



City Council Report

Date: November 20, 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 Class 250 Residential Gas Meters for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Renewal Contract for Class 250 Residential Gas Meters as recommended.

The Business Services and Energy Resources Departments, and Purchasing recommend authorizing the renewal with Energy Economics, Inc. at \$273,200.00 annually, based on estimated requirements.

Background / Discussion

This contract provides Class 250 residential gas meters for the City's natural gas distribution system for measuring customer gas usage. Meters will be ordered as needed throughout the term of the contract by Materials and Supply. Deliveries will be made to the East Mesa Service Center Warehouse.

Energy Economics, Inc. offered to renew the contract with an increase of \$5.00 (10%) per meter which is allowable per specification. The increase is for the inclusion of an additional part (crank frame assembly) used in the remanufacture of AC250 gas meters. The renewal pricing offered is competitive; the next lowest vendor's pricing is still higher than the renewal pricing. The City has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

Alternatives

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

Fiscal Impact

The annual contract amount is funded by the Warehouse Internal Services Fund.

Coordinated With

Business Services, Energy Resources – Gas Utility and Purchasing

PURCHASING INFORMATION

Action: Renewal Authorization

Procurement Type: Request for Bids

Contract Number: 2015032

Responses Received: 3

Initial Award: 10/20/2014

Initial Contract Term: Three years

Renewal Term: One year

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

September 2, 2014 Responses

Energy Economics, Inc. Dodge Center, MN	\$224,400.00 (Awarded)
Tri-Pacific Supply, Inc. Rocklin, CA	\$275,472.00
ltron, Inc. Liberty Lake, WA	\$326,832.00

RENEWAL RECOMMENDATION***Energy Economics, Inc.***
Dodge Center, MN

Description
Class 250 Residential Gas Meters per Contract No. 2015032, Terms and Conditions, GMS 7.4.1 250 Class Meters Specifications and Pricing as offered
Annual Contract Amount: <u>\$273,200.00</u> (includes 5.6% Use Tax)