



Sourcewell Pricing for NAPA IBS Contract #061015

Sourcewell members that elect to use the Sourcewell NAPA IBS #061015 Contract have two options for pricing models based on our on-site vendor managed inventory model.

Sourcewell Member Pricing Option 1: 10% Gross Margin Model

Parts Costs

NAPA Branded Parts Supplied to customer will be sold NAPA Jobber Store Acquisition Cost divided by a factor of .90 = Customer purchase price of NAPA branded part. This is a not-to exceed pricing structure.

Non-Source (non-NAPA Branded) Parts Supplied to customer will be sold at IBS store acquisition cost from vendor divided by a factor of .90 = Customer purchase price of NAPA branded part. This is a not-to exceed pricing structure.

Operating Costs

The operating expenses of the store are also billed on a separate bill to the customer in their entirety at cost. Industry standard for vendor managed inventory services has been for the vendor to supply a monthly, detailed operating statement to show all operating expenses and billing categories for expenses to run these operations per contract. In most cases customers prefer this model to bill operating expenses separate from the price of the part. Since each Sourcewell member has different operational needs, the operating costs will vary depending on hours of operation, staff and specific operating processes and needs of the member.

Sourcewell Member Pricing Option 2: Sourcewell Pricing Profile Model

We have a small set of government/education fleet customers – usually ones that service and bill multiple internal customers who ask us for an alternative model where our IBS operating expenses are built into the parts margins – so they may bill the proportionate operating expenses within the price of the part when they bill their internal agencies. For that reason, we have created a second pricing option for SOURCEWELL contract holders wishing to go to IBS contract.

Parts Costs

NAPA Branded Parts Supplied to customer will be sold at the NAPA Parts Contract Pricing profile 9074 –This is a not-to exceed pricing structure. The NAPA Branded Parts Pricing in this model is billed to customer on the identical 9074 pricing profile used in our NAPA Auto Parts Awarded Traditional SOURCEWELL contract #062916 and is documented in the pricing section of their web landing page.

Non-Source (non-NAPA Branded) Parts Supplied to customer will be sold at IBS store acquisition cost from vendor divided by a factor of .75 = Customer purchase price of NAPA branded part. This is meant to yield a 25% margin on parts. This is a not-to exceed pricing structure.

Operating Costs

In this option, the operating expenses are not billed to the customer. The additional gross margin from all parts sales for the month are intended to cover most of the monthly operating expenses in this model. At the end of each month, the customer will be refunded or charged based on failure to achieve an overall 10% net margin for NAPA IBS for that month.