



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of March 17, 2020

**DATE:** March 17, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Jim Davis, Director of Asset Management  
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### **Supply Agreement for OEM John Deere Parts for Asset Management**

#### **CAPTION:**

Motion authorizing a three-year supply agreement with Ag-Pro Texas, LLC of Boston, Georgia for an amount not to exceed \$762,000.00, for the purchase of OEM John Deere Parts for Asset Management, with FY 2020 funding in an estimated amount of \$127,000.00 available through the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This is a supply agreement for OEM John Deere Parts for approximately 120 units of John Deere equipment repaired in-house by Asset Management – Fleet Maintenance. The headquarters office for Ag-Pro Texas, LLC is in Boston, Georgia, with a location in Taft, Texas. The John Deere locations in Corpus Christi and surrounding communities do not carry agricultural equipment.

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

Asset Management is responsible to keep 120 units of John Deere equipment operating by performing in-house repairs. Asset Management - Fleet Maintenance uses and stocks John Deere parts for in-house repairs on various types of equipment such as zero turn mowers, slope mowers, and compact tractors. This contract represents parts that range across the spectrum of operational requirements, e.g. filters, glass doors, cylinder, pumps and radiators.

The Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids for a new contract. The City received one responsive, responsible bid. Staff determined the price to be fair and reasonable in comparison to fair market

value, and is recommending award Ag-Pro Texas, LLC.

**ALTERNATIVES:**

An alternative is to purchase parts as needed on the open market. This in turn will increase administrative cost. Additionally, a long-term supply agreement allows for a better economy of scale.

**FISCAL IMPACT:**

The fiscal impact to Asset Management for FY 2020 is an amount not to exceed \$127,000.00 for this three-year supply agreement for the purchase of John Deere parts. The remaining cost of \$635,000.00 will be budgeted in future years through the annual budget process.

**Funding Detail:**

Fund:	5110 Fleet Maint Svc
Organization/Activity:	40180 Parts Room Operation
Mission Element:	202 Maintain the Fleet
Project # (CIP Only):	N/A
Account:	520210 Cost of goods sold

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing a three-year supply agreement with Ag-Pro Texas, LLC of Boston, GA, for the purchase of John Deere Parts as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement