



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of April 13, 2021

**DATE:** April 13, 2021

**TO:** Peter Zanoni, City Manager

**FROM:** Kevin Norton, Director of Water Utilities  
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### **Equipment Rental for Utilities Department**

#### **CAPTION:**

Motion authorizing a two-year service agreement with Herc Rentals Inc., of Corpus Christi, Texas, for a total amount not to exceed \$607,000.00, for equipment rental as needed for the Utilities Department, with FY 2021 funding in the amount of \$151,750.00 available in the FY 2021 Water and Wastewater Funds.

#### **SUMMARY:**

This motion authorizes a two-year service agreement for equipment rental for the Utilities Department. This equipment is necessary to maintain the City's water and wastewater infrastructure.

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

The Utilities Department completes over 10,000 repair, maintenance, and construction activities per year, which may require equipment that is not in the city's inventory. The equipment in this contract may be necessary to follow proper construction procedures in response to a utility emergency, to ensure the safety of City staff, or to augment current equipment during periods of higher than normal workloads. The department does not maintain an inventory of all equipment that may be needed at any given time due to the limited use of larger or more specialized equipment.

#### **CONTRACTS AND PROCUREMENT**

This procurement is through the Omnia Cooperative. The contracts awarded through the Omnia Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements. The average percentage of savings through the Omnia Cooperative contract is 16%, 24%, and 29% off List Price for daily, weekly, and monthly rentals, respectively.

## **ALTERNATIVES:**

An alternative is to not enter into a service agreement, which would require separate procurements on an as needed basis, reduce the economies of scale pricing secured through a long-term contract, and increase the time delay due to the procurement process, which in turn would reduce the level of response, in some cases, emergency response, to the citizens.

## **FISCAL IMPACT:**

The fiscal impact for the Utilities Department is an amount not to exceed \$151,750.00 for the first year of the two-year supply agreement from the FY 2021 Water and Wastewater Funds, with the remaining cost of \$455,250.00 to be budgeted in future years through the annual budget process.

## **Funding Detail:**

Fund: 4010 Water  
Organization/Activity: 31510 Maintenance of Water Meters  
Mission Element: 041  
Project # **(CIP Only)**: N/A  
Account: 530215 Maint & Repairs Contracted

Fund: 4010 Water  
Organization/Activity: 31520 Treated Water Delivery System  
Mission Element: 041  
Project # **(CIP Only)**: N/A  
Account: 530215 Maint & Repairs Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33400 Wastewater Collection System  
Mission Element: 042  
Project # **(CIP Only)**: N/A  
Account: 530215 Maint & Repairs Contracted

Fund: 4200 Wastewater  
Organization/Activity: 33600 Wastewater Collections Ops & Maint  
Mission Element: 042  
Project # **(CIP Only)**: N/A  
Account: 530215 Maint & Repairs Contracted

## **RECOMMENDATION:**

Staff recommends approval of this motion authorizing a two-year service agreement with Herc Rentals, Inc. for equipment rental for the Utilities Department as presented.

## **LIST OF SUPPORTING DOCUMENTS:**

Price Sheet  
Supply Agreement