



City Council Report

Date: February 8, 2016
To: City Council
Through: Alex Deshuk, Chief Innovation Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Renewal of the Term Contract for Replacement Parts and Supplies for the Greenfield Water Reclamation Plant for the Water Resources Department
(Sole Source) (58% funded by the Towns of Gilbert and Queen Creek and 42% funded by the Enterprise Fund – Greenfield WRP Joint Venture) (Citywide)

Purpose and Recommendation

Council is requested to approve the Term Contract for Replacement Parts and Supplies as recommended.

The Water Resources Department, and Purchasing recommend authorizing a one-year renewal contract with the sole source manufacturer, Xylem Water Solutions USA, Inc. at \$300,000.00, based on estimated requirements.

Background / Discussion

This contract provides replacement parts (ultra-violet lamps, ballasts and other components) for the Wedeco Wastewater Disinfection System at the Greenfield Water Reclamation Plant (GWRP) on an as-needed basis. These parts are necessary for wastewater disinfection and regulatory compliance of cleaner wastewater.

The City established a sole source contract with Xylem (formerly ITT Water & Wastewater USA and ITT Wedeco) for Wedeco parts, which are necessary to maintain the disinfection system's performance guarantee from the manufacturer. Water Resources had evaluated the option of purchasing after-market parts for GWRP's system but determined there is not enough cost savings to risk manufacturer support and the performance guarantee.

On June 17, 2013, Council approved the initial three-year contract with renewal options. This is the first, one-year renewal contract with a one-year renewal option remaining.

Xylem Water Solutions USA, Inc. offered to renew the contract with an overall decrease of 4.37%. The City has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Xylem is the sole source manufacturer/supplier of Wedeco replacement parts.

Alternatives

Council may choose not to authorize the sole source purchase.

Fiscal Impact

The annual contract amount will be funded by the GWRP owners: \$174,000.00 (58%) from Town of Gilbert and Town of Queen Creek and \$126,000.00 (42%) from the City of Mesa through the Enterprise Fund – Greenfield WRP Joint Venture.

Coordinated With

Water Resources – Wastewater Utility and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Sole Source

Solicitation Number: 2013077

Initial Contract Term: Three Years

Renewal Term: One Year

Renewal Terms Remaining: One-Year renewal subject to future Council consideration

RENEWAL RECOMMENDATION
Xylem Water Solutions U.S.A., Inc.
Charlotte, NC

Description
Wedeco TAK55M Supplies and Repair Parts (Items 1 to 16 including lamps, ballasts and other components) for the Wedeco Wastewater Disinfection System at the GWRP per Contract No. 2013077, Specifications and Pricing as offered
Annual Contract Amount: <u>\$300,000.00</u> (Tax Exempt)