



City Council Report

Date: August 19, 2019
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 Traffic Sign Posts for the Materials and Supply Warehouse (for the Transportation Department **(Citywide)**)

Recommendation

Council is requested to approve the contract amendment as recommended.

The Business Services and the Transportation Departments and Purchasing recommend increasing the dollar limit with Xcessories Squared Southwest Inc., by \$10,900, from \$54,100 to \$65,000 for Year 2; by \$35,900, from \$29,100 to \$65,000 for Year 3, with an annual increase allowance of up to 5% or the adjusted Producer Price Index.

Background / Discussion

This contract provides galvanized metal sign post materials that are stocked at the Materials and Supply Warehouse for use by the Transportation Department. The materials are used for the installation, replacement and/or relocation of traffic control and street name signs throughout the City.

Due to underestimating the annual usage of this commodity when originally bid, an increase is needed. The Transportation Department has been using this commodity more than originally anticipated. Three months into Year 2 of the term contract, the contract had a balance of \$3,000, and management approved the increase of \$25,000 on 6/20/2019. The increase is needed to be in line with the Department's current spending.

Purchase Information

Action: Amendment
Procurement Type: Request for Bids
Contract Number: 2018136
Initial Contract Term: Three years
Possible Renewals: Up to a maximum of two years, renewals subject to Administrative review and approval
Funding Source: Business Services Department - Materials and Supply operating budget through the Warehouse Internal Services Fund

Original Council Award: 3/19/2018

Dollar Limit History

Original Award Amount (Years 2):	\$29,100.00
Administrative Approved Increase 6/20/2019:	\$25,000.00
Increase Request 8/19/2019:	<u>\$10,900.00</u>
New Contract Value (Years 2):	<u>\$65,000.00</u>
Original Award Amount (Year 3):	\$29,100.00
Increase Request 8/19/2019:	<u>\$35,900.00</u>
New Contract Value (Year 3):	<u>\$65,000.00</u>