



# City Council Report

**Date:** October 16, 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 Magnesium Anodes for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## Purpose and Recommendation

Council is requested to approve the Renewal Contract for Magnesium Anodes as recommended.

The Business Services and Energy Resources Departments, and Purchasing recommend authorizing the renewal contract with Corpro Companies at \$57,000.00, based on estimated requirements.

## Background / Discussion

This contract provides 1 lb. and 32 lb. magnesium anodes for use in the City's natural gas distribution system. Anodes protect against galvanic corrosion of steel pipe. These anodes will be used for new construction projects, and the maintenance and repair of existing utilities. Materials and Supply places the orders and maintains stock inventory as needed.

Corpro Companies offered to renew the contract without a pricing increase even though the Consumer Price Index has increased by 2.8% over the last three years. The City has been satisfied with the vendor's performance. This contract continues to be advantageous and in the City's best interest to renew the contract for the final year.

## Alternatives

Council may choose not to authorize the purchase and new bids will be obtained.

## 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 - Materials and Supply, Energy Resources – Gas Utility and Purchasing

**PURCHASING INFORMATION**

Action: Renewal Authorization

Procurement Type: Request for Bids

Solicitation Number: 2014014

Responses Received: 3

Initial Award Date: 10/7/2013

Initial Contract Term: Three Years

Renewal Term: This is the second and final, one-year renewal

**September 3, 2013 Responses**

|   |                       |
|---|-----------------------|
| Corrpro Companies                           | \$53,877.50 (Awarded) |
| Santa Fe Springs, CA                        |                       |
| Ferguson Enterprise dba Ferguson Waterworks | \$63,613.75           |
| Phoenix, AZ                                 |                       |
| Western Water Technologies                  | \$104,142.50          |
| Tucson, AZ                                  |                       |

**RENEWAL RECOMMENDATION**

***Corrpro Companies***

**Santa Fe Springs, CA**

| Description   |
|---|
| Magnesium Anodes per Contract No. 2014014 Terms and Conditions, Specifications and Pricing as offered |
| <b>Annual Contract Amount: <u>\$57,000.00</u></b>   |