



AGENDA MEMORANDUM

Action Item for the City Council Meeting November 19, 2019

DATE: November 19, 2019

TO: Peter Zaroni, City Manager

FROM: Kim Baker, Director of Contracts and Procurement
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Fire Hydrants

CAPTION:

Motion authorizing a three-year supply agreement with Ferguson Enterprises, LLC of Corpus Christi, Texas, in an amount not to exceed \$562,650.00 to purchase fire hydrants for the City Warehouse as a central distribution for the Utilities Department, effective upon issuance of notice to proceed, with FY 2020 estimated funding in the amount of \$156,291.67 available through the Stores Fund.

SUMMARY:

This motion authorizes a three-year supply agreement to purchase fire hydrants for use by Utilities Department. These fire hydrants are for new and replacement installations and are being purchased by the Warehouse and will be stocked for purchase and distribution.

BACKGROUND AND FINDINGS:

The City Warehouse purchases and stocks six to nine fire hydrants at a time, for use by the Utilities Department as needed for new and replacement installations throughout City owned right-of-way property. The cost of each fire hydrant ranges from \$1,444.00 to \$1,620.00 depending on the size of the bury depth, which can span from 3 feet to 5½ feet.

The Contracts and Procurement Department conducted a competitive RFB process to obtain bids for a new contract. The City received three responsive, responsible bids, and is recommending the award to the lowest responsive, responsible bidder, Ferguson Enterprises LLC.

ALTERNATIVES:

An alternative to accepting this bid would be to require the Utilities Department to purchase the fire hydrants on an as needed basis through the open market, which would not be as productive. In addition, a long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Contracts and Procurement in FY 2020 is an estimate of \$156,291.67 for this three-year supply agreement as a Cost of Goods Sold. The Utilities Department will be charged at cost as the fire hydrants are ordered from the City Warehouse. The remaining estimated \$406,358.33 will be budgeted in future years 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 three-year supply agreement with Ferguson Enterprises, LLC for fire hydrants as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement