



City Council Report

Date: May 20, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: One-Year Term Contract with a One-Year Renewal Option for Refrigerated Liquid Carbon Dioxide for the Signal Butte Water Treatment Plant as requested by the Water Resources Department **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Water Resources Department and Purchasing recommend authorizing the purchase using the City of Tempe cooperative contract with Praxair, Inc., at \$100,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This purchase of refrigerated liquid carbon dioxide is required for the treatment process at Signal Butte Water Treatment Plant.

The City of Mesa had a contract with Reliant Gases for the purchase of refrigerated liquid carbon dioxide for the Signal Butte Plant. Effective 2/23/2019, Reliant required a price increase as their local supplier of a raw material shut down their plant. The product would now have to be shipped in from Texas and would sustain a very significant increase in cost. City of Tempe has a contract with Praxair at a better price (\$0.1074 per pound) than what Praxair offered to sell it to the City of Mesa.

The City of Tempe cooperative contract has been competitively bid and provides for the lowest possible pricing. Going out for a formal bid would only delay the purchase and would not result in any cost savings to the City.

Purchase Information

Action: Award

Procurement Type: Cooperative Contract Use

Contract Number: 2019170

Contracting Agency/Contract Number: City of Tempe/WUD16-106-01

Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: One year

Possible Renewals: One-year renewal subject to City of Tempe, Administrative review and approval

Funding Source: Water Resources Department operating budget (Water Operations and Maintenance)