



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: Dollar Limit Increase to the Term Contract for Anodeless Service Risers for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

Purpose and Recommendation

Council is requested to approve a Dollar Limit Increase to the Term Contract for Anodeless Service Risers as recommended.

The Business Services Department and Purchasing recommend authorizing a dollar limit increase of \$50,000.00 with R.W. Lyall & Company, Inc., increasing the contract amount from \$115,000.00 to \$165,000.00 annually, based on estimated requirements.

Background / Discussion

This contract provides 1" and 2" anodeless service risers and pre-assembled ¾" anodeless service riser kits per specifications for new service installations and repair work by Energy Resources - Gas Utility. Materials and Supply places orders and maintains stock inventory as needed.

Anodeless service risers are the portion of the natural gas service line required to transition from the underground service piping to the customer's above-ground meter. They are specially designed to electrically isolate the customer's meter from the rest of the natural gas system for purposes of corrosion protection and to provide a protective casing for the internal polyethylene piping.

On March 21, 2016, Council approved the initial three-year contract at \$90,000.00 annually. Gas Utility's usage of these stock items has been more than originally estimated due to continued increases of gas utility customers. Energy Resources requested an increase of \$25,000, management administratively approved this on 12/20/2016. This current increase request of \$50,000.00 is for each year of the initial three-year term, based on current usage.

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 Department – Print, Mail and Materials
Energy Resources Department – Gas Utility
Purchasing

PURCHASING INFORMATION

Action: Dollar Limit Increase
Procurement Type: Request for Bids
Solicitation Number: 2016148
Vendors Registered: ProcureAZ (98) and Vendor Self Service (5)
Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website
Downloads: 17
Responses: 4
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

January 12, 2016 Responses

Border States Industries, Inc. dba Border States Electric Phoenix, AZ	\$85,180.20*
R.W. Lyall & Company, Inc. Corona, CA	\$85,180.20 (Recommended)
Arizona Water Works Supply Tempe, AZ	\$86,892.00
Elster Perfection Geneva, OH	\$22,674.40 (includes a No Bid item)

*The original award recommendation to Border States was rescinded; this vendor is unable to honor the agreement/sell the risers. RW Lyall & Company is able to and is being recommended for award.

DOLLAR LIMIT INCREASE RECOMMENDATION

R.W. Lyall & Company, Inc.

Corona, CA

Description	
Anodeless Service Riser per Contract No. 2016148, Terms and Conditions, Specifications and Pricing as offered	
Original Award 3/21/2016	\$90,000.00
Administrative approved Increase 12/20/2016	<u>\$25,000.00</u>
Current Limit	\$115,000.00
This Increase Request 3/6/2017	<u>\$50,000.00</u>
New Annual Contract Amount (Years 1, 2 and 3)	<u>\$165,000.00</u>