



AGENDA MEMORANDUM

Action Item for the City Council Meeting February 27, 2024

DATE: February 20, 2024

TO: Peter Zanoni, City Manager

FROM: Wesley Nebgen, Director of Water System Infrastructure
Wesleyn@cctexas.com
(361) 826-3111

Josh Chronley, Assistant Director of Finance & Procurement
JoshC2@cctexas.com
(361) 826-3169

Supply Agreement for Water System Supply Pipe

CAPTION:

Motion authorizing execution of a one-year supply agreement with Ferguson Enterprises, LLC, of Corpus Christi, in an amount not to exceed \$855,828.40 to purchase water system supply pipe for Corpus Christi Water, with FY 2024 funding of \$570,552.27 from the Water Fund.

SUMMARY:

The contractor will provide pipe materials to CCW to be used for supplying water throughout the City's water system.

BACKGROUND AND FINDINGS:

CCW is responsible for the maintenance and repairs of approximately 1,800 miles of water pipe. The water system supply pipe requested will be used to make repairs to water piping that has become damaged due to acts of nature or has surpassed its design life. When piping reaches this stage, pipe material becomes brittle and begins to deteriorate, causing sections of the pipe to fail.

Once pipe failure is determined by CCW staff, new material is installed (C 900 PVC) in either small sections or full joint replacements. In addition to repairs, the materials are also used for the installation of new water infrastructure, distribution mains, service lines, fire hydrant water lines, and specific transmission water mains related to the repair. As the City continues to grow, the need for more water infrastructure also increases.

PROCUREMENT DETAIL:

Finance & Procurement conducted a competitive Request for Bids process to obtain bids for a new supply agreement. The City received one responsive bid. Staff is recommending awarding this contract to the responsive, responsible bidder, Ferguson Enterprises. In 2020, when the previous bid was solicited, the cost was \$185,133.20. The increase in cost is due to revisions to the bid request and an increase in quantities by 13,500 feet. In recent years, due to the fluctuating economy and pandemic, these items became volatile and difficult to obtain. CCW was able to purchase these items as they became available on an “as needed” basis.

ALTERNATIVES:

An alternative to accepting this bid would be to require CCW to purchase these items on an “as needed” basis, with the possibility of an increased cost per item due to variable market conditions and a potential delay in production schedules.

FISCAL IMPACT:

The fiscal impact for FY 2024 is \$570,552.27.

FUNDING DETAIL:

Fund:	4010	Water
Organization/Activity:	31520	Treated Water Delivery System
Department:	45	Water
Project # (CIP Only):	N/A	
Account:	520160	Pipe, fittings, drainage

RECOMMENDATION:

Staff recommends approval of this motion to execute authorization of a one-year supply agreement with Ferguson Enterprises as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement