



City Council Report

Date: March 6, 2017
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal Contract for Natural Gas Pipe and Fittings for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal Contract for Natural Gas Pipe and Fittings as recommended.

The Business Services Department and Purchasing recommend authorizing the renewal contract with Border States Electric Supply; Ferguson Waterworks; and Western Natural Gas Products; cumulatively not to exceed \$275,000.00, based on estimated requirements.

Background / Discussion

Energy Resources, Gas Utility uses PE2406/2708 natural gas pipe and fittings for new construction projects and maintenance and repair of existing facilities. Based on the volatile pricing of PE2406/2708 natural gas pipe and fittings, a firm fixed price contract is not in the City's best interest.

On March 20, 2014, the City solicited Request for Bids to establish a list of pre-qualified vendors. The awarded vendors were placed onto the City's Pre-Approved List and are eligible to competitively quote for future PE2406/2708 natural gas pipe and fittings purchases.

On June 16, 2014, the City awarded the contract to the four vendors that provided a bid response (Border States Electric, Ferguson Waterworks, Wesco Distribution dba Brown Wholesale, and Western Natural Gas Products).

Wesco Distribution dba Brown Wholesale declined to renew their contract at this time. Wesco was awarded Group A, as well as the other the three vendors. Wesco's pricing for Group A was the highest.

Border States Electric Supply, Ferguson Waterworks, and Western Natural Gas Products offered to renew the contract. The City has been satisfied with each vendor's performance and this contract continues to be advantageous to the City. It is in the City's best interest to renew the contract with the three remaining vendors that bid on the solicitation in 2014.

Alternatives

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

Fiscal Impact

The annual contract amount is available in the Materials and Supply operating budget through the Warehouse Internal Services Fund.

Coordinated With

Business Services – Print, Mail and Materials, and Purchasing

PURCHASING INFORMATION

Action: Renewal

Procurement Type: Request for Bids (List of Pre-Approved Vendors)

Solicitation Number: 2014223

Responses Received: 4

Initial Contract Term: Three Years

Renewal: One-year renewal

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

April 8, 2014 Responses

Border States Industries, Inc.
dba Border States Electric
Phoenix, AZ

Group A - \$211,570.00 (Awarded)
Group B - \$16,875.00 (Awarded)
Group C - \$943.50 (Awarded)

Ferguson Enterprises Inc.
dba Ferguson Waterworks
Phoenix, AZ

Group A - \$248,265.10 (Awarded)
Group B - \$27,560.80 (Awarded)
Group C - \$1,224.00 (Awarded)

Wesco Distribution
dba Brown Wholesale
Phoenix, AZ

Group A - \$311,033.00 (Awarded)
Group B - \$12,270.90
Group C - \$600.00

Western Natural Gas Products
Surrey, B.C., Canada

Group A - \$203,850.00 (Awarded)
Group B - No Bid
Group C - No Bid

No Bid Response received from
SGS Mfg. – Addison, TX

RENEWAL RECOMMENDATION

Description
<p>Natural Gas Pipe and Fitting per Contract No. 2014223, Terms and Conditions, Specifications and Pricing</p> <p><u>Pre-Approved Vendors List:</u> <u>Group A</u> – Pipe, PE 2406/2708 per Specification GM-3 <i>Western Natural Gas Products - Surrey, B.C, Canada</i></p> <p><u>Group A</u> - Pipe, PE 2406/2708 per Specification GM-3, <u>Group B</u> – Fittings PE2406/2708 per Specification GM-4.1.1 and GM-4.1.2 (All to be Socket Type except as noted.) All Tapping Tees are 800 Cutter, and <u>Group C</u> - Protective Sleeves per GM-4.1.2 <i>Border States Industries, Inc. dba Border States Electric - Phoenix, AZ</i> <i>Ferguson Enterprises Inc. dba Ferguson Waterworks - Phoenix, AZ</i></p> <p>Annual Contract Amount: <u>\$275,000.00</u> (not to cumulatively exceed)</p>