

## **EWEB Board Consent Calendar Request**

### *For Cooperative Contracts*

The Board is being asked to authorize the use of a cooperative contract for Vendor Managed and Inventory Logistics Management Solutions for Fleets and Facilities with NAPA Genuine Parts Company dba TWGW, Inc.

Board Meeting Date: August 5, 2025

Project Name/Contract #: Vendor Managed and Inventory Logistics / 25-126-GS

Manager: Scott Milovich Ext. 7408

Executive Officer: Karen Kelley Ext. 7153

**Expected Spend: \$10.2 million (6-years, December 30, 2025 – December 3, 2031)**

#### Narrative:

The Board is being asked to authorize the use of the NAPA Integrated Business Solutions Agreement #090624-GPC, a cooperative contract through Sourcewell, for the supply of certain automotive parts as well as Integrated Business Solutions (IBS) to manage, maintain and distribute the parts via the in-house NAPA storeroom.

#### Operational Requirement and Alignment with Strategic Plan

It is essential for the utility to have safe and reliable transportation and equipment to meet the needs of our customers while ensuring the safety of employees. EWEB's Fleet Services provides the management and maintenance of over 440 vehicles, power-operated equipment and trailers that make up the EWEB fleet. With such a wide variety of vehicles and equipment in service, having a robust parts inventory is critical to keeping the fleet operational and safe.

The U.S. bureau of Labor Statistics has shown a 15% average per year increase in motor vehicle parts since 2022. During that time EWEB Fleet operations has averaged an 11.5% increase per year. With the anticipated tariffs (up to 25%), growing fleet count, aging the fleet to maximize the useful life cycles, along with the spike in commodity cost affecting replacement part(s) manufacturing; the transportation sector is still expecting higher-than-normal annual cost for parts and materials to continue over several years.

In 2016, EWEB's Fleet Services entered into an agreement with NAPA IBS to reduce budgets and increase efficiencies in the Fleet operation. Since implementing the IBS program, EWEB Fleet Services has been able to establish a cost-effective strategy for our parts needs. By taking these factors into account, the IBS program has helped to minimize performance disruptions, promote efficiency, reduce carrying costs, and increase staff productivity, ultimately, producing a successful spare part management program for EWEB Fleet Services.

#### Purchasing Process

Sourcewell, a State of Minnesota local government agency and service cooperative, issued RFP 090624 on July 16, 2024, to establish a national cooperative contract for Vendor Managed Inventory and Logistics Management Solutions for Fleets and Facilities with related parts, supplies, and services. This solicitation was published in the Daily Journal of Commerce in Oregon on July 17, 2024. Sourcewell awarded a contract to NAPA Genuine Parts Company on December 17, 2024. This contract expires on December 3, 2028, and may be extended up to three (3) additional one-year periods, until December 3, 2031.

#### **ACTION REQUESTED:**

Management requests the Board authorize the use of a cooperative contract for Vendor Managed Inventory and Logistics Management Solutions for Fleets and Facilities with NAPA Genuine Parts Company dba TWGW, Inc. Approximately \$1.3 million was planned for these goods and services in the Support Services 2025 budget of \$19 million. Variances will be managed within the budget process and Board policy.

**BUDGET CATEGORY:** Support Services O&M, Fleet, EWEB Equipment