



City Council Report

Date: February 25, 2019
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 Mechanical Fittings for the Materials & Supply Warehouse (for the Energy Resources Department) (Citywide)

Recommendation

Council is requested to approve the contract amendment as recommended.

The Business Services and Energy Resources Departments and Purchasing recommend increasing the dollar limit with Border States Industries, Inc. by \$25,000, from \$62,500 to \$87,500 for Year 2; and increasing by \$50,000, from \$37,500 to \$87,500 for Year 3, of the term contract.

Background / Discussion

This contract provides Lycofit mechanical fittings for new construction projects and the maintenance and repair of existing gas utilities. Energy Resources Department - Gas Utility uses these mechanical fittings manufactured by R. W. Lyall & Company, Inc. to connect polyethylene (PE) pipe in the City's natural gas distribution system. Technical specifications require the mechanical fittings to comply with Federal Regulation and the American Society for Testing and Materials (ASTM) Standards. Materials & Supply orders and stocks the mechanical fittings for Gas Utility.

In Year 2, Gas Utility's usage has been more than originally estimated and awarded for \$37,500. Management administratively approved the increase of \$25,000 on 10/31/2018. These increases are needed to fulfill Gas Utility's current need and to get through the end of contract (years 2 and 3).

Purchase Information

Action: Amendment
Procurement Type: Request for Bids
Contract Number: 2017157
Initial Contract Term: Three years
Possible Renewals: Two, one-year renewals subject to Council review and approval
Funding Source: Business Services Department - Materials and Supply operating budget through the Warehouse Internal Services Fund

Dollar Limit History

Term Contract for Year 2 (Original Council Award 6/5/2017):	\$37,500.00
Admin approved Increase 10/31/2018:	\$25,000.00
Contract Dollar-Limit Increase Request 2/25/2019:	<u>\$25,000.00</u>
Term Contract for Year 2:	<u>\$87,500.00</u>
Term Contract for Year 3 (Original Council Award 6/5/2017):	\$37,500.00
Contract Dollar-Limit Increase Request 2/25/2019:	<u>\$50,000.00</u>
Term Contract for Year 3:	<u>\$87,500.00</u>