



City of Killeen

Legislation Text

File #: RS-23-186, **Version:** 1

Consider a memorandum/resolution authorizing the procurement of fleet parts through Advance, Chastang, Heil, Lonestar Freightliner, NAPA, and O'Reilly, in an amount not to exceed \$525,000, and tires through Southern Tire Mart, in an amount not to exceed \$210,000.

DATE: **November 7, 2023**

TO: **Kent Cagle, City Manager**

FROM: **Judith Tangalin, Executive Director of Finance**

SUBJECT: **Procurement of Fleet Parts and Tires**

BACKGROUND AND FINDINGS:

The City of Killeen Fleet Services Division provides the maintenance and repair required to keep the City's approximately 976 units of fleet functioning properly. To accomplish this feat, there are numerous parts and tires procured daily. The costs of those items are then charged back to the corresponding City departments as they are used. The regularly used parts and tires are stocked at Fleet Services to facilitate timely repairs. The items not stocked within the 2,917 distinct parts within Fleet Services are purchased as needed and delivered to Fleet Services by the vendor.

Fleet Services purchases parts from 37 vendors that offer cooperative pricing and/or dealer only parts totaling approximately \$1,007,000 annually. Seven of these vendors periodically exceed the \$50,000 annual threshold and therefore require City Council approval.

The primary vendors for fleet parts are Advance, Chastang, Heil, Lonestar Freightliner, NAPA, and O'Reilly. During the previous fiscal year 2023, the combined amount spent with these six vendors was \$495,415. The total estimated amount to be spent in FY 2024 is \$525,000.

All six vendors offer significant savings to the City through their cooperative contracts. Advance provides cooperative pricing pursuant to Omnia contract #2017000280, effective through June 30, 2024, with savings of 5% to 65% off list price. Chastang provides cooperative pricing pursuant to the TASB BuyBoard contract #601-19, #629-20, 715-23, & 723-23 effective through November 30, 2024, with savings of 15% off list price. Heil of Texas provides cooperative pricing pursuant to the TASB BuyBoard contract #686-22, effective through November 30, 2025, with savings of 2% to 15% off list price. Lonestar Freightliner provides cooperative pricing pursuant to the TASB BuyBoard contract #601-19, effective through November 30, 2023, and The Interlocal Purchasing System (TIPS) contract #221001, effective through January 31, 2026, with savings of 10% to 14% off list price. NAPA provides cooperative pricing pursuant to Sourcwell contract #032521-GPC, effective through May 19, 2025, with savings of 43% to 60% off list price. O'Reilly pursuant to The Interlocal Purchasing System (TIPS) contract #230604, effective through August 31, 2026, with a minimum savings of 41% off list price.

The vendor for new tires offering significant savings and service to the City is Southern Tire Mart of Waco, TX. During the preceding fiscal year, the cost for tires was \$187,836. The total estimated amount to be spent with Southern Tire Mart in FY 2024 is \$210,000.

Southern Tire Mart has provided new tires to the City for several years utilizing cooperative pricing pursuant to the TASB BuyBoard contract #636-21, effective through February 29, 2024. The cooperative pricing structure with Southern Tire Mart offers a savings of 10% to 52% off list price.

THE ALTERNATIVES CONSIDERED:

1.) Disapprove the purchase of parts through Advance, Chastang, Heil, Lonestar Freightliner, NAPA, and O'Reilly, and tires through Southern Tire Mart.

2.) Approve the purchase of parts through Advance, Chastang, Heil, Lonestar Freightliner, NAPA, and O'Reilly, and tires through Southern Tire Mart.

Which alternative is recommended? Why?

The second alternative is recommended. It provides the most efficient use of City resources and ensures the best value for purchasing the quantity and variety of parts and tires required by the City.

CONFORMITY TO CITY POLICY:

Fleet Services is seeking approval to purchase parts and tires for various departments from Advance, Chastang, Heil, Lonestar Freightliner, NAPA, O'Reilly, and Southern Tire Mart through their cooperative contracts. Purchases made through a cooperative contract are exempt from the competitive bidding process as stated in Texas Local Government Code (TLGC) section 271.102, subchapter F; a local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The estimated amount to be spent in FY 2024 for fleet parts with Advance, Chastang, Heil, Lonestar Freightliner, NAPA, and O'Reilly combined is \$525,000. The estimated amount to be spent in FY 2024 for fleet tires with Southern Tire Mart is \$210,000.

Is this a one-time or recurring expenditure?

Recurring

Is this expenditure budgeted?

Yes, in each fund, department, and division's 42-51 (on-road) and/or 42-33 (off-road) repairs and maintenance accounts.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

City Council authorize the procurement of fleet parts through Advance, Chastang, Heil, Lonestar Freightliner, NAPA, and O'Reilly in an amount not to exceed \$525,000 and tires through Southern Tire Mart in an amount not to exceed \$210,000.

DEPARTMENTAL CLEARANCES:

Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Contracts
Contract Verification
Certificate of Interested Parties
Presentation