



## AGENDA MEMORANDUM

Action Item for the City Council Meeting July 14, 2020

**DATE:** July 14, 2020

**TO:** Peter Zaroni, City Manager

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### Automotive Maintenance Parts for Asset Management

#### **CAPTION:**

Motion authorizing a three-year supply agreement with O'Reilly's for an amount not to exceed \$420,000.00 for the purchase of automotive maintenance parts for Asset Management, effective upon issuance of notice to proceed, with FY 2020 funding in an estimated amount of \$35,000.00 available through the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This motion authorizes a three-year supply agreement with O'Reilly's Auto Parts through the Buy Board Cooperative. This agreement will provide automotive parts stocked by the Asset Management Department for repairs of heavy equipment by Fleet Maintenance Department.

#### **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 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. Furthermore, a ready supply of these parts will ensure a continued high operational readiness of heavy equipment. The price list is available at <https://rwd.firstcallonline.com>.

There was previously no agreement for acquisition of parts. Parts were procured over the counter as needed. Approval of this contract will result in a 41% savings as compared to over the counter list pricing.

This procurement is through the Buy Board Cooperative. Contracts awarded through the Buy Board Cooperative have been competitively procured, in compliance with Texas local and state procurement requirements.

**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 2020 is estimated at \$35,000.00 for this three-year supply agreement. The remaining amount of \$385,000.00 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 O'Reilly's for the purchase of automotive parts as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Price Sheet  
Supply Agreement