



AGENDA MEMORANDUM

Action Item for the City Council Meeting of November 14, 2023

DATE: November 14, 2023

TO: Peter Zaroni, City Manager

FROM: Charles Mendoza, Director of Asset Management
charlesM2@cctexas.com
(361) 826-1941

Josh Chronley, Assistant Director of Finance-Procurement
JoshC2@cctexas.com
(361) 826-3169

Original Equipment Manufacturer (OEM) Ford Parts or Equivalent Parts for Asset Management - Fleet

CAPTION

Motion authorizing execution of two, one-year supply agreements, with two one-year options, with Arnold Oil Company, of Corpus Christi, for \$300,000.00 and with Advance Stores Company, Incorporated, dba Advance Auto Parts, of Raleigh, North Carolina, for \$200,000.00 in a combined amount not to exceed \$500,000.00, and a potential amount of \$1,500,000.00 if options are exercised, for original equipment manufacturer (OEM) Ford or equivalent parts for Asset Management – Fleet, with FY 2024 funding of \$417,000.00 from the Fleet Maintenance Service Fund.

SUMMARY:

This motion authorizes a one-year service agreement with two one-year option periods, with Arnold Oil Company, of Corpus Christi, for \$300,000.00. Additionally, this motion authorizes a one-year service agreement with two one-year option periods, with Advance Stores Company, Incorporated dba Advance Auto Parts, of Raleigh, North Carolina, for \$200,000.00 for Original Equipment Manufacturer (OEM) Ford Parts or Equivalent Parts for Fleet available to City departments.

BACKGROUND AND FINDINGS:

The purpose of this service agreement is for vehicle parts to repair the City's Ford vehicles. These parts are essential and necessary 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.

PROCUREMENT DETAIL:

Finance-Procurement conducted a competitive Request for Bid (RFB) process to obtain bids for a new contract. The City received five responsive bids. The Request for Bid (RFB) indicated a primary and secondary award to provide for a backup contractor in the event the primary Contractor is unable to provide the service in a timely manner. Staff is recommending the award to the first and second lowest, responsive, responsible bidders, Arnold Oil Company as primary and Advance Stores Company, Incorporated dba Advance Auto Parts as secondary.

ALTERNATIVES:

The alternative would be not to secure a long-term supply agreement. However, the Asset Management Department would have to process individual purchases orders when repairs are needed. This would not be as productive. A long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Asset Management in FY24 is \$417,000.00, with the remaining cost of \$1,083,000.00 funded in future years through the annual budget process.

FUNDING DETAIL:

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

RECOMMENDATION:

Staff recommends approval of this motion authorizing two, one-year supply agreements with Arnold Oil Company and Advance Stores Company, Incorporated dba Advance Auto Parts for OEM Ford Parts or Equivalent Parts for Fleet as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreements