



AGENDA MEMORANDUM

Action Item for the City Council Meeting November 19, 2019

DATE: November 19, 2019

TO: Peter Zaroni, City Manager

FROM: Keven Norton, Director of Water Utilities
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Brass Service Fittings for Water Lines

CAPTION:

Motion authorizing a three-year supply agreement with Ferguson Enterprises, LLC of Corpus Christi, Texas, in an amount not to exceed \$616,962.97 to purchase brass service fittings, including valves, elbows, and couplings for the City Warehouse as a central distribution for the Utilities Department, effective upon issuance of notice to proceed, with FY 2020 estimated funding in the amount of \$171,378.61 available in the Stores Fund.

SUMMARY:

This motion authorizes a three-year supply agreement to purchase brass service fittings for water lines used by Utilities Department. These brass fittings are for new and replacement installations of the main cut-off water line to residential homes and businesses. The fittings are being purchased by the City Warehouse and will be stocked for purchase and distribution.

BACKGROUND AND FINDINGS:

The City Warehouse purchases and stocks brass service fittings for use by the Utilities Department for new and replacement installations of the main cut-off water to residential homes and businesses. The brass fittings will be utilized as valves, elbows, and couplings.

The Contracts and Procurement Department conducted a competitive RFB process to obtain bids for a new contract. The City received four responsive, responsible bids, and is recommending the award to the lowest responsive, responsible bidder, Ferguson

Enterprises LLC.
ALTERNATIVES:

An alternative to accepting this bid would be to require the Utilities Department to purchase the brass service fittings on an as needed basis, which would not be as productive. In addition, a long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Contracts and Procurement in FY 2020 is an estimated amount of \$171,378.61 for this three-year supply agreement as a Cost of Goods Sold. The Utilities Department will be charged at cost as the brass service fittings are ordered from the City Warehouse. The remaining estimated \$445,584.36 will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	5010	Stores
Organization/Activity:	40000	Warehouse Stores
Mission Element:	185	Centralized Purchasing System
Project # (CIP Only):	N/A	
Account:	520210	Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this motion authorizing a three-year supply agreement with Ferguson Enterprises, LLC for brass service fittings for water lines as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement