



# City Council Report

**Date:** May 2, 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:** Three-Year Term Contract for Natural Gas Service Excess Flow Valves for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## **Purpose and Recommendation**

Council is requested to approve the Term Contract for Natural Gas Service Excess Flow Valves as recommended.

The Business Services and Energy Resources Departments, and Purchasing recommend awarding the contract to the lowest, responsive and responsible bidders, Elster Perfection and RW Lyall & Company, Inc., at \$219,016.00 annually, based on estimated requirements.

## **Background / Discussion**

This contract will provide natural gas service excess flow valves (EFVs) for the Energy Resources Department, Gas Utility Unit. In order to comply with federal legislation, the Gas Utility is required to install EFVs on residential service lines for all new construction, and maintenance and/or repair of existing utilities where applicable. Materials and Supply staff place orders on an as-needed basis. The lowest, responsive and responsible bidder for each line item is being recommended for award.

## **Alternatives**

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

## **Fiscal Impact**

The annual contract amount of \$219,016.00 is available in the Materials and Supply operating budget through the Warehouse Internal Service Fund.

## **Coordinated With**

The Business Service Department – Materials and Supply, the Energy Resources Department and Purchasing

## **PURCHASING INFORMATION**

Action: Initial Award

Procurement Type: Request for Bids

Solicitation Number: 2016164

Vendors Registered: ProcureAZ (128) and Vendor Self Service (12)

Advertising: Arizona Republic, Bid Net, ProcureAZ, Purchasing Website

Downloads: 17

Responses: 2

Local Consideration: Not applicable as there were no Mesa responses.

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Two, one-year renewals subject to future Council consideration

Prices: Future price increases are capped by the Producer Price Index

Pricing Available to Other Cooperative Agencies: Yes

## **February 8, 2016 Responses**

*Item descriptions available upon request.*

Elster Perfection	Items #1, 2, 5, 6, 7, 8, 10 and 12 - \$ 154,960.00 (Recommended)
Geneva, OH	Items # 3 and 4 - \$ 10,650.00
	Items #9 and 11 – No Bid
RW Lyall & Company, Inc.	Items # 1, 2, 5, 6, 7, 8, 10 and 12 \$ 159,539.00
Corona, CA	Items # 3, 4, 9 and 11 - \$ 64,056.00 (Recommended)
	Items #10 and 12 – No Bid

## **AWARD RECOMMENDATION**

Description
<p>Natural Gas Service Excess Flow Valves per Agreement #2016164; Exhibits – Mesa Standard Terms and Conditions, Scope of Work, and Other Exhibits; Solicitation including any addenda; and Contractor Response</p> <p><u><i>Lowest, Responsive and Responsible Bidders by Item:</i></u></p> <p><b><i>Elster Perfection – Geneva, OH</i></b> Items #1, 2, 5, 6, 7, 8, 10 and 12</p> <p><b><i>RW Lyall &amp; Company, Inc. – Corona, CA</i></b> Item #3, 4, 9 and 11</p> <p><b>Annual Contract Amount: <u>\$219,016.00</u></b> (cumulatively not to exceed)</p>