



City Council Report

Date: July 5, 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: Dollar Limit Increase to the One-Year Term Contract for Repair and Maintenance Parts for Severn Trent Chlorine System for the Water Resources and Parks, Recreation and Community Facilities Departments (Sole Source) **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Dollar Limit Increase to the Term Contract for Repair and Maintenance Parts for the Severn Trent Chlorine System as recommended.

The Water Resources, and Parks, Recreation and Community Facilities Departments, and Purchasing recommend authorizing a dollar limit of \$120,000.00 with the sole source vendor, McCarthy Integrated Systems LLC, increasing the annual contract amount from \$120,000.00 to \$240,000.00 for the one-year contract term.

Background / Discussion

This contract provides repair and maintenance parts for the Severn Trent chlorine system at the Brown Road Water Treatment Plant (estimated at \$45,000.00) and for equipment at well sites (estimated at \$75,000.00) throughout the City.

On January 11, 2016, Council approved a one-year contract with McCarthy at \$120,000.00. Parks, Recreation, and Community Facilities has requested to be added to the contract, increasing the annual contract amount by \$40,000.00. PRCF uses Severn Trent equipment for water sanitation at their Aquatic Facilities. This is required to be compliant with Maricopa County regulations for public pool use.

Water Resources requires an increase of \$80,000.00 for the one-time replacement of obsolete injectors including 70 injectors, nozzles and 25 preventative maintenance kits. The injectors located throughout supply and distribution have become obsolete and parts are no longer available. The Department plans to replace them within the next 6 months.

In 2015, Severn Trent named McCarthy Integrated Systems as their sole distributor and exclusive authorized service provider for Severn Trent in Arizona.

Alternatives

Council may choose not to authorize the dollar limit increase.

Fiscal Impact

The annual amount is available in the Water Resources Department operating budget through the Enterprise Fund – Water Sub-Fund, and Parks, Recreation and Community Facilities Department operating budget.

Coordinated With

Water Resources Department
Parks, Recreation and Community Facilities Department
Purchasing

PURCHASING INFORMATION

Action: Dollar Limit Increase
Procurement Type: Sole Source
Contract Number: 2016138
Contract Term: 1/12/2016 through 1/11/2017

AWARD RECOMMENDATION
McCarthy Integrated Systems LLC
Wickenburg, AZ

Description	
Repair and Maintenance Parts for the Severn Trent Chlorine System per Contract #2016138 Terms and Conditions, Specifications and Pricing	
Original Award 1/11/2016 – Current Limit	\$120,000.00
PRCF Increase Request – 7/5/2016 (Annual)	\$40,000.00
Water Resources Increase Request – 7/5/2026 (One-Time)	<u>\$80,000.00</u>
New Annual Contract Amount (through 1/11/2017)	<u>\$240,000.00</u>