



AGENDA EMORANDUM

Action Item for the City Council Meeting August 26, 2025

DATE: August 26, 2025

TO: Peter Zanoni, City Manager

FROM: Juan Rivera, Interim Director of Asset Management
juanr7@cctexas.com
(361) 826-3273

Sergio Villasana, Director of Finance & Procurement
sergiov2@cctexas.com
(361) 826-3227

<p>Service Agreement for Windshield repairs and replacements to fleet vehicles for the Asset Management Department</p>

CAPTION:

Motion authorizing the execution of a one-year service agreement, with two one-year options, with Roland Mendiola dba National Auto Glass, of Corpus Christi, Texas, for windshield repairs and replacements to City fleet vehicles for the Asset Management Department in an amount up to \$129,250.00, with a potential amount up to \$387,750.00 if both option periods are exercised, with FY 2025 funding in the amount of \$26,928.00 from the Fleet Maintenance Service Fund.

SUMMARY:

This motion authorizes a one-year service agreement, with two one-year option periods, for windshield repair and replacement for the Asset Management Department's Fleet Division. Windshield repair and replacement services are essential in maintaining the City's fleet of vehicles.

BACKGROUND AND PURPOSE:

This service agreement will provide for the necessary windshield repairs and replacements, while ensuring compliance with state safety regulations and minimizing operational disruptions. The need for this service agreement arises due to frequent windshield damage caused by environmental factors, road debris, accidents, and other situations that cannot be anticipated.

Windshield service agreements serve as a crucial component in maintaining vehicle integrity, ensuring cost-effective service delivery, and promoting operational efficiency. Establishing a formal agreement helps organizations streamline windshield repair and replacement processes, ensuring compliance with safety regulations while minimizing disruptions. This service agreement is designed to provide consistent service quality, reduce overall maintenance expenses, and enhance fleet readiness.

Asset Management conducted a cost comparison between in-house repairs and contracted windshield repair. The analysis focused on labor rate, part costs, time, and training/equipment. In the case of labor, the in-house average labor rate was cheaper than the contracted labor rate by half (\$27.50 / Hour as compared to \$55 / Hour), but the in-house rate does not include overhead such as benefits and facility costs like the contracted rate does. Furthermore, labor for windshield repairs only covers approximately 10% of total costs per repair, making the in-house labor savings marginal. Another consideration is that if there is a defect in the installation that damages the glass when the work is contracted out, the contractor would be responsible under their lifetime warranty for the replacement of the glass. All defects in installation performed by City mechanics would result in additional costs to the City for replacement, further reducing the appeal to perform the labor in-house.

In the cost comparison, part costs were comparable in-house versus contracted when using OEM parts. However, the contractor buys in bulk and has storage facilities for that inventory, which allows them to sell to the City at a 10% markup. In contrast, the City would have to buy parts off-contract from National Auto Glass, a dealership, or other vendor on an as needed basis, leading to parts being purchased at or up to a 30% mark-up as compared to the 10% contracted rate. Furthermore, the Fleet Parts Room does not have the facility space to maintain an inventory of windshields. City mechanics would need to wait on delivery or pick up the glass from the vendor before placing the unit in queue for repair, potentially downing the unit by as much as seven business days.

In the final cost comparison consideration, City mechanics do not have training in glass installation. This would be an added expense to maintain skills in that field. Just as well, Asset Management does not possess glass installation equipment and tools, including calibration tools needed to properly install sensors that are part of modern windshields. The cost of procuring these items is significant and something that is provided in-kind when the work is contracted out.

Taking all of these findings into consideration, the fiscal impact to train, equip, and utilize City personnel to conduct windshield replacements would be approximately \$557,501 for three years as compared to \$387,750 in the proposed contract if both option years are exercised. This cost would include labor, parts, training, equipment, tools, materials, and liquidated damages. Furthermore, each installation would require two mechanics and a dedicated bay space for the work, reducing labor availability for mechanical repairs by 312 hours per year (or 39 working days) and decreasing total City fleet readiness by approximately 2% annually. The decrease in fleet readiness would impact City department capabilities, ultimately impacting the delivery of services to the public.

Therefore, the proposed agreement is the most cost-effective and responsible solution to support the City's windshield repair services, and staff recommends the award to the lowest, responsive, responsible bidder, Roland Mendiola dba National Auto Glass. National Auto Glass is the incumbent for these services. Asset Management has been satisfied with their performance and recommends continuing to use National Auto Glass for these services.

Since 2004, National Auto Glass has been providing coastal bend businesses, car dealerships, and other company fleets with fleet maintenance programs for windshield and auto glass replacement and repair. As a local business, National Auto Glass services Corpus Christi, Calallen, Robstown, Kingsville, Aransas Pass, Port Aransas and the surrounding communities. National Auto Glass's full service includes trained technicians, mobile service, a Lifetime Warranty on workmanship, and the use of only OEM (Original Equipment Manufacturer) glass and adhesives for maximum safety and

reliability. National Auto Glass is the incumbent and has been providing contracted windshield repair services to the City since August 2021. Since that time, they have performed over \$435,000 in vehicle repair jobs, averaging four per week, to the City's fleet with no formal complaints as to service or quality. Fleet Maintenance personnel do not currently conduct windshield installation due to the training, specialty tools, warranty requirements, and inventory space requirements; therefore, Asset Management relies on the vendor to provide these services. National Auto Glass does not provide after-hours repair, and the City does not utilize an after-hours/emergency windshield repair contractor. However, when services are required, National Auto Glass responds to the Fleet Maintenance facility to provide repair services on-site, usually within two to three business days, depending on availability of parts.

PROCUREMENT DETAIL:

National Auto Glass is the incumbent vendor for the previous three-year contract. The previous agreement was for an amount up to \$272,500 and expired on August 7, 2025. It is important to note that the City increased the contract valuation by an additional \$47,500 in 2025 to \$272,500 to carry the department through to August 2025. The increase was due to the increase in parts costs as a result of inflation. To date, all of the \$272,500 has been expended.

Finance & Procurement conducted a competitive Request for Bids for windshield repairs and replacements to fleet vehicles. The City received a total of three bids, one of which was deemed to be non-responsive; Eliazar Sergio Polendo dba Fastright Auto Glass, of Corpus Christi is no longer in business and was non-responsive to all forms of communication. Therefore, two responsive, responsible bids were submitted. Staff recommends the award to the lowest, responsive, responsible bidder, Roland Mendiola dba National Auto Glass of Corpus Christi, Texas.

Below is a table that shows the pricing comparison between the incumbent, National Auto Glass, and the second lowest bidder, Los Dos Compadres dba Gardner Automotive & Body Shop. If options are utilized, the proposed contract will be \$105,000 more than the previous contract in total. The previous agreement's hourly rate, or unit price, was \$50.00 per hour as compared to \$55.00 per hour in the proposed agreement. The proposed agreement will still be the most cost-effective solution for the City.

				*Eliazar Sergio Polendo dba Fastright Auto Glass		National Auto Glass		Los Dos Compadres dba Gardner Automotive & Body Shop	
				Corpus Christi, Texas		Corpus Christi, Texas		Corpus Christi, Texas	
ITEM	Description	Unit	1-Year Qty	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	Labor	HRS	350	\$75.00	\$26,250.00	\$55.00	\$19,250.00	\$135.00	\$47,250.00
			1-Year Estimated Spend	% Markup	Total Price	% Markup	Total Price	% Markup	Total Price
2	Parts / Materials		\$100,000.00	0%	\$100,000.00	10%	\$110,000.00	30%	\$130,000.00
1 Year Total					\$126,250.00	\$129,250.00		\$177,250.00	

*Deemed Non-Responsive due to no longer
being in business

ALTERNATIVES:

The alternative would be to not secure a long-term service agreement; however, the Asset Management Department would have to contact a vendor on as needed basis and schedule windshield repair or replacement at the convenience of the vendor. Non-contracted purchases would also require the processing of manual, paper invoicing. This would not be as productive or efficient as having a set labor cost, locked in parts markup, automated invoicing payment, and first-priority service.

FISCAL IMPACT:

The fiscal impact for FY 2025 is an amount up to \$26,928.00. The remaining cost will be budgeted in future years during the annual budget process.

FUNDING DETAIL:

Fund:	5110	Fleet Maintenance Service Fund
Organizational/Activity:	40170	Fleet Operations
Department #:	13	Asset Management - Fleet
Product # (CIP Only)	N/A	
Account:	530100	Vehicle Repairs
Amount:	\$26,928.00	

RECOMMENDATION:

Staff recommends the approval of this agreement with Roland Mendiola dba National Auto Glass of Corpus Christi, Texas, for windshield repair and replacement as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Service Agreement Bid
Tabulation