



AGENDA MEMORANDUM

Action Item for the City Council Meeting of August 27, 2019

DATE: August 27, 2019

TO: Peter Zaroni, City Manager

FROM: Kim Baker, Director of Contracts and Procurement
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(361) 826-3169

Welding Equipment and Supplies

CAPTION:

Motion authorizing a three-year supply agreement with Champion Industrial Sales, LLC for the purchase of welding equipment and supplies, for a total amount not exceed \$100,739.94, effective upon issuance of a notice to proceed, with first-year funding in the amount of \$33,579.80 through the Stores Fund.

SUMMARY:

This motion authorizes a contract with Champion Industrial Sales, LLC to provide welding equipment and supplies stocked by the City Warehouse and utilized by City departments for a total amount not to exceed \$100,739.94. These services are necessary to have equipment and supplies readily available as needed for in-house welding repairs and pre-fabrications.

BACKGROUND AND FINDINGS:

The City Warehouse stocks welding equipment and supplies so they can be readily available as needed for in-house welding repairs and pre-fabrications by Water Utilities, Gas Operations, Parks and Recreation and Asset Management.

The Contracts and Procurement Department conducted a competitive Request for Bid process and received two responsive, responsible bids. Staff recommends award to Champion Industrial Sales, LLC.

ALTERNATIVES:

An alternative to accepting this low bid would be reject all bids and not secure a long-term supply agreement. However, the individual departments would have to purchase the welding equipment and supplies on an as needed basis, which would not be as productive. In addition, a long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The financial impact is \$2,798.33 for the remainder of this fiscal year, with the remaining cost of \$97,941.61 budgeted in future years through the annual budget process.

Funding Detail:

Fund: 5010 Stores Fund
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 Champion Industrial Sales, LLC for the purchase of welding equipment and supplies as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement