



AGENDA MEMORANDUM

Action Item for the City Council Meeting May 14, 2024

DATE: May 14, 2024

TO: Peter Zaroni, City Manager

FROM: Nicholas Winkelmann, P.E., Interim Director of Water Systems and Support Services
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Motor and Clutch Repairs for the O.N. Stevens Water Treatment Plant, Booster and Raw Water Pump Stations

CAPTION

Motion authorizing execution of a three-year service agreement, with two one-year options, with Faraday Electric Motors, LLC, of Corpus Christi, in an amount not to exceed \$1,191,995.00 and a potential amount up to \$1,986,658.33 if options are exercised, for pump motor and clutch repairs/replacement needed at various locations for Corpus Christi Water, with FY 2024 funding of \$165,554.86 from the Water Fund.

SUMMARY:

This motion authorizes a three-year service agreement, with two one-year options, for motor and clutch repairs of equipment used in the water treatment process and the distribution of water to City's potable water customers.

BACKGROUND AND FINDINGS:

The O. N. Stevens Water Treatment Plant (ONSWTP), Nueces River Pump Station, Mary Rhodes booster pump stations, and distribution booster pump stations have a combined inventory of 52 motors with horsepower ranging from 5-1500. The water system relies on the motors associated with these pumping systems to transport water from the source to the O.N. Stevens Water Treatment Plant and distribute it throughout the system. This contract includes specialized and routine maintenance performed by certified technicians. Standard maintenance and inspection is also completed by CCW technicians who track and document the work in the City's asset and maintenance system, Maximo.

PROCUREMENT DETAIL:

Finance & Procurement managed the formal and competitive Request for Bid process to secure submissions by qualified contractors. The City sent out 123 notifications but only received one responsive bid. Staff is recommending the award to the sole bidder and incumbent, Faraday Electric Motors, LLC. They have held the contract since 2021 and have performed well.

In comparison to the previous contract with Faraday the labor rates and percentage markups have decreased. The overall contract amount has increased due to the inclusion of additional allowances for full motor replacements and a slight increase in the allowance for shipping. The tables below highlight the differences between the proposed and previous contracts.

Description	2021		2024		Variance
Shop Labor (Normal)	1,500hrs	\$69.00	2,000hrs	\$59.00	14.5% per hour
Shop Labor (Emergency)	350hrs	\$103.50	500hrs	\$88.50	14.5% per hour
Parts	Allowance \$300,000	Mark Up 20%	Allowance \$400,000	Mark Up 18%	2% Savings

Description	2021	2024
Shipping Allowance	\$21,000	\$25,000
Replacement Allowance	\$0	\$500,000

ALTERNATIVES:

The alternative to accepting this bid would be to solicit specialty repairs on a as needed and emergency basis, which may result in higher repair costs. Unanticipated emergency repairs may also increase due to lack of specialized maintenance and timely repairs.

FISCAL IMPACT:

The fiscal impact for Corpus Christi Water in FY 2024 is \$165,554.86 from the Water fund. The remaining cost will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund: 4010 Water Fund
Organization/Activity: 31010 O.N. Stevens Water Treatment Plant
Department: 45 Water
Project # (CIP Only): N/A
Accounts: 530215 Maintenance & Repairs – Contracted

RECOMMENDATION:

Staff recommends approval of this motion authorizing a three-year service agreement, with two one-year options, with Faraday Electric Motors, LLC as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Bid Tabulation