



**AGENDA MEMORANDUM**  
Action Item for the City Council Meeting January 25, 2022

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**DATE:** January 25, 2022

**TO:** Peter Zanoni, City Manager

**FROM:** Gabriel Ramirez, Interim Director of Water Utilities  
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<b>Supply Agreement for Non-Shear Flexible Couplings</b>
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**CAPTION:**

Motion authorizing a one-year supply agreement, with two one-year option periods, in an amount not to exceed \$142,577.40 and a potential not to exceed \$427,732.20 if option periods are exercised, for non-shear flexible couplings for the City Warehouse with Hajoca Corporation dba Moore Supply Co., of Corpus Christi, Texas, with FY 2022 funding in the amount of \$106,933.05 available in the Stores Fund

**SUMMARY:**

This motion authorizes a one-year supply agreement, with two one-year option periods, for the purchase of non-shear flexible couplings to be stocked in the City Warehouse to distribute on an as needed basis primarily the Utilities Department.

**BACKGROUND AND FINDINGS:**

The non-shear couplings are stocked by the City Warehouse and used by the Water Utilities Department to splice and repair existing utility lines, pipe repairs and new construction projects located throughout the City.

**PROCUREMENT DETAIL:**

In May 2018, Finance-Procurement Division conducted a competitive request for bid process to

obtain bids for a new supply contract for Non-Shear Flexible Couplings. The City received three bids and awarded the contract to the lowest, responsive, responsible bidder, Ferguson Enterprises Inc of Corpus Christi, Texas for a total of \$220,321.13 for a three-year supply agreement, expiring on May 15, 2021.

The Finance-Procurement Division conducted a Request for Bid process to establish a new one-year supply agreement, with two additional one-year options. The City received one bid and is recommending the award to Hajoca Corporation dba Moore Supply Co., of Corpus Christi, Texas. The value of the recommended supply agreement is higher than the previous agreement due to raw material availability. The increase of the supply agreement is 94% per year. The incumbent, Ferguson Enterprises Inc., of Corpus Christi, Texas, did not submit a bid because of inability to guarantee prices for the term of the supply agreement.

**ALTERNATIVES:**

An alternative to accepting this bid would be for the City Warehouse to purchase these flexible couplings on an as needed basis, with the possibility of an increased cost per item due to variable market conditions.

**FISCAL IMPACT:**

The fiscal impact for Finance-Procurement Department in FY 2022 is approximately \$106,933.05. The remaining costs of \$35,644.35 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 one-year supply agreement, with two one-year option periods with Hajoca Corporation dba Moore Supply Co., of Corpus Christi, Texas for the City Warehouse as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Supply Agreement  
Bid Tabulation