



## AGENDA MEMORANDUM

Action Item for the City Council Meeting June 16, 2020

**DATE:** June 16, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Kim Baker, Director of Contracts and Procurement  
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**Supply Agreement for Water System Supply Pipe  
for the City Warehouse**

**CAPTION:**

Motion authorizing a twelve month supply agreement with Ferguson Enterprises LLC for an amount not to exceed \$185,133.20 for the purchase of water system supply pipes for the City Warehouse as a central distribution for the Utilities Department, effective upon issuance of a notice to proceed, with FY 2020 funding in the amount of \$46,500.00 available through the Stores Fund.

**SUMMARY:**

This motion authorizes a twelve-month supply agreement for the purchase of water system supply pipe for the Utilities Department, and to be stocked by the City Warehouse. Water system supply pipes are used for various projects throughout the City. The water system supply pipes which range in diameter from 4 to 30 inches are being purchased by the City Warehouse and will be stocked for purchase and distribution to the Utilities Department.

**BACKGROUND AND FINDINGS:**

The City of Corpus Christi Utilities Department is responsible for the maintenance and repairs of approximately 1,800 miles of water pipe. The water system supply pipe requested will be used to make repairs to water piping that has become damaged due to acts of mother nature or has surpassed its life span. When old piping has passed their

design life, some pipe material begins to deteriorate and becomes brittle, causing sections of pipe to fail. When this process takes place, the new material, C 900 PVC is installed in either small sections or full joint replacements.

In addition to repairs, the material will also be used for new installations of the water infrastructures, distribution mains, service lines, fire hydrant water lines and some transmission water mains. As the City continues to grow, the need for more water infrastructure also increases.

The Contracts and Procurement Department conducted a competitive Request for Bids process to obtain bids for a new supply agreement. The City received four responsive, responsible bids and is recommending award to Ferguson Enterprises, LLC as the lowest responsive, responsible bid.

**ALTERNATIVES:**

The alternative to accepting this bid would be to require the Utilities Department to purchase water system supply pipes on an as needed basis on individual orders, which would not be as productive. In addition, a long-term supply agreement allows for a better economy of scale.

**FISCAL IMPACT:**

The fiscal impact for the Contracts and Procurements in FY 2020 is an estimate of \$46,500.00 for a twelve month supply agreement for water system supply pipes, with the remaining cost of \$138,633.20 will be funded 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 twelve-month supply agreement with Ferguson Enterprises, LLC for Water System Supply Pipe as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement