



# City Council Report

**Date:** January 7, 2019  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Renewal to the Term Contract for Class 250 Residential Gas Meters for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## Recommendation

Council is requested to approve the contract renewal as recommended.

The Business Services and Energy Resources Departments, and Purchasing recommend authorizing the renewal with Energy Economics, Inc. at \$273,000, based on estimated usage.

## Background / Discussion

This contract provides Class 250 residential gas meters for the City's natural gas distribution system for measuring customer gas usage. Materials and Supply orders meters as-needed and deliveries are made to the East Mesa Service Center Warehouse.

Energy Economics, Inc. agreed to renew the contract under the same terms, conditions and current pricing. The Producer Price Index increased by an average of 3% over the last year. The next lowest vendor's pricing is 22% higher than Energy Economics' 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.

## Purchase Information

Action: Renewal (2<sup>nd</sup> of 2 possible)  
Procurement Type: Request for Bids  
Contract Number: 2015032  
Responses Received: 3  
Original Council Award Date: 10/20/2014  
Initial Contract Term: Three years  
Funding Source: Materials and Supply operating budget through the Warehouse Internal Services Fund