



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 28, 2022

DATE: June 28, 2022

TO: Peter Zanoni, City Manager

FROM: Charles Mendoza, Director of Asset Management
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Parts for Freightliner, Western Star and Sterling Equipment

CAPTION:

Resolution authorizing a five-year supply agreement with Corpus Christi Freightliner, Inc., of Corpus Christi, Texas, for an amount not to exceed \$2,566,000.00 for the purchase of parts needed to conduct repairs to Freightliner, Western Star and Sterling Equipment, with FY 2022 funding of \$128,300.00 from the Fleet Maintenance Service Fund.

SUMMARY:

This item is to approve a five-year supply agreement for Freightliner, Western Star and Sterling equipment parts that are stocked and utilized by the Asset Management Department for the maintenance of the City's equipment.

BACKGROUND AND FINDINGS:

The Asset Management Departments utilizes Freightliner, Western Star and Sterling equipment parts for the repair and maintenance of associated equipment. It is important that these parts be delivered in a timely manner so that equipment can be turned around, placed back in service and continue to perform required operations.

PROCUREMENT DETAIL:

This is a sole source procurement. Corpus Christi Freightliner, Inc. is the sole distributor for the purchase of parts needed to conduct repairs for Freightliner, Western Star and Sterling Equipment. The markup percentage increased by 4.5% from the previous supply agreement due to supply and demand. Corpus Christi Freightliner is the incumbent.

ALTERNATIVES:

Corpus Christi Freightliner is an authorized sole source provider for these parts. The alternative would require Asset Management personnel to search nationally for companies that carry needed equipment parts. This would be a timely procedure and would hinder repairs to City equipment.

FISCAL IMPACT:

This five-year supply agreement is for an amount not to exceed \$2,566,000.00 and with FY 2022 funding of \$128,300.00 from the Fleet Maintenance Service Fund.

FUNDING DETAIL:

Fund:	5110 Fleet Maintenance Service
Organization/Activity:	40180 Parts Room Operations
Mission Element:	202 Maintain the Fleet
Project # (CIP Only):	N/A
Account:	520210 Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this resolution authorizing a five-year service agreement with Corpus Christi Freightliner, Inc., as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Price Sheet
Supply Agreement