



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 15, 2023

DATE: August 15, 2023

TO: Peter Zanoni, City Manager

FROM: Wesley Nebgen, Director of Water System Infrastructure
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Heavy Equipment Rental for Corpus Christi Water

CAPTION:

Motion authorizing execution of a one-year service agreement, with two one-year options, with Herc Rentals Inc. of Atlanta, Georgia, with an office in Corpus Christi, through Omnia Partners Cooperative, in an amount not to exceed \$900,000.00, with a potential amount of \$2,700,000.00 if options are exercised, for the rental of heavy equipment for Corpus Christi Water, with FY 2023 funding of \$75,000.00 from the Water and Wastewater Funds.

SUMMARY:

This motion authorizes a one-year service agreement for equipment rental for Corpus Christi Water. This equipment is necessary to maintain the City's water and wastewater infrastructure.

BACKGROUND AND FINDINGS:

Corpus Christi Water completes over 10,000 repair, maintenance, and construction activities per year, which may require equipment that is not in Corpus Christi Water's inventory. The equipment in this contract may be necessary to follow proper construction procedures in response to an emergency, to ensure staff safety, or to augment current equipment during periods of higher-than-normal workloads. Corpus Christi Water does not maintain an inventory of all equipment that may be needed at any given time due to the limited use of larger or more specialized equipment.

PROCUREMENT DETAIL:

This procurement is through the Omnia Partners Cooperative. Contracts awarded through the Omnia Partners Cooperative have been competitively procured, in compliance with local and state procurement requirements.

Herc Rentals Inc. under Omnia Partners Cooperative offers between 0%-57.14% discount off the published book rates on heavy equipment rentals. Procurement conducted cost comparison with the HGAC Buy Cooperative with the most frequently used equipment types from the department and found cost savings of 18.25% overall when utilizing the Omnia Partners Cooperative. Below is a table that displays the difference between the pricing for the recommended and the alternative pricing.

UNIT	Omnia Partners	HGAC Buy	Variance
Day Pricing for High Use Rental of Equipment (qty. 1ea)	\$ 10,688.00	\$ 12,639.00	\$ (1,951.00)
		\$ 12,639.00	\$ (1,951.00)

ALTERNATIVES:

An alternative is to not enter into a service agreement, which would require separate procurements on an as-needed basis, and increase the time delay due to procurement process which in turn, would reduce the level of response, in some cases, emergency response, to citizens.

FISCAL IMPACT:

The fiscal impact of FY 2023 is \$75,000.00.

FUNDING DETAIL:

Fund: 4010 Water
 Organization/Activity: XXXXX Various
 Department: 45 Water
 Project # (CIP Only): N/A
 Account: 530160 Rentals

Fund: 4200 Wastewater
 Organization/Activity: XXXXX Various
 Department: 46 Wastewater
 Project # (CIP Only): N/A
 Account: 530160 Rentals

RECOMMENDATION:

Staff recommends approval to execute this motion authorizing a one-year service agreement with Herc Rentals Inc. of Atlanta, Georgia with an office in Corpus Christi for the Corpus Christi Water Department as presented.

LIST OF SUPPORTING DOCUMENTS:

- Service Agreement
- Price Sheet