



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting May 11, 2021

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**DATE:** May 11, 2021

**TO:** Peter Zanoni, City Manager

**FROM:** Josh Chronley, Interim Assistant Director of Contracts and Procurement  
[JoshC2@cctexas.com](mailto:JoshC2@cctexas.com)  
(361) 826-3169

<b>Supply Agreement for Manhole Covers</b>
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**CAPTION:**

Motion authorizing a three-year supply agreement with Ferguson Enterprises, LLC, of Corpus Christi, Texas, in an amount not to exceed \$77,217.05, to purchase manhole covers for the City Warehouse as a central distribution point for the Utilities Department, with funding in FY 2021 in an amount of \$8,579.67 available through the Stores Fund.

**SUMMARY:**

This motion authorizes a three-year supply agreement with Ferguson Enterprises, LLC to purchase manhole covers to be stocked by the City Warehouse to distribute these supplies on an as-needed basis to the Utilities Department for their operational material needs.

**BACKGROUND AND FINDINGS:**

The Utilities Department uses manhole covers to maintain and service outdated, and damaged manhole covers throughout the City. 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 the department needs it. The incumbent, Core & Main LP, of Corpus Christi, had a three-year supply agreement for \$166,185.00. The price differential for the present result is a direct effect of the quantities being drastically reduced due to not using the entire amount in the previous contract.

**PROCUREMENT DETAIL:**

The Contracts and Procurement Department conducted a Request for Bid process to obtain bids to establish a new three-year supply agreement. The City received two bids and is recommending the award to the lowest responsive responsible bidder, Ferguson Enterprises, LLC.

**ALTERNATIVES:**

An alternative to accepting this bid would be for the City Warehouse to continue purchasing these items on an as needed basis, with the possibility of an increased cost per item due to variable market conditions and changes to specific manhole covers bought frequently.

**FISCAL IMPACT:**

The fiscal impact for Contracts and Procurement in FY 2021 is approximately \$8,579.67. The remaining cost of \$68,637.38 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):	N/A	
Account:	520210	Cost of Goods Sold

**RECOMMENDATION:**

Staff recommends approval of this motion authorizing a three-year supply agreement with Ferguson Enterprises, LLC for the City Warehouse as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement