SUMMARY STATEMENT

ITEM NO. ITEM NO.

SUBJECT: Auto Parts Contract for DRPA and PATCO

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: November 14, 2007

BOARD ACTION DATE: December 12, 2007

PROPOSAL: That the Board authorizes staff to negotiate a contract with Parts Distributors LLC, Moorestown, NJ for purchase of Aftermarket Automotive Parts for DRPA and PATCO.

Amount: $150,000.00 per year

Contractor: Parts Distributors LLC
901 North Lenola Road
Moorestown, NJ 08057

PURPOSE: To negotiate the supply contract to purchase auto parts to support the fleet operations of DRPA and PATCO at the lowest overall cost available and to maintain an adequate inventory of auto parts.

BACKGROUND: In an effort to maximize the price discounts and benefits offered by national wholesale distributors of auto parts, a joint procurement effort was made with members of the New Jersey Interagency Coordinating Committee. The Committee is comprised of Regional Transportation Agencies from Pennsylvania, New Jersey and New York. The combined dollar value of the joint procurement for the Committee is approximately four million dollars annually. The auto parts requirements for DRPA and PATCO are approximately $150,000 annually.

Bids were publicly advertised and issued to fifteen (15) prospective bidders. Parts Distributors, LLC was the lowest of three (3) bids received.

Parts Distributors has been under contract with the New Jersey Interagency Coordinating Committee since 2001. The benefits DRPA and PATCO will be receiving are as follows:

1. Pricing discounts off manufacturers “Jobber” price list. This is the lowest price offered by auto parts distributors to its customers and is based on high volume purchasing. This should result in
annual cost savings of approx. $40,000 for DRPA and PATCO.

2. Delivery up to two (2) times per day at all DRPA and PATCO facilities.

3. Auto parts meet or exceed Original Equipment Manufacturers (OEM) Specifications.

4. Reduction in inventory and parts obsolescence.

5. Training on manufacturer’s technical updates and information clinics.

Staff has completed the evaluation of the three (3) bids received and recommends that a contract be negotiated for the purchase of auto parts for DRPA and PATCO with Parts Distributors LLC, Moorestown, NJ, in an annual amount of approx. $150,000 for a period of three (3) years with the option to renew for two (2) additional years.

**SUMMARY:**

- **Amount:** $150,000
- **Source of Funds:** Revenue Fund
- **Capital Project #:** N/A
- **Operating Budget:** 2008 and subsequent years
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** January 1, 2008 to December 31, 2010 with the option to renew for two (2) additional years.
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with Parts Distributors LLC for the purchase of auto parts to support DRPA and PATCO fleet operations for a period of three (3) years with the option to renew for two (2) additional years, as per attached Summary Statement for a total amount of approx. $150,000 annually during this period; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of DRPA and PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer, and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA and PATCO, along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA and PATCO.

SUMMARY:
Amount: $150,000.00
Source of Funds: Revenue Fund
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Operating Budget: 2008 and subsequent years
Master Plan Status: N/A
Other Fund Sources: N/A
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Other Parties Involved: New Jersey Interagency Coordinating Committee