



## AGENDA MEMORANDUM

Action Item for the City Council Meeting July 26, 2022

**DATE:** July 26, 2022

**TO:** Peter Zaroni, City Manager

**FROM:** Gabriel Ramirez, Interim Director of Water Utilities  
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### Multiple Purchases of Parts and Materials for CCWater

#### **CAPTION:**

Resolution authorizing execution of purchase orders for Corpus Christi Water up to a cumulative total of \$4,000,000.00, pursuant to the public health and safety exception in State law, for various purchases of water and wastewater infrastructure parts and materials due to continuing supply chain disruption issues and the need to have sufficient emergency supplies readily available, with FY 2022 funding of \$1,000,000.00 from the Water and Wastewater Funds.

#### **SUMMARY:**

The current global economic environment has resulted in significant pressures on the supply of materials used in the maintenance, repair, and replacement of water and wastewater infrastructure. These pressures have not only affected availability of materials but have resulted in highly volatile pricing that can change significantly day-to-day. As a result of this economic turmoil, several of the contracts used by Corpus Christi Water have been canceled or lack the inventory necessary to adequately supply our needs.

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

Corpus Christi Water's infrastructure department under normal conditions, utilize various competitively bid contracts to supply the needed materials for water and wastewater

maintenance and repairs. However, with the current price uncertainty, supply shortages and logistical challenges, the majority of contracts are falling short of the agreed upon terms. This includes significant price increases, lack of materials, and significant lead times for items that are considered mission critical to the continued operation of the department. These fluctuations have resulted in the Corpus Christ Water having to be both creative and aggressive in its procurement strategies. Stocking levels have been increased and purchasing from various vendors as needed materials become available are part of our current operational strategy. This resolution will allow the Corpus Christi Water to forego specific contracts that have proved unreliable and purchase critical materials from various vendors as they become available.

**PROCUREMENT DETAIL:**

N/A

**ALTERNATIVES:**

**FISCAL IMPACT:** The fiscal impact for FY 22 will be the expenditure of \$1,000,000.00 to be split between Water and Wastewater Funds. Exact amount will depend on the purchases made before the end of this fiscal year.

**FUNDING DETAIL:**

Fund:	4010 - Water
Organization/Activity:	Will vary
Mission Element:	
Project # <b>(CIP Only):</b>	N/A
Account:	Various accounts

Fund:	4200 - Wastewater
Organization/Activity:	Will vary
Mission Element:	
Project # <b>(CIP Only):</b>	N/A
Account:	Various accounts

**RECOMMENDATION:**

Staff recommends approval of this item as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution