



AGENDA MEMORANDUM

Action Item for the City Council Meeting of February 16, 2021

DATE: February 16, 2021

TO: Peter Zaroni, City Manager

FROM: Kevin Norton, Director of Water Utilities
KevinN@cctexas.com
(361) 826-1874

Josh Chronley, Interim Assistant Director of Contracts and Procurement
JoshC2@cctexas.com
(361) 826-3169

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 \$223,900.00, for on-call fabrication, welding, and repair services for the Utilities Department, with FY 2021 funding in the amount of \$77,000.00 available in the Wastewater Fund.

SUMMARY:

This motion authorizes a two-year service agreement for fabrication, welding, and repair services at the City's wastewater treatment plants and lift stations. This agreement is necessary to maintain the continuous operation of critical equipment.

BACKGROUND AND FINDINGS:

The wastewater treatment plants and lift stations operate various pieces of equipment with metal components such as metal stands for pumps and motors, column structure supports for stilling wells and clarifier bridges, and bar screens. The metal components 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 good operating condition of equipment, keeping equipment 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 Request for Bid process to obtain bids. The City received three bids. Staff is recommending the award to the lowest, responsible bidder, Miguel Hernandez Jr., dba Universal Tool and Die of Corpus

Christi, Texas. Universal Tool and Die is the incumbent bidder. The new contract pricing reflects a 7% increase in the labor rate. However, the labor rate for after hours, weekend, and holiday hours is the same as the labor rate for regular Monday-Friday work hours. Additionally, new pricing also reflects a 3% increase in mark-up on parts/materials.

ALTERNATIVES:

An alternative to awarding this service agreement is to reject the bid and not enter into a service agreement, which would require staff to solicit quotes each time the need for service arises. Having to solicit quotes as needed would result in a time delay due to the procurement process which would delay repair/service and increase equipment downtime, potentially resulting in TCEQ violation(s) for offline non-operational equipment.

FISCAL IMPACT:

The fiscal impact for the Utilities Department in FY2021 is an amount not to exceed \$77,000.00. The remaining cost 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
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$11,000.00

Fund: 4200 Wastewater
Organization/Activity: 33110 Oso Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$11,000.00

Fund: 4200 Wastewater
Organization/Activity: 33120 Greenwood Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$11,000.00

Fund: 4200 Wastewater
Organization/Activity: 33130 Allison Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$11,000.00

Fund: 4200 Wastewater
Organization/Activity: 33140 Laguna Madre Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$11,000.00

Fund: 4200 Wastewater
Organization/Activity: 33150 Whitecap Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$11,000.00

Fund: 4200
Organization/Activity: 33210 Lift Station Operation & Maintenance
Mission Element: 065
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$11,000.00

RECOMMENDATION:

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

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Service Agreement