



# City Council Report

**Date:** October 20, 2014  
**To:** City Council  
**Through:** Alex Deshuk, Manager of Technology and Innovation  
**From:** Edward Quedens, MPA, C.P.M., CPPO, Business Services Director  
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator  
**Subject:** Three-Year Term Contract for Gas Service Regulators for the for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## **Purpose and Recommendation**

Council is requested to approve the Term Contract for Gas Service Regulators as recommended.

Business Services, Energy Resources and Purchasing recommend awarding the contract to the lowest priced, responsive and responsible bidder, Itron, Inc. at \$48,400.00 annually, based on estimated requirements.

## **Background / Discussion**

This contract will provide gas service regulators for the City's natural gas distribution system. Bid specifications require service type spring loaded, self-operated, pressure-reducing regulators with full capacity internal relief valves suitable for natural gas service in a gas distribution system. The bid quantities are annual estimates based on past experience and anticipated usage. The regulators will be ordered and inventoried by the Materials and Supply Warehouse.

## **Alternatives**

Council may choose not to authorize the purchase and new responses will be solicited.

## **Fiscal Impact**

The annual contract amount is funded by the Warehouse Internal Service Fund.

## **Coordinated With**

Business Services, Energy Resources – Gas Utility and Purchasing

## **PURCHASING INFORMATION**

Action: Initial Award

Procurement Type: Request for Bids

Solicitation Number: 2015049

Vendors Registered: ProcureAZ (47) and Vendor Self Service (7)

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website  
Downloads: Sixteen  
Responses: Two and one, No Bid  
Local Consideration: Not applicable as there were no Mesa responses  
Protests Received: None  
Initial Contract Term: Three years  
Possible Renewals: Two, one-year renewal subject to future Council consideration  
Prices: Future price increases are capped by the Producer Price Index  
Pricing Available to Other Cooperative Agencies: Yes

**September 9, 2014 Responses:**

Itron, Inc. Liberty Lake, WA	\$45,825.00 (Recommended)
Western Natural Gas Products Surrey, BC – Canada	\$73,542.00

“No Bid” Response received from:  
Chemical Feeding Technologies Inc.

**AWARD RECOMMENDATION**

***Itron, Inc.***  
**Liberty Lake, WA**

Description
Gas Service Regulators per Terms and Conditions, Specifications and Pricing as offered
Bid Quantity 1,500 – 3/4" F.N.P.T., straight thru-inline type, per specification G.M.-6.1 - R11549 – B42R (12 per Box and 300 per Skid) - \$19.00 / each
Bid Quantity 900 - 3/4" F.N.P.T., 90° angle body, per specification G.M.-6.2 – R10331 – B42R (12 per Box and 300 per Skid) - \$19.25 / each
<b>Annual Contract Amount: <u>\$48,400.00</u></b> (includes 5.6% Use Tax)