



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of January 28, 2020

**DATE:** January 28, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Kevin Norton, Director of Water Utilities  
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### **Fabrication, Welding, and Repair Services for Utilities Department**

#### **CAPTION:**

Motion authorizing a two-year service agreement with Miguel Hernandez Jr., dba Universal Tool and Die, of Corpus Christi, Texas, for a total amount not to exceed \$90,000.00 for on-call fabrication, welding, and repair services for the Wastewater Division of the Utilities Department, effective upon issuance of notice to proceed, with first-year funding in the amount of \$33,750.00 available in the Wastewater Fund.

#### **SUMMARY:**

This two-year service agreement provides fabrication, welding, and repair services at the City's wastewater treatment plants and lift stations. There is currently no contract in place for this service. When service was previously needed, each wastewater treatment plant would seek its own competitive quotes. Having this service agreement contract in place secures better pricing due to economies of scale, reduces the administrative time to solicit bids each time service is needed, and decreases downtime of non-operational equipment.

#### **BACKGROUND AND FINDINGS:**

The wastewater treatment plants and lift stations operate various pieces of equipment whose metal components such as metal stands for pumps and motors, column structure supports for stilling wells and clarifier bridges, and bar screens ultimately age and deteriorate over time and require fabrication, welding, or repair to extend the longevity of the equipment and keep the equipment operational. The needed fabrication and welding work exceed the capacities of the in-house maintenance crews. The wastewater division will utilize this agreement to maintain equipment in good operating condition, in order to ensure that all equipment is online and operational, and in compliance with the Texas Commission on Environmental Quality (TCEQ) requirement that all equipment be in good working order.

The Contracts and Procurement Department conducted a competitive RFB process to obtain bids. The City received two responsive, responsible bids. Staff is recommending the award to the lowest, responsible bidder, Miguel Hernandez Jr., Universal Tool and Die.

### **ALTERNATIVES:**

An alternative to awarding this service agreement is to reject the bid, review the specifications, and re-bid the contract. Another alternative is for staff to continue soliciting competitive quotes each time the need for service arises. However, having to solicit quotes as needed may delay repair/service and increase equipment downtime, which can result in a TCEQ violation for offline non-operational equipment.

### **FISCAL IMPACT:**

The fiscal impact for the Wastewater Division of the Utilities Department is an amount not to exceed \$33,750.00 for the first year of the two-year service agreement for on-call fabrication, welding, and repair services at the City's wastewater treatment plants and lift stations. The remaining \$56,250.00 for the second year will be budgeted in future years through the annual budget process.

### **Funding Detail:**

Fund: 4200 Wastewater  
Organization/Activity: 33100 Broadway Wastewater Plant  
Mission Element: 064 Treat Wastewater  
Project # **(CIP Only)**: N/A  
Account: 530215 Maintenance and Repairs – Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33110 Oso Wastewater Plant  
Mission Element: 064 Treat Wastewater  
Project # **(CIP Only)**: N/A  
Account: 530215 Maintenance and Repairs – Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33120 Greenwood Wastewater Plant  
Mission Element: 064 Treat Wastewater  
Project # **(CIP Only)**: N/A  
Account: 530215 Maintenance and Repairs – Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33130 Allison Wastewater Plant  
Mission Element: 064 Treat Wastewater  
Project # **(CIP Only)**: N/A  
Account: 530215 Maintenance and Repairs – Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33140 Laguna Madre Wastewater Plant  
Mission Element: 064 Treat Wastewater  
Project # **(CIP Only)**: N/A  
Account: 530215 Maintenance and Repairs – Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33150 Whitecap Wastewater Plant  
Mission Element: 064 Treat Wastewater  
Project # **(CIP Only)**: N/A  
Account: 530215 Maintenance and Repairs – Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33210 Lift Station Operation & Maint  
Mission Element: 065 Manage WW Lift Stations  
Project # **(CIP Only)**: N/A  
Account: 530215 Maintenance and Repairs – Contracted

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing a two-year service agreement with Miguel Hernandez Jr. dba Universal Tool and Die for fabrication, welding, and repair services for the Wastewater Division of the Utilities Department.

**LIST OF SUPPORTING DOCUMENTS:**

Service Agreement  
Bid Tabulation