



City Council Report

Date: April 21, 2025
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Coated Steel Pipe for the Energy Resources Department (Single Response) **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Energy Resources Department and Procurement Services recommend increasing the dollar limit with Consolidated Pipe & Supply Co., Inc. by \$2,000,000, from \$2,500,000 to \$4,500,000 for the current contract year.

Background / Discussion

This contract provides various linear feet of 2", 4", 6", 8" 10", and 12" domestic coated steel pipe and Powercrete J liquid epoxy kits for upcoming City natural gas projects.

The upcoming 2025 projects are the Broadway Road Improvements Project, Gantzel Road, Arizona Farms Road and the Val Vista Drive to Pueblo to the US 60 Project.

While the projects listed above may have been planned when this contract was awarded in 2022, the detailed materials needed would not have been specified yet.

Materials for natural gas projects are ordered separate from the construction contract for a couple of reasons. First, natural gas construction is heavily regulated. These regulations include the type of materials that can be used and precise record keeping of when the materials were purchased and where they were used in the natural gas system. In addition, Energy Resources has found that ordering the materials in-house has created savings. When contractors purchase the materials, there are additional costs added for storage, profit and overhead.

This is a dollar limit increase to provide contract capacity for upcoming/current projects. This is not a budget increase. These purchases are already provided for in the budget.

Purchase Information

Action: Amendment
Procurement Type: Request for Proposals
Contract Number: 2022058
Initial Contract Term: Three years

Possible Renewals: Up to a maximum of two years subject to Administrative review and approval

Funding Source: Energy Resources operating budget through Gas Utility Bond Funds and Pledge Funding

Dollar Limit History

Original Award Amount (1/10/2022):	\$2,500,000.00
This increase request:	<u>\$2,000,000.00</u>
New Contract Value through 1/10/2026:	\$4,500,000.00