



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of July 16, 2019

**DATE:** July 16, 2019

**TO:** Peter Zaroni, City Manager

**FROM:** Jim Davis, Director of Asset Management  
[JimD@cctexas.com](mailto:JimD@cctexas.com)  
(361) 826-1909

Kim Baker, Director of Contracts and Procurement  
[KimB2@cctexas.com](mailto:KimB2@cctexas.com)  
(361) 826-3169

### **Original Equipment Manufacturer Ford Parts**

#### **CAPTION:**

Motion authorizing two, one-year supply agreements for original equipment manufacturer Ford parts at a combined amount not to exceed \$500,000.00, with Arnold Oil Company, Inc. of Corpus Christi, Texas as the primary for an amount not to exceed \$300,000.00 and Lithia FLCC, LLC DBA Access Ford Lincoln of Corpus Christi, Texas as the secondary for an amount not to exceed \$200,000.00, with one, one-year renewal option for a total potential amount not to exceed \$1,000,000.00 with first-year funding through the Fleet Maintenance Service Fund.

#### **PURPOSE:**

This item is to approve two supply agreements for Fleet Maintenance, a division of Asset Management, to buy original equipment manufacturer parts for Ford vehicles.

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

Fleet Maintenance has an ongoing need to purchase original equipment manufacturer Ford parts to sustain their maintenance and repair requirements on Ford vehicles, including first responder vehicles. The purchase of these goods is essential for Fleet Maintenance to maintain the fleet so that departments, in turn, can accomplish their missions. It is also important that these parts be delivered in a timely manner so that vehicles and equipment can be turned around, placed back in service, and continue to perform required operations. These supply agreements will significantly assist Fleet Maintenance in ensuring the above is accomplished.

The Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids, and the City received three bids. The bid indicated a primary and secondary award to provide for a backup contractor in the event the primary contractor is unable to provide the parts in a timely manner as indicated. An estimated 60/40 percentage split was used to determine the value of the contracts. Staff recommends award to Arnold Oil Company, Inc. as the primary contractor and Lithia FLCC, LLC DBA Access Ford Lincoln as the secondary contractor.

**ALTERNATIVES:**

Not applicable

**OTHER CONSIDERATIONS:**

Not applicable

**CONFORMITY TO CITY POLICY:**

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency

**DEPARTMENTAL CLEARANCES:**

Fleet Maintenance

**FINANCIAL IMPACT:**

X Operating      ☐ Revenue      ☐ Capital      ☐ Not applicable

<b>Fiscal Year: 2018-2019</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget	\$3,191,731.00	\$875,000.00	\$4,066,731.00
Encumbered / Expended Amount	\$1,770,645.42	\$0.00	\$1,770,645.42
This item	\$125,000.00	\$875,000.00.00	\$1,000,000.00
BALANCE	\$1,296,085.58	\$0.00	\$1,296,085.58

**Funding Detail:**

Fund: 5110 Fleet Maintenance Service  
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 the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation

Supply Agreements (2)