



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 3/13/2025

File ID: TMP-5280

Department: Finance

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to amend contract #18-2025-15 between the City of Huntsville and Madison County Auto Parts, Inc. for the provision of Automotive & Equipment Parts Dispensing Services that was awarded February 13, 2025 pursuant to Resolution No. 25-94.

Resolution No.

Finance Information:

Account Number: Varies depending on department.

City Cost Amount: \$ Varies; depending on product cost & quantity.

Total Cost: \$ Varies; depending on product cost & quantity.

Special Circumstances:

Grant Funded: \$ N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: N/A

Location: (list below)

Address: N/A

District: District 1 District 2 District 3 District 4 District 5

Additional Comments:

Amends termination provision and inventory buy-back provision.

RESOLUTION NO. _____

WHEREAS, the City of Huntsville entered into contract (the “Contract”) with Madison County Auto Parts, Inc. (“MCAP”) for the automotive and equipment parts dispensing services on February 13, 2025 under Contract #18-2025-15 pursuant to Resolution No. 25-94; and

WHEREAS, the Contract included a provision under Section 2.24 that the City reserves the right to terminate the contract without cause by providing a thirty (30) day written letter of cancellation; and

WHEREAS, the adjoining Parts Shop Lease Agreement (the “Lease”) included a provision under Section 13 that the City reserves the right to terminate the contract without cause by providing a thirty (30) day written notice and reserved the right to buy all or part of the inventory stored on the City premises; and

WHEREAS, the Contract nor Lease include a provision for Madison County Auto Parts, Inc. to terminate; and

WHEREAS, as a provision of their bid proposal, Madison County Auto Parts, Inc. requested that the Contract and Lease be amended to include a provision permitting their right to terminate without cause and a provision requiring the City to purchase all non-NAPA owned inventory stored on the City premises upon termination, expiration, or non-renewal of the Contract and Lease.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree to modify the Contract and Lease as follows:

1. Inclusion of the provision permitting Madison County Auto Parts, Inc. to terminate the Contract and Lease, without cause, by providing the City with a sixty (60) day written notice of termination.
2. Amending of the inventory buy-back provision to state that upon termination, expiration, or non-renewal of the Contract and Lease parties shall perform an audit of remaining inventory items to determine the value and quantities of remaining items. Parties shall then negotiate the dollar value and equivalent percentage of inventory items that shall be purchased by the City.
3. Inclusion of a provision establishing a negotiated inventory buy-back amount not to exceed (NTE) \$250,000.00 over the life of the Contract and Lease.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Huntsville, Alabama authorizes the execution of Modification No. 1 to modify the February 13, 2025, contract executed under Resolution No. 25-94.

ADOPTED this the 13th day of March, 2025

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 13th day of March, 2025.

Mayor of the City of Huntsville,
Alabama

Modification No. 1 to Contract
Between the City of Huntsville, Alabama and
the Madison County Auto Parts, Inc.

MODIFICATION NO. 1 TO CONTRACT
FOR AUTOMOTIVE & EQUIPMENT PARTS DISPENSING SERVICES

This Modification No. 1 to Agreement for Automotive & Equipment Parts Dispensing Services Contract (this "Modification") is made and entered into on the 13th day of March 2025, by and between the **City of Huntsville**, a municipal corporation in the State of Alabama, hereinafter referred to as the "City," and **Madison County Auto Parts, Inc.**

WITNESSETH:

WHEREAS, the City and Madison County Auto Parts, Inc. entered into Automotive & Equipment Parts Dispensing Services contract (the "Contract") awarded pursuant to Resolution No. 25-94 at the February 13, 2025, Huntsville City Council meeting; and

WHEREAS, the Contract included a provision under Section 2.24 that the City reserves the right to terminate the contract without cause by providing a thirty (30) day written letter of cancellation; and

WHEREAS, the adjoining Parts Shop Lease Agreement (the "Lease") included a provision under Section 13 that the City reserves the right to terminate the contract without cause by providing a thirty (30) day written notice and reserved the right to buy all or part of the inventory stored on the City premises; and

WHEREAS, the Contract nor Lease include a provision for Madison County Auto Parts, Inc. to terminate; and

WHEREAS, as a provision of their bid proposal, Madison County Auto Parts, Inc. requested that the Contract and Lease be amended to include a provision permitting their right to terminate without cause and a provision requiring the City to purchase all non-NAPA owned inventory stored on the City premises upon termination, expiration, or non-renewal of the Contract and Lease.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree to modify the Contract and Lease as follows:

1. Inclusion of the provision permitting Madison County Auto Parts, Inc. to terminate the Contract and Lease, without cause, by providing the City with a sixty (60) day written notice of termination.
2. Amending of the inventory buy-back provision to state that upon termination, expiration, or non-renewal of the Contract and Lease parties shall perform an audit of

remaining inventory items to determine the value and quantities of remaining items. Parties shall then negotiate the dollar value and equivalent percentage of inventory items that shall be purchased by the City.

3. Inclusion of a provision establishing a negotiated inventory buy-back amount not to exceed (NTE) \$250,000.00 over the life of the Contract and Lease.

IN WITNESS WHEREOF, the parties hereunto entered into this Modification Agreement on the date written above.

I affirm that I understand and agree that any form of electronic signature, including but not limited to signatures via facsimile, scanning, or electronic mail, may substitute for the original signature and shall have the same legal effect as the original signature.

ATTEST

MADISON COUNTY AUTO PARTS, INC.

By: Terri Bates

By: Wes Breland Wes Breland

(Printed Name) Terri Bates

Its: Owner, Secretary/Treasurer

ATTEST

CITY OF HUNTSVILLE, ALABAMA

By: _____

Shaundrika Edwards

Its: City Clerk

By: _____

Tommy Battle

Its: Mayor

STATE OF ALABAMA)
)
COUNTY OF MADISON)

AGREEMENT BETWEEN THE CITY OF
HUNTSVILLE AND MADISON COUNTY AUTO PARTS INC
FOR THE LEASE OF THE PARTS ROOM
AT THE CITY OF HUNTSVILLE REPAIR SHOP FOR THE
PURPOSE OF PROVIDING AUTOMOTIVE AND EQUIPMENT
PARTS SERVICES.

LEASE AGREEMENT:

THIS LEASE AGREEMENT is executed by and between the City of Huntsville, a municipal corporation in the State of Alabama, (hereinafter referred to as "City") and Madison County Auto Parts, Inc. (hereinafter referred to as "the Contractor").

WITNESSETH:

WHEREAS, the City has solicited and received bids for Automotive and Equipment Parts Dispensing Services for the City of Huntsville Main Repair Shop located at 2739 Johnson Road, Huntsville, Alabama 35805 and the Outdoor Power South Repair Shop located at 3242 Leeman Ferry Road, Huntsville, Alabama 35801.

WHEREAS, the Contractor will occupy the Parts Rooms located at both City of Huntsville Repair Shop locations where automotive and equipment parts dispensing services will be provided solely for the City of Huntsville.

The Invitation for Bid# 18-2025-15 and the Bid Response submitted by the Contractor is hereby incorporated by reference. In the event of a conflict, the order of precedence is the negotiated Invitation for Bid document, dated December 30, 2024, this Agreement, then the Bid Response.

NOW THEREFORE, IN CONSIDERATION OF THE PREMISE, COVENANTS AND AGREEMENTS HEREIN UNDERTAKEN to be kept and performed by the parties, the City hereby leases to the Contractor and the Contractor hereby leases from the City for the use of the Parts Room located at both City of Huntsville Repair Shop locations further described in paragraph 1, according to the terms, covenants, conditions and agreements as hereinafter stated, to wit:

1. DESCRIPTION OF THE PREMISES:

- A specified area consisting of approximately 1746 square feet located at 2739 Johnson Road, Huntsville, AL 35805, Madison County, Alabama.
- A specified area consisting of approximately 585 square feet located at 3242 Leeman Ferry Road, Huntsville, Alabama 35801, Madison County, Alabama.

2. TERM OF THE LEASE:

The term of the lease shall be for a period of one year commencing from the date of the notification to proceed, which shall be issued after the execution by the last party to sign this lease and immediately following the transition period. This term shall automatically renew itself thereafter on the same terms and conditions for additional consecutive periods for each consecutive year for terms as allowable by State law unless either party provides written notice of its intention not to renew to the other party within thirty (30) days prior the end of the yearly lease term. If during the lease term or any renewal thereof the City needs the Contractor to vacate the Premises for any period of time, the City shall provide sixty (60) days written advance notice to the Contractor.

3. RENT:

The City shall lease the spaces described in paragraph 1 at no cost to the Contractor.

President of the City Council

Date: _____

4. **HOLDING OVER:**
In the absence of any written agreement to the contrary, if the Contractor should remain in occupancy of the premises after the expiration of the lease term, the Contractor shall so remain as a tenant from month to month and all provisions of the Lease applicable to such tenancy shall remain in full force and effect.
5. **USE OF PREMISES:**
The premises shall be used and occupied by the Contractor to provide Automotive and Equipment Parts Dispensing Services to the City of Huntsville. The Contractor shall at all times fully and promptly comply with all law, ordinances, (all City owned facilities and vehicles are smoke-free) orders, and regulations of any lawful governmental authority having jurisdiction over said Premises. The Contractor shall receive mail from the United States Postal Service from the mailbox located at 4203 E. Schrimsher Lane, Huntsville, Alabama 35805.
6. **PARKING:**
The City will provide parking for the Contractor's employees occupying the premises at 2739 Johnson Road and 3242 Lecman Ferry Road, Huntsville, Alabama.
7. **INSURANCE:**
The Contractor shall add the City of Huntsville to its premises liability insurance as a named insured in accordance with the insurance requirements outlined in Appendix A. The Contractor shall furnish the City with a Certificate of Insurance showing the City of Huntsville as a named insured.
8. **MAINTENANCE AND REPAIRS:**
The City shall maintain the premises in good condition, to include the building envelope, roof, air conditioning and heat machinery equipment and will do all repairs, modifications, and replacements which may be required by applicable laws or ordinances.
9. **ALTERATIONS, IMPROVEMENTS, MODIFICATIONS, EQUIPMENT, AND FIXTURE INSTALLATION:**
The Contractor shall be allowed to install telephone lines, and to make superficial modifications to the premises (such as painting) during the term of the Lease agreement if the Contractor elects to do so. All such installations and modifications must be in accordance with Health Department regulations. The Contractor will provide any equipment necessary for containment, storage, or shelving of inventory, or equipment needed by the Contractor in order to conduct business with The City of Huntsville. Any other additions, modifications, (including electrical and plumbing modifications, alterations, or improvements to the interior) shall not be performed without the prior consent of the City. Such improvements will become the property of the City of Huntsville.
10. **PAYMENT OF UTILITIES AND SERVICES:**
The City will promptly pay, when due, all utilities and any applicable taxes levied upon or assessed against the Premises during the term of this lease.
11. **ACCESS TO PREMISES:**
The Contractor shall have access to the premises 24 hours a day, 7 days a week.
12. **ASSIGNMENTS OR SUBLETTING:**
The Contractor may not assign, sublet, or transfer the Premises or any portion thereof.
13. **TERMINATION FOR CAUSE OR CONVENIENCE**
If the City of Huntsville determines that the Contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the City of Huntsville may, by providing written notice to the Contractor, terminate the Contractor's right to proceed with part or all of the remaining work. The City of Huntsville reserves the right to buy all, or part, of the vendor's inventory on City premises at the vendor's cost if the termination should occur.

Inasmuch as the parties' intent is that this lease agreement mirrors the term of the primary contract awarded pursuant to Invitation for Bid# 18-2025-15, any termination of the contract shall be considered an automatic termination of this lease agreement.

The City of Huntsville reserves the right to cancel this contract without cause giving a thirty- day written notice.

IN WITNESS WHEREOF, the parties hereto have entered into this lease agreement on the 13th day of February, 2025.

I affirm that I understand and agrees that any form of electronic signature, including but not limited to signatures via facsimile, scanning, or electronic mail, may substitute for the original signature and shall have the same legal effect as the original signature.

City of Huntsville, Alabama,
A Municipal Corporation

DATE: _____

By: _____
Mayor Tommy Battle

ATTEST:

BY: _____
Shaundrika Edwards
City Clerk

Madison County Auto Parts, Inc

DATE: 2.28.25

By:  _____
Wes Breland, Secretary/Treasurer

ATTEST:

BY:  _____