



# 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 Gas Service Regulators 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 Meter, Valve and Control, Inc., at \$86,100.00 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

## Background / Discussion

This contract provides gas service regulators for new construction projects and maintenance and repair of existing facilities in the City's natural gas distribution system. The specifications require service type spring loaded, self-operated, pressure-reducing regulators with full capacity internal relief valves suitable for natural gas service in a gas distribution system. Materials and Supply will order and inventory these gas service regulators.

Two of the three vendors (Border States and Elster American Meter Company) originally on this contract have declined to renew. Meter, Valve and Control, Inc. has agreed to renew with an overall average increase of 8.9%. The Producer Price Index has increased 3.2% over the duration of this contract.

This contract is vital to the success of Gas Utility's operations and projects. This contract continues to be advantageous to the City. Based on the volatile industry and the fact that there are limited vendors that produce this product, it would be in the best interest of the City to renew this contract.

## Purchase Information

Action: Renewal (1<sup>st</sup> of 2 possible)  
Procurement Type: Request for Bids  
Contract Number: 2018004  
Original Council Award Date: 11/20/2017  
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