



City Council Report

Date: June 17, 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 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 from \$150,000 to \$400,000 for Year 2, and from \$160,000 to \$400,000 for Year 3, based on estimated requirements.

Background / Discussion

This contract supplies sole source equipment, laboratory and analyzer supplies, laboratory consumables, reagents and standards, maintenance and repair services, Flodar data hosting and wireless services, used throughout the City's Water Treatment Plants, Water Reclamation Plants and Wastewater Collections.

When this contract was established the usage was greatly underestimated. The first-year estimate was \$250,000. Water Resources went back and got Council and administrative approvals increasing the first-year contract amount to \$345,000. Water Resources has polled all users throughout the entire Department and estimates the annual usage of \$400,000 is in-line with actual Department needs.

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 calibration services on their equipment. Unauthorized repairs or use of non-Hach supplied parts and services will result in voiding the instrument's warranty.

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 2/26/2018 (Year 1)	\$150,000.00
Council approved Increase 8/20/2018	\$70,000.00
Admin approved Increase 1/24/2019	<u>\$25,000.00</u>
Annual Contract Amount (Year 1 - 3/1/2018 to 2/28/2019)	\$345,000.00
Original Award 2/26/2018 (Year 2)	\$150,000.00
Increase Request 6/17/2019	<u>\$250,000.00</u>
New Annual Contract Amount (Year 2)	<u>\$400,000.00</u>
Original Award 2/26/2018 (Year 3)	\$160,000.00
Increase Request 6/17/2019	<u>\$240,000.00</u>
New Annual Contract Amount (Year 3)	<u>\$400,000.00</u>