



## AGENDA MEMORANDUM

Action Item for the City Council Meeting October 12, 2021

**DATE:** October 12, 2021

**TO:** Peter Zaroni, City Manager

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### Original Equipment Manufacturer (OEM) Ford parts for Fleet

#### **CAPTION:**

Motion authorizing two three-year supply agreements with Sames Motor Company, Inc. of Corpus Christi, Texas and Arnold Oil Company of Corpus Christi, Texas, for Original Equipment Manufacturer (OEM) Ford Parts for Fleet for a total estimated amount not to exceed \$725,000.00, with FY 2022 funding in an amount not to exceed \$241,666.00 available through the Fleet Maintenance Service Fund.

#### **SUMMARY:**

This item is to approve two supply agreements for Fleet Maintenance, a division of Asset Management, to buy OEM parts for Ford vehicles from Sames Motor Company, Inc and Arnold Oil Company, both from Corpus Christi Texas as shown below:

Primary	Secondary
Sames Motor Company Inc.	Arnold Oil Company, Inc
Corpus Christi, Texas	Corpus Christi, Texas
\$435,000	\$290,000

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

Fleet Maintenance has an ongoing need to purchase OEM Ford parts to sustain the maintenance and repair requirements of 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 incumbent for OEM Ford parts were also a primary and secondary and were awarded to Arnold Oil Company, Inc as primary and Lithia FLCC, LLC dba Access ford Lincoln as secondary.

### **PROCUREMENT DETAIL:**

The Purchasing Division conducted a competitive request for bids (RFB) process to obtain bids. The City received two responsive bids. The bid included 20 commonly used part numbers to be priced with included catalog price discount. This bid indicated a primary and secondary award would be established in the event the primary contractor is unable to provide the parts on a timely basis as indicated. An estimated 60/40 percentage split is projected for each of the contractors. Staff is recommending Sames Motor Company Inc. of Corpus Christi, Texas, the lowest, responsive, responsible bidder as the primary contractor. Arnold Oil Company of Corpus Christi, Texas as the secondary contractor. Therefore, staff recommends award to these two Contractors to provide these needed fleet vehicle and equipment supplies.

### **ALTERNATIVES:**

The alternative would be to not secure a long-term supply agreement. This would have Asset Management Fleet Division purchase on individual purchase orders which would be time consuming and not be as productive. In addition, a long-term agreement allows for a better economy of scale.

### **FISCAL IMPACT:**

The three-year supply agreement for OEM Ford Parts for Fleet is for an estimated amount not to exceed \$725,000.00 with FY 2022 funding in an amount not to exceed \$241,666.00 available through the Fleet Maintenance Service Fund.

### **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 the approval of this agreement with Sames Motor Company Inc. of Corpus Christi, Texas and Arnold Oil Company of Corpus Christi, Texas, for OEM Ford Parts for Fleet.

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

Bid Tab  
Service Agreements