



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 (1st 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