



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting March 2, 2021

**DATE:** February 23, 2021

**TO:** Peter Zaroni, City Manager

**FROM:** Charles Mendoza, Director of Asset Management  
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### **Automotive Maintenance Parts Asset Management Department, Fleet Division**

#### **CAPTION:**

Motion authorizing a three-year supply agreement with Advance Stores Company Inc., dba Advance Auto Parts, in amount not to exceed \$1,350,000.00, for the purchase of automotive maintenance parts, for Asset Management Department, Fleet Division, with FY2021 funding in the amount of \$300,000.00 available through the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This motion authorizes a three-year supply agreement with Advance Stores Company Inc., dba Advance Auto Parts through the Omnia Cooperative. This agreement will provide automotive and miscellaneous equipment parts for Chevy, Ford, Dodge for Asset Management Department. The parts are for the maintenance of City Fleet Vehicles, Police vehicles, garbage trucks and equipment by City's Fleet Maintenance.

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

Asset Management Department, Fleet Division currently has an operational requirement for filters, brakes, engine parts, body parts, supplies, and other automotive parts for use by Fleet Maintenance to effectively provide repairs on City vehicles and equipment. Acquisition of these goods is essential so that Fleet Maintenance can continue to maintain the fleet and departments, thereby accomplishing their mission. 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. This Supply Agreement will significantly assist Fleet in ensuring the above is accomplished.

This procurement is through the Omnia Cooperative. The contracts awarded through the Omnia Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The percentage of savings through the Omnia Cooperative contract is 5% to 60% off List Price for filters, brakes, engine parts, body parts, supplies and other Automotive Advance Stores Company Inc., dba Advance Auto Parts. Automotive Advance Stores Company Inc., dba Advance Auto Parts is the incumbent supplier of automotive parts with prices remaining competitive through discounts with the Omnia Cooperative.

#### **ALTERNATIVES:**

An alternative would be not to secure a long-term supply agreement. However, the Asset Management Department, Fleet Division, would have to purchase with individual purchase orders as needed, which would not be as productive and would be much more time consuming. In addition, a long-term agreement allows for a better economy of scale.

#### **FISCAL IMPACT:**

The fiscal impact for Asset Management in FY 2021 is estimated at \$300,000.00 for this three-year supply agreement. The remaining amount of \$1,050,000.00 will be budgeted in future years through the annual budget process

#### **FUNDING DETAIL:**

Fund:	5110 Fleet Maintenance Svc
Organization/Activity:	40180 Parts Room Operation
Mission Element:	202 Maintain the Fleet
Project # <b>(CIP Only)</b> :	N/A
Account:	520210 Cost of Goods Sold

#### **RECOMMENDATION:**

Staff recommends the approval of this agreement with Advance Stores Company Inc. dba Advance Auto Parts of Corpus Christi, Texas for the purchase of Automotive Maintenance Parts for City Fleet.

#### **LIST OF SUPPORTING DOCUMENTS:**

Price Sheet  
Supply Agreement