



# City Council Report

**Date:** August 24, 2020  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Renewal with a One-Year Renewal Option to the Term Contract for Rotary Gas Meters for the Materials and Supply Warehouse (for the Energy Resources Department) **(Citywide)**

## Recommendation

Council is requested to approve the contract renewal as recommended.

The Business Services and Energy Resources Departments, and Purchasing recommend authorizing the renewal with Honeywell dba, Mercury Instruments LLC; Romet Limited, LLC; and Western Gas Technologies; at \$344,468 annually, with an annual increase allowance of up to 5%, or the adjusted Producer Price Index.

## Background / Discussion

This contract provides large capacity rotary gas meters from approved suppliers and manufacturers listed in the specifications for the purpose of billing customer gas usage. These meters are for new construction projects and maintenance and repair of existing utilities in the City's natural gas distribution systems. Materials and Supply places orders and maintains stock inventory as needed.

The gas meter industry is volatile with limited availability in the market. Honeywell dba, Mercury Instruments and Western Gas Technologies have agreed to renew the contract maintaining last year's pricing. Romet Limited has agreed to renew with an overall average increase of 6% increase. The Consumer Price Index has increased by 3% over the last three years of this contract. This contract is vital to the success of Gas Utility's operations and projects. The City has been satisfied with each vendor's performance; all have been easy to work with and timely with deliveries. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract with all three vendors.

## Purchase Information

Action: Renewal (1<sup>st</sup> of 2 possible)  
Procurement Type: Request for Bids  
Contract Number: 2017209  
Original Council Award Date: 8/21/2017  
Initial Contract Term: Three years  
Possible Renewals: One-year renewal subject to Administrative review and approval  
Funding Source: Business Services Department – Materials and Supply operating budget through the Warehouse Internal Services Fund