



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of October 31, 2023

**DATE:** October 31, 2023

**TO:** Peter Zaroni, City Manager

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### Auto Parts for Fleet Maintenance

#### **CAPTION:**

Motion authorizing execution of a one-year supply agreement, with two one-year options, with O'Reilly Auto Enterprises, LLC, dba O'Reilly Auto Parts, through the Sourcewell Cooperative, in an amount not to exceed \$80,000.00 and a potential amount of \$240,000.00 if options are exercised, to purchase auto parts for Asset Management - Fleet, with FY 2024 funding of \$74,000.00 from the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This motion authorizes a one-year supply agreement with O'Reilly's Auto Parts through the Sourcewell Cooperative. This agreement will provide automotive parts stocked by the Asset Management Department for repairs of city vehicles by the Fleet Maintenance Division.

#### **BACKGROUND AND FINDINGS:**

The Asset Management Department utilizes O'Reilly's automotive parts for the repair and maintenance of associated equipment. These parts are essential to perform timely repairs. Asset Management performs the majority of vehicle and equipment repairs in-house. Acquisition of these parts is essential to ensure the prosecution of a successful and timely maintenance effort of this equipment. Furthermore, a ready supply of these parts will ensure a continued high operational readiness of city vehicles and equipment. The price list is available upon request.

**PROCUREMENT DETAIL:**

This procurement is being facilitated through the Sourcewell Cooperative. Contracts awarded through the Sourcewell Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements.

Discounts by other cooperative contracts were compared to find the best value for the City. Below is a chart that demonstrates the discounts from the cooperative contracts that were examined.

O'Reilly Auto Enterprises, LLC, dba O'Reilly Auto Parts	41% min discount
TIPS	41% max discount
NCPA	41% max discount

**ALTERNATIVES:**

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to purchase on individual purchase orders the automotive parts on an as-needed basis, which would not be as productive. In addition, a long-term agreement will lock in the cost throughout the term of the contract.

**FISCAL IMPACT:**

The fiscal impact for Asset Management in FY 2024 is estimated at \$74,000.00 for this one-year supply agreement. The remaining amount of \$160,000.00 will be budgeted in future years through the annual budget process.

**FUNDING DETAIL:**

Fund: 5110  
Organization/Activity 40180 Parts Room Operation  
Department 13  
Project # (CIP only) N/A  
Account: 520210 Cost of Goods Sold

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing the execution of a one-year supply agreement with O'Reilly Auto Enterprises, LLC, dba O'Reilly Auto Parts as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Purchase Agreement Co-op  
Price Sheet