



## AGENDA MEMORANDUM

Action Item for the City Council Meeting April 12, 2022

**DATE:** April 12, 2022

**TO:** Peter Zanoni, City Manager

**FROM:** Gabriel Ramirez, Interim Director of Water Utilities  
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### Fabrication, Welding and Repair Services for Utilities

#### **CAPTION:**

Motion authorizing a two-year service agreement with one two-year extension option with Miguel Hernandez Jr., dba Universal Tool and Die, of Corpus Christi for an amount not to exceed \$289,650.00, and a potential amount of \$577,400.00 if option period is exercised for fabrication, welding, and repair services for the Utilities Department, effective upon issuance of a notice to proceed, with FY 2022 funding in the amount of \$84,500.00 available through the Wastewater Fund.

#### **SUMMARY:**

This motion authorizes a two-year service agreement for fabrication, welding, and repair services at the City's wastewater treatment plants and lift stations. This agreement is necessary to maintain the continuous operation of critical equipment.

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

The wastewater treatment plants and lift stations operate various pieces of equipment with metal components such as metal stands for pumps and motors, column structure supports for stilling wells, clarifier bridges, and bar screens. The metal components age and deteriorate over time and require fabrication, welding, or repair to extend the longevity of the equipment and keep the equipment operational. The needed fabrication and welding work exceed the capacities of the in-house maintenance crews. The wastewater division will utilize this agreement to maintain good operating condition of equipment, keeping equipment online and operational, and in compliance

with the Texas Commission on Environmental Quality (TCEQ) requirement that all equipment be in good working order.

**PROCUREMENT DETAIL:**

Finance-Procurement conducted a competitive Request for Bid process to obtain bids. The City received one responsive, responsible bid and staff is recommending the award to, Miguel Hernandez Jr., dba Universal Tool and Die of Corpus Christi. Universal Tool and Die is the incumbent supplier and has held the contract since 2019. The new contract pricing reflects no change from previous contract and a 1% decrease in parts and materials mark up.

**ALTERNATIVES:**

An alternative to awarding this service agreement is to reject the bid and not enter into a service agreement, which would require staff to solicit quotes each time the need for service arises. Having to solicit quotes, as needed, would result in a delay of repair/service, and increase equipment downtime, potentially resulting in TCEQ violation(s) for offline, non-operational equipment.

**FISCAL IMPACT:**

The fiscal impact for the Utilities Department in FY2022 is an amount not to exceed \$84,500.00. The remaining cost will be budgeted in future years through the annual budget process.

**FUNDING DETAIL:**

Fund: 4200 Wastewater  
Organization/Activity: 33100 Broadway Wastewater Plant  
Mission Element: 064  
Project # (CIP Only): **N/A**  
Account: 530215 Maintenance and Repairs – Contracted  
Cost: \$12,071.43

Fund: 4200 Wastewater  
Organization/Activity: 33110 Oso Wastewater Plant  
Mission Element: 064  
Project # (CIP Only): **N/A**  
Account: 530215 Maintenance and Repairs – Contracted  
Cost: \$12,071.43

Fund: 4200 Wastewater  
Organization/Activity: 33120 Greenwood Wastewater Plant  
Mission Element: 064  
Project # (CIP Only): **N/A**  
Account: 530215 Maintenance and Repairs – Contracted  
Cost: \$12,071.43

Fund: 4200 Wastewater  
Organization/Activity: 33130 Allison Wastewater Plant  
Mission Element: 064  
Project # (CIP Only): **N/A**

Account: 530215 Maintenance and Repairs – Contracted  
Cost: \$12,071.43

Fund: 4200 Wastewater  
Organization/Activity: 33140 Laguna Madre Wastewater Plant  
Mission Element: 064  
Project # (CIP Only): **N/A**  
Account: 530215 Maintenance and Repairs – Contracted  
Cost: \$12,071.43

Fund: 4200 Wastewater  
Organization/Activity: 33150 Whitecap Wastewater Plant  
Mission Element: 064  
Project # (CIP Only): **N/A**  
Account: 530215 Maintenance and Repairs – Contracted  
Cost: \$12,071.43

Fund: 4200 Wastewater  
Organization/Activity: 33210 Lift Station Operations & Maintenance  
Mission Element: 065  
Project # (CIP Only): **N/A**  
Account: 530215 Maintenance and Repairs – Contracted  
Cost: \$12,071.42

**RECOMMENDATION:**

Staff recommends the approval of this agreement with Miguel Hernandez Jr., dba Universal Tool and Die of Corpus Christi for fabrication, welding, and repair services for Utilities as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Service Agreement