



## AGENDA MEMORANDUM

Action Item for the City Council Meeting, May 25, 2021

**DATE:** May 25, 2021

**TO:** Peter Zaroni, City Manager

**FROM:** Josh Chronley, Interim Assistant Director of Contracts and Procurement  
[JoshC2@cctexas.com](mailto:JoshC2@cctexas.com)  
(361) 826-3169

### Supply Agreement for Meter boxes and lids for the City Warehouse

#### **CAPTION:**

Motion authorizing a three-year supply agreement with Ferguson Enterprises, LLC of Corpus Christi, Texas in an amount not to exceed \$322,788.30 to purchase meter boxes and lids for the City Warehouse as a central distribution point for water meters for the Utilities Department with funding in FY 2021 in an amount of \$44,831.71 available through the Stores Fund.

#### **SUMMARY:**

This motion authorizes a three-year supply agreement with Ferguson Enterprises, LLC to purchase meter boxes and lids to be stocked by the City Warehouse to distribute on an as-needed basis to the Utilities Department for their operational material needs.

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

This is the first long-term supply agreement specifically for meter boxes and lids in various sizes for the City Warehouse to distribute. The Utilities Department will utilize the new meter boxes and lids for replacing existing or damaged items for residential and commercial locations. There has not been a supply agreement in place prior to this long-term agreement. Due to the departments' frequent need to purchase these items, a long-term supply agreement will allow the City Warehouse to keep a well-stocked inventory readily available as the Utilities Department needs these items. The benefit of the solicitation allows for pricing competitiveness. There has been a 9% cost-increase between Ferguson Enterprises, LLC, and the City of Corpus Christi's current year costs per item due to changes in the market. This agreement reduces the cost of procuring these items and is locked in for three years.

**PROCUREMENT DETAIL:**

Contracts and Procurement conducted a Request for Bid process to obtain bids to establish a three-year supply agreement. The City received two bids and staff is recommending award to the lowest responsive, responsible bidder, Ferguson Enterprises, LLC. After careful evaluation, the second bidder failed to bid on all items. The second bidder was deemed non-responsive and disqualified.

**ALTERNATIVES:**

An alternative to accepting this bid would be for the City Warehouse to continue purchasing these items on an as needed basis with the possibility of an increased cost per item due to variable market conditions and changes for specific meter boxes and lids.

**FISCAL IMPACT:**

The fiscal impact for Contracts and Procurement in FY 2021 is approximately \$44,831.71. The remaining cost of \$277,956.59 will be budgeted 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 the City Warehouse as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement