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## CITY COUNCIL CONSENT ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

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AGENDA TOPIC: Approval of a resolution authorizing the execution of agreements with Maguire Iron, Inc. for water tank maintenance services, expenditure of the required funds, and execution of all applicable documents by the City Manager

DATE: November 21, 2024

DEPARTMENT: Finance

PRESENTED BY: Consent Item: Clayton Hoelscher, Procurement Manager

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#### **INTRODUCTION/BACKGROUND:**

The City budgeted \$207,036 to start a long-term water storage tank cleaning, inspection and maintenance program. The Texas Commission on Environmental Quality (TCEQ) requires potable storage tanks to be inspected annually, cleaned every three to five years, and maintained to ensure structural and sanitary integrity. Due to the harsh Texas climate, potable storage tanks are normally recoated every 10 years (externally) and 15 years (internally) to protect steel components from corrosion. The program has a ten-year duration with the same annual cost of \$207,036 per year which covers all seven of the City's water tanks. Each water tank has its own unique maintenance plan for the ten-year period, which is reflected in **Exhibit A** in the accompanying resolution. Each tank has its own ten-year agreement, which can be cancelled after each individual year.

To support this, the City received proposals from Maguire Iron, Inc. for this maintenance plan. The City will utilize The Interlocal Purchasing System (TIPS) purchasing cooperative for this purchase. Utilizing the TIPS cooperative fulfills the City's competitive requirements.

City staff and GEC conducted reference checks with other cities that have long-term tank maintenance agreements with Maguire Iron, including the City of Jourdanton, City of Marfa, City of Port Lavaca, City of Olton, City of Sequin, City of Pearsall, City of Nixon, City of Crowley and others. All respondents stated Maguire Iron is very responsive, provides high-quality craftsmanship, self-performs the work (i.e. does not subcontract out), and would recommend them to others. Some cities also stated they plan to enter into another maintenance service contract upon expiration of their current contract.

#### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

- Supports Priority 3.1 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Water Resources.
- Complies with Competitive Procurement Requirements.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

The City budgeted \$207,036 for this project, which is adequate to cover the annual cost of the tank maintenance agreements. The City will include the annual cost in future proposed budgets for the duration of the agreements.

**LEGAL ANALYSIS:**

The City Attorney has reviewed and approved the Maintenance Agreements.

**RECOMMENDATION/PROPOSED MOTION:**

Consent Item - I move to approve a resolution authorizing the execution of agreements with Maguire Iron, Inc. for water tank maintenance services for a total value not to exceed \$207,036 annually, expenditure of the required funds, and execution of all applicable documents by the City Manager.