



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 22, 2020

DATE: September 22, 2020

TO: Peter Zaroni, City Manager

FROM: Kim Baker, Director of Contracts and Procurement
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Black and Galvanized Pipe Fittings for the City Warehouse
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CAPTION:

Motion authorizing a three-year supply agreement with CC Distributors, Inc. in an amount not to exceed \$128,031.21 to purchase black and galvanized pipe fittings for the City Warehouse as a central distribution, with an effective date of the agreement on or after October 1, 2020 with funding requested in the FY 2021 Proposed Budget through the Stores Fund.

SUMMARY:

This motion authorizes a three-year supply agreement with CC Distributors, Inc of Corpus Christi, Texas, to purchase black and galvanized pipe fittings to be stocked by the City Warehouse to distribute supplies on an as needed to basis to internal departments for their operational needs.

BACKGROUND AND FINDINGS:

This is a supply agreement specifically for black and galvanized pipe fittings for the City Warehouse to distribute mainly for the Gas Operations. Gas Operations uses 85% of the items for the purpose of meter loops put in at residential and commercial businesses. The black and galvanized pipe fittings when put together, make a gas meter function. All the Gas maintenance trucks carry these parts for gas meters to have them available for workers when out in the field. Other departments such as Solid Waste Services may also use those parts from time to time on an as needed basis. A cost saving has occurred due to a rise in quantities needed from the unit price of last FY in comparison to the FY 2020. Due to the departments' frequent need to purchase these items, a long-term supply agreement will allow the City Warehouse to keep a well-stocked inventory, that is readily available for any department that needs those materials.

The Contracts and Procurement Department conducted a competitive Request For Bid process to obtain a new contract. The City received five bids and is recommending the award to the lowest responsive responsible bidder, CC Distributors, Inc. of Corpus Christi. The current supplier, Core & Main did not submit a bid due to the lag time in delivery, which can lead to an extra expense on their part.

ALTERNATIVES:

An alternative to accepting this bid would not be beneficial as the items on the bid form are supplies frequently purchased with competitive pricing locked in for three years.

FISCAL IMPACT:

There will be no fiscal impact for Contracts and Procurement for FY2020. The remaining cost will be budgeted 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):	
Account:	520210 Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this motion authorizing a three-year supply agreement with CC Distributors, Inc. for black and galvanized pipe fittings for the City Warehouse as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement