



# 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:** Dollar Limit Increase to the Term Contract for Polyethylene Natural Gas Pipe and Fittings for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## Recommendation

Council is requested to approve the contract amendment as recommended.

The Business Services and Energy Resources Departments and Purchasing recommend increasing the dollar limit with Border States; Georg Fischer Central Plastics LLC; and Western Water & Gas Products Ltd; by \$40,000, for Years 2 and 3, from \$832,000 to \$872,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

## Background / Discussion

Energy Resources – Gas Utility uses polyethylene natural gas pipe and fittings for newly installed intermediate natural gas mains and services and to replace aging infrastructure.

Based in the volatile pricing of polyethylene natural gas pipe and fittings, a firm fixed price contract is not in the City's best interest. Vendors submitted manufacturer and part number information for products offered in the solicitation. The awarded vendors are on a qualified vendors list and are eligible to respond to City requests for quotes.

The City is in Year 2 (7/10/2019 to 7/79/2020) of the initial three-year term. Materials and Supply has added 2" Gas Service Ball, Valve and 4" Gas Service Ball, Valve, under this contract to get better pricing due to economies of scale; both items were previously purchased under Contract (No. 2016270 Polyethylene Gas Valves) at slightly higher pricing.

## Purchase Information

Action: Amendment  
Procurement Type: Request for Bids (Pre-Approved Vendors List)  
Contract Number: 2018166  
Initial Contract Term: Three years  
Possible Renewals: Up to a maximum of two years subject to Administrative review and approval

Funding Source: Business Services Department - Materials and Supply operating budget through the Warehouse Internal Services Fund

Dollar Limit History

Original Council Award 7/9/2018 (Years 1, 2 and 3):	\$832,000.00
Dollar Limit Increase Request for Years 2 and 3 - 6/1/2020:	<u>\$40,000.00</u>
New Annual Contract Value (Years 2 and 3):	<u>\$872,000.00</u>