



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 18, 2020

DATE: August 18, 2020

TO: Peter Zaroni, City Manager

FROM: Jim Davis, Director of Asset Management
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Vehicle Exhaust Repair for Asset Management

CAPTION:

Motion authorizing a three-year service agreement with Neal Flanagan, dba Flanagan's Muffler Shop No 2 in Corpus Christi, Texas, in an amount not to exceed \$72,800.00, for vehicle exhaust system repairs for Asset Management, effective upon issuance of notice to proceed, with FY 2020 funding in the amount of \$6,000.00 available in the Fleet Maintenance Service Fund.

SUMMARY:

This motion authorizes a three-year service agreement for vehicle exhaust repairs for City vehicles. Vehicle exhaust repairs are necessary to keep our fleet running properly and stay within emissions regulation. Repair services are performed on an as needed basis.

BACKGROUND AND FINDINGS:

The purpose for this service agreement is for vehicle exhaust repair services on City vehicles. Asset Management utilizes these services to keep City vehicles up and running for both diesel and gasoline engines. For diesel powered equipment, Fleet currently does all the exhaust diesel particulate filter (DPF) work in-house. This agenda, however, is to service gasoline engines. Currently, Asset Management utilizes these services on an as needed basis but must solicit bids each time the service is needed. This agenda item will be the first time the City has secured a service agreement for these services. It will create efficiencies for City staff by saving time and effort. The proposed vendor for this contract will do the muffler and catalytic converter work as needed on gasoline

engines. The service agreement is for three years at a 'not-to-exceed' value of \$72,800.00 or \$24,267.00 per year. In the current year, the City has spent \$4,100.00 on this type work. The service agreement allows for additional work to be completed if needed. It should be noted that the City is not required to spend the full \$24,267 each year. It simply provided capacity in the event the services are warranted. Therefore, in the interest of economy and speed, City staff is proposing to enter into a service agreement for this particular task.

The Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids for a new contract. The City received two responsive, responsible bids. Staff is recommending the award to the lowest responsive, responsible bidder Neal Flanagan, dba Flanagan's Muffler Shop No 2. This three-year contract will be the first long-term contract secured by the department. Prior years, this service for vehicle exhaust repairs had been obtained on an as needed basis. Through this bidding process, it was determined that Neal Flanagan, dba Flanagan's Muffler Shop No 2's pricing is approximately 21% less than the other bidder. Additionally, having a longer term agreement will allow these needed services to be obtained more efficiently.

ALTERNATIVES:

The alternative to accepting this service agreement would be to perform the vehicle exhaust repairs in house. However, the department is not staffed, nor equipped to perform this service. The department would require additional staffing, equipment and supplies, which would be a higher cost to the City.

FISCAL IMPACT:

The fiscal impact for Asset Management in FY 2020 is \$6,000.00 for vehicle exhaust repair services for City vehicles. The remaining cost of \$66,800.00 will be funded in future years through the annual budget process.

Funding Detail:

Fund:	5110 Fleet Maintenance Services
Organization/Activity:	40170 Fleet Operations
Mission Element:	202 Maintain the Fleet
Project # (CIP Only):	N/A
Account:	530100 Vehicle Repairs

RECOMMENDATION:

Staff recommends approval of this motion authorizing a three-year agreement with Neal Flanagan, dba Flanagan's Muffler Shop No 2 for vehicle exhaust repair services as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service Agreement

