



AGENDA MEMORANDUM

Action Item for the City Council Meeting, March 23, 2021

DATE: March 23, 2021

TO: Peter Zaroni, City Manager

FROM: Josh Chronley, Interim Assistant Director of Contracts and Procurement
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Supply Agreement for Gate Valves

CAPTION:

Motion authorizing a three-year supply agreement with Hajoca Corporation, dba Moore Supply Company, of Corpus Christi, Texas, in an amount not to exceed \$340,158.00, to purchase gate valves for the City Warehouse as a central distribution point, for the Water and Wastewater Divisions of the Utilities Department, with funding in FY 2021 in an amount of \$113,386.00 available through the Stores Fund.

SUMMARY:

This motion authorizes a three-year supply agreement with Hajoca Corporation dba Moore Supply Company to purchase gate valves to be stocked by the City Warehouse to distribute these supplies on an as-needed basis to the Water and Wastewater Division of the Utilities Department for their operational material needs.

BACKGROUND AND FINDINGS:

The Utilities Department uses valves to isolate sections of the water distribution system and the wastewater collection system when making repairs or installing new pipes. The City Warehouse and Utilities Department crews will use this contract to replace leaking or broken gate valves that range in size from 3-12 inches so that proper isolation of the water and wastewater systems can be achieved during field work. This is the first large supply agreement specifically for Gate Valves in various sizes for the City Warehouse to distribute to the Water and Wastewater Divisions of the Utilities Department. There has not been a supply agreement in place prior to this long-term agreement. Due to the department's frequent need to purchase these items, a long-term supply agreement will allow the City Warehouse to keep a well-stocked inventory readily available when department's need those materials. The benefit of the solicitation allows for pricing competitiveness and has shown a cost-saving benefit of 7% in comparison between

Hajoca Corporation, dba Moore Supply Company and the City of Corpus Christi's current year costs per item. The overall savings reduces the cost of procuring these items and locks it in for three years.

PROCUREMENT DETAIL:

The Contracts and Procurement Department conducted a Request for Bid process to obtain bids to establish a new three-year supply agreement contract. The City received six bids and is recommending the award to the lowest responsive responsible bidder, Hajoca Corporation, dba Moore Supply Company.

ALTERNATIVES:

An alternative to accepting this bid will require the City Warehouse to continue to purchase these items on an as needed basis, with the possibility of an increased cost per item due to variable market conditions and changes for specific Gate Valves bought frequently.

FISCAL IMPACT:

The fiscal impact for Contracts and Procurement in FY 2021 is approximately \$113,386.00. The remaining cost of \$226,772.00 will be budgeted 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 three-year supply agreement with Hajoca Corporation, dba Moore Supply Company for the City Warehouse as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement