



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 15, 2025

DATE: July 15, 2025

TO: Peter Zanoni, City Manager

FROM: Wesley Nebgen, Director of Water System Infrastructure
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Fastenal Vending for CCW

CAPTION:

Motion authorizing execution of a one-year cooperative purchase agreement, with two one-year options, with Fastenal Company, of Winona, Minnesota, with an office in Corpus Christi, through the Sourcewell Cooperative, in an amount up to \$600,000.00, with a potential up to \$1,800,000.00, for the purchase of operational supplies and personal protective equipment through a managed inventory program for Corpus Christi Water, with FY 2025 funding of \$600,000.00 from the Water Fund.

SUMMARY:

Motion authorizing the execution of a one-year service agreement, with option periods, with Fastenal Company for the purchase of operational supplies and personal protective equipment for CCW.

BACKGROUND AND FINDINGS:

CCW procures thousands of items from various vendors which are then stored at various locations including out buildings, Conex containers, and open storage areas. Currently, the Warehouse Supervisor and staff manually track inventory levels, issuance of consumable and non-consumable goods and re-stocking of inventory. This includes water and wastewater repair parts and materials, tools, chemicals, and safety equipment. This manual process is labor intensive and requires regular audits to ensure proper inventory control levels are maintained.

To enhance inventory control, increase efficiency and improve staff accountability, Fastenal

Company will provide and maintain several vending machine units that will track and distribute smaller, more commonly used items. Fastenal will also be responsible for the stocking of these machines, freeing staff to perform other duties. This system will allow CCW staff to establish item limits per employee, utilize ID scanning to allocate supply costs to designated funds, and electronically monitor usage trends, facilitating more accurate budget projections for future fiscal years. Additionally, Fastenal's local warehouse, staffed by local personnel, will ensure timely replenishment of supplies.

Fastenal has a local presence with 16,000 sq. ft. of warehouse space and 25 employees. More than ten Texas municipalities including Fort Worth, Irving, Frisco, Austin and Wichita Falls, have successfully implemented Fastenal's vending services. Entering this service agreement will enable management to optimize workforce efficiency, strengthen asset control, and streamline operational processes.

PROCUREMENT DETAIL:

This procurement is conducted through the Sourcwell Cooperative, ensuring that all contracts awarded via Sourcwell adhere to a competitive procurement process in full compliance with Texas local and state procurement regulations.

Through the Sourcwell Cooperative, Fastenal Company provides cost savings ranging from 20% to 40% off the catalog price list which is better than the discount offered through the Omni Partners cooperative contract.

The following table outlines a selection of products and their respective pricing, which will be stocked in the vending machine, along with comparative cooperative pricing.

Description	Sourcwell	Omnia Partners	Variance	Percentage Savings
Light/Head Hardhat	\$25.70	\$45.94	\$20.24	44%
Raincoat	\$12.96	\$16.10	\$3.14	19%
Gloves, Drive Cold Weather	\$5.78	\$7.91	\$2.13	27%
Marking paint	\$4.40	\$9.25	\$4.85	52%

ALTERNATIVES:

An alternative to this agreement is to procure individual items on an as-needed basis utilizing purchase orders or procurement cards, in accordance with the current procedure.

FISCAL IMPACT:

The fiscal impact for Corpus Christi Water for FY 25 is the sum of \$600,000.00 coming from the Water Fund.

FUNDING DETAIL:

Fund:	4010	Water
Organization/Activity:	31510	Maintenance of water meters
Department:	45	Water

Project # (CIP Only):	N/A	
Account:	520130	Maint & repairs
Amount:	\$600,000.00	

RECOMMENDATION:

Staff recommends approval of this item authorizing a purchase agreement as presented.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement