



# City Council Report

**Date:** June 1, 2020  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Renewal with a One-Year Renewal Option to the Term Contract for Gas Meters, Class 400, for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## Recommendation

Council is requested to approve the contract renewal as recommended.

The Business Services and Energy Resources Departments and Purchasing recommend authorizing the renewal with Border States Industries, Inc., at \$265,500 annually, with an annual increase allowance of up to 5%, or the adjusted Producer Price Index.

## Background / Discussion

This contract provides Gas Meters, Class 400 (Itron MO8079-400ANT) used for monitoring volume of customer gas usage and for billing of residential and commercial services. These meters are used for new service installations and repair work by Energy Resources - Gas Utility. Materials and Supply places orders and maintains stock inventory as needed.

Border States Industries, Inc. has agreed to renew the contract with a \$16.84 per unit price increase, from \$160.16 to \$177.00 per gas meter. In 2017, this contract was originally bid for the annual quantity 400 meters. Energy Resources estimates the annual quantity of 1,500 units over the next two years. The price increase equates to \$25,260 per year.

The City has been satisfied with the vendor's performance. Border States has delivered the product in a timely manner. The vendor is also able to supply the increased capacity of 1,500 gas meters. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

## Purchase Information

Action: Renewal (1<sup>st</sup> of 2 possible)  
Procurement Type: Request for Bids  
Contract Number: 2017219  
Original Council Award Date: 7/10/2017  
Initial Contract Term: Three years  
Possible Renewals: One-year renewal subject to Administrative review and approval  
Funding Source: Business Services Department - Materials and Supply operating budget through the Warehouse Internal Services Fund