



City Council Report

Date: January 13, 2020
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Pipe Parts (Years 2 and 3) for the Materials and Supply Warehouse (for Citywide Use) **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Business Services Department and Purchasing recommend increasing the dollar limit with Dana Kepner Company, Inc.; Winsupply Inc. dba Thomas Pipe & Supply; and Four Peaks Fasteners Inc. dba FPF Industries by \$20,000, from \$86,500 to \$106,500 annually for Years 2 and 3, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides various pipe parts including ells, elbows, nipples, caps, couplings, tees and bushings, etc. per technical specifications for the City's Utilities departments.

The City is in Year 2 (6/1/2019 to 5/31/2020) of the contract. Pipe parts are stocked in the Warehouse and a heavily used commodity. Approximately 25 new line items have been added and are now available under this contract.

Based on current usage and to maintain stock inventory, Materials and Supply requested and management administratively approved increases totaling \$25,000 for Year 2. The Warehouse estimates the annual contract amount of \$106,500 may be adequate for Years 2 and 3.

Purchase Information

Action: Amendment
Procurement Type: Request for Bids
Contract Number: 2018160
Initial Contract Term: Three years
Possible Renewals: Up to a maximum of two years subject to Administrative review and approval
Original Council Award Date: 5/21/2018

Dollar Limit History

Original Award Amount (Years 1, 2 and 3):	\$61,500.00
Administrative approved Increase 11/14/2019:	\$13,500.00
Administrative approved Increase 11/20/2019:	<u>\$11,500.00</u>
Current Contract Value (Years 2 and 3):	\$86,500.00
Increase Request 1/13/2020:	<u>\$20,000.00</u>
New Contract Value (Years 2 and 3):	<u>\$106,500.00</u>