



**COUNTY OF NEVADA**  
**COMMUNITY DEVELOPMENT AGENCY**  
**DEPARTMENT OF PUBLIC WORKS**  
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Sean Powers  
Community Development Agency Director

Trisha Tillotson  
Director of Public Works

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**NEVADA COUNTY BOARD OF SUPERVISORS**  
**Board Agenda Memo**

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**MEETING DATE:** January 8, 2019

**TO:** Board of Supervisors

**FROM:** **Scotty Borrer, Fleet Services Manager**

**SUBJECT:** Resolution approving and authorizing execution of Amendment No. 1 to the Agreement with Riebes Auto Parts, LLC., for a Vendor Managed Inventory (VMI) parts facility operation and reducing the amount of the contract to a new maximum amount not to exceed \$534,972

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**RECOMMENDATION:** Adopt the Resolution.

**FUNDING:** This agreement directly impacts the Fleet Services budget. Costs associated with this agreement will be spread to County Departments that utilize vehicles by the Fleet Services Division. No budget amendment is needed and there is no additional impact to the General Fund.

**BACKGROUND:**

On March 13, 2017, the Nevada County Board of Supervisors adopted Resolution 18-104 approving an agreement with Riebes Auto Parts, LLC., for a vendor managed inventory (VMI) parts facility operation for the period of April 1, 2018 through June 30, 2019. The implementation of a Vendor Managed Inventory (VMI) parts facility operation was based on the expected increase in shop efficiency along with the expected reduction in bottom line expenses.

While this has been the case in most instances, there are some inventory items Fleet cannot purchase through the VMI as economically as through a government pricing contract. Approximately 75% of the tires Fleet purchases are included in the government pricing contract through a local tire vendor. These government pricing schedules cannot be utilized by private contractors even for the benefit of government entities. The price difference is significant enough for Fleet to opt out of buying tires through Riebes Auto Parts, LLC.,.

To work in line with the intent of the VMI, Fleet has elected to purchase tires directly from our tire vendors, but have given the management of that inventory asset to Riebes Auto Parts, LLC.,. Riebes Auto Parts, LLC. has agreed to manage Fleet's tire inventory for a management fee of 7% of the tire cost. Riebes Auto Parts, LLC., will bill the tire management fee on work orders and will issue tires directly from Fleet's inventory. Riebes Auto Parts, LLC., will remain responsible for the issuance and management of the tire inventory purchased by the County. The tires will remain County assets.

The parts total for the entire contract will need to be reduced by \$115,860, which is 75% of the 2018/19 estimated budget for tires. The current fiscal year encumbrance will be reduced to \$434,656 with the maximum total contract price reduced to \$534,972. The funds will be returned to the Fleet expense budget to allow Fleet to encumber the funds for the purchase of tires that are on the government pricing schedule.

**Item Initiated by:** Scotty Borrer, Fleet Services Manager

**Approved by:** Trisha Tillotson, Director of Public Works

Submittal Date: November 7, 2018

Revision Date: December 17, 2018