



City Council Report

Date: August 20, 2018
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Hach Bench Service and Replacement Equipment and Supplies for the Water Resources Department
(Sole Source) (Citywide)

Recommendation

Council is requested to approve the contract amendment as recommended.

The Water Resources Department and Purchasing recommend increasing the dollar limit with the sole source vendor, Hach Company by \$70,000.00, from \$250,000.00 to \$320,000.00, for the first-year term through 2/28/2019.

Background / Discussion

This contract provides for purchases of bench service agreements, replacement equipment, and supplies from Hach Company. Water Resources utilizes Hach equipment throughout their Water Treatment Plants, Water Reclamation Plants and Wastewater Collections.

Hach's factory-trained service personnel are the only people authorized to perform any repair, start-up, service or maintenance on their instruments. Hach does not recognize or authorize any other service organization to perform repairs or calibrations on their equipment. Unauthorized repairs or use of non-Hach supplied parts will result in voiding the instrument's warranty.

The initial three-year term contract started on 3/1/2018 with the first-year contract amount of \$250,000. Water Resources spent \$211,911 by mid-July, mostly for new equipment and supplies for Signal Butte Water Treatment Plant (SBWTP) (approximately \$50,000), service contracts on large equipment (approximately \$52,000) and for Brown Road Water Treatment Plant's replacement analyzers for their filter banks (approximately \$76,000).

The service contracts alone for all the existing equipment total \$125,000 and the Northwest Water Reclamation Plant currently needs to replace two of their refrigerated samplers which are about \$12,000 each. The increase is needed to get Water Resources through the first-year term; the contract will renew 3/1/2019.

Purchase Information

Action: Amendment

Procurement Type: Sole Source

Contract Number: 2018139

Original Council Award Date: 2/26/2018

Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years, renewals subject to Administrative review and approval

Funding Source: Water Resources Department operating budget

Dollar Limit History:

Original Award Amount (Year 1)	\$250,000.00
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Increase Request 8/20/2018	\$70,000.00
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New Annual Contract (Year 1)	\$320,000.00
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Original Award Amount (Year 2) (No Change)	\$150,000.00
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Original Award Amount (Year 3) (No Change)	\$160,000.00
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