businesses (DRB) be provided an exclusive opportunity to submit a bid that is equal to or less than the cost of the cooperative purchase price, provided the DBB or DRB will meet or exceed all terms and conditions of the original cooperative contract.

To ensure compliance, DWSD Procurement issued an Invitation to Respond (ITR) on MITN, which yielded three intent to bid responses but only one submitted a bid. Upon reviewing the bid submitted, they were not a certified DBB or DRB business and therefore did not qualify.

Based on the information above, DWSD recommends awarding two contracts to AutoZone Parts, Inc. One will be for items stocked and maintained by the warehouse and the other will be for as-needed items not stocked on a regular basis.

## **SUMMARY**

A. Contract Numbers:	6002485 (BPA) & 6002567 (CPA)
B. Contractor:	AutoZone Parts, Inc.
C. Contract Term:	12/19/19 - 4/30/20, with two 1-year renewal options
D. Contract Amount:	\$4,000,000 (combined total amount)
E. Fiscal Year Breakdown:	FY 19-20: \$ 800,000 (combined total amount) FY 20-21: \$1,600,000 (combined total amount) FY 21-22: \$1,600,000 (combined total amount)
F. Funding Source:	O&M Funds
G. GL String[s]:	5720-20276-487611-624115-001688-10732-0000-000000 - 100%

This proposed contract was presented to the DWSD Finance Committee on December 4, 2019. Per the DWSD Procurement Policy, Post FRC Mayoral review was obtained in October 2019.