



AGENDA MEMORANDUM

Action Item for the City Council Meeting of September 06, 2019

DATE: September 06, 2019

TO: Peter Zaroni, City Manager

FROM: Kevin Norton, Director of Water Utilities
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**On-Call Electrical Services for Sunrise Beach, Rincon Pump Station
and Wesley Seale Dam**

CAPTION:

Motion authorizing a two-year service agreement with Nesmith Electrical Services LLC to provide on-call electrical maintenance, repair, and installation services for Sunrise Beach, Rincon Pump Station, and Wesley Seale Dam which are in the same general location, for an amount not to exceed \$100,000.00, with options to extend for up to three additional one-year periods not to exceed \$50,000.00 per option year, for a total amount not to exceed \$250,000.00, effective upon issuance of a notice to proceed, with first-year funding in the amount of \$50,000.00 available in the Water Fund.

SUMMARY:

This motion authorizes a contract with Nesmith Electrical Services LLC to provide on-call electrical maintenance, repair, and installation services for Sunrise Beach, Rincon Pump Station, and Wesley Seale Dam for a total amount not to exceed \$100,000.00. The on-call service minimizes down-time in relation to electrical services at these locations, especially Sunrise Beach where customers use electricity for their campers and recreational vehicles on a daily basis. Previously these services were provided by Advantage Electrical Contracting and Maintenance, Inc. This company requested release from their contract.

BACKGROUND AND FINDINGS:

Electrical repairs are critical to the operations at Sunrise Beach, Wesley Seale Dam and Rincon Pump Station. The on-call service minimizes down-time in relation to electrical services at these locations, especially Sunrise Beach where customers use electricity for

their campers and recreational vehicles on a daily basis.

The Contracts and Procurement Department conducted a competitive Request for Bid (RFB) process to obtain bids for a new contract. In this RFB process, the quantity used was an estimated number to evaluate and declare the lowest bidder, while the contract value was determined based on department's budget and past usage. That is why there is a difference in the bid price and the contract value. The City received two qualified bids for these services. Staff recommends award to the lowest responsive, responsible bidder, Nesmith Electrical Services LLC.

ALTERNATIVES:

An alternative to securing a long-term service agreement would be for the Department to obtain quotes on an as-needed basis. This process will require the issuance of individual service agreements and purchase orders. However, this method of doing business may not be as cost effective and efficient due to the delay in procuring the individual services as the need arises. By having an on-call agreement in place, the Department can minimize down-time in regard to electrical services, as well as secure the unit price throughout the term of the contract.

FISCAL IMPACT:

The fiscal impact for the Utilities Department is an amount not to exceed \$100,000.00 for the initial two-year service agreement, with options to extend for up to three one-year periods for an amount not to exceed \$50,000.00 per option year for a total amount not to exceed of \$250,000.00, available in the Water Fund.

Funding Detail:

Fund: 4010 Water
Organization/Activity: 30205 Sunrise Beach
Mission Element: 061 Manage raw-water storage
Project # (CIP Only): N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$35,000.00 – 70%

Fund: 4010 Water
Organization/Activity: 30280 Rincon Bayou Pump Station
Mission Element: 061 Manage raw-water storage
Project # (CIP Only): N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$7,500.00 – 15%

Fund: 4010 Water
Organization/Activity: 30200 Wesley Seale Dam
Mission Element: 061 Manage raw-water storage
Project # (CIP Only): N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$7,500.00 – 15%

RECOMMENDATION:

Staff recommends approval of this motion authorizing a two-year service agreement with Nesmith Electrical Services LLC for electrical services as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement
Bid Tabulation