



City Council Report

Date: May 7, 2012
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
John Albin, CPPO, CPPB, Acting Purchasing Administrator
Subject: Purchase of 4" and 6" Coated Steel Pipe for the Energy Resources Department
(Contract #2012137)
"Citywide" Contract

Purpose and Recommendation

Council is requested to approve the Purchase of 4" and 6" Coated Steel Pipe as recommended. Bid pricing was obtained and evaluated by the Energy Resources Department and the Purchasing Division.

The Purchasing Division recommends awarding the contract to the lowest, responsive and responsible bidder with the best delivery option for the City, Consolidated Pipe & Supply Co., Inc. at \$176,201.69, including applicable sales tax, based on estimated requirements.

Background/Discussion

This purchase will provide approximately 13,060 linear feet of coated 4" and 6" domestic steel pipe for various Mesa and Magma CIP projects. All pipe must meet the requirements of the City of Mesa specifications (GM-1.1 Steel Line Pipe, Beveled and Plain End for General Distribution Purposes; GM-1.3.1 Extruded Polyethylene Coating for Steel Pipe; and GM-1.3.2 Powercrete Coating of Steel Pipe).

Two pricing options were requested in this bid. Option #1 requested pricing for the purchase and one time delivery of all pipe, to a City holding yard, for this piping project. This option would require offloading and holding them in a secured area until needed and then paying to have the construction contractor load needed pipe and relocate it to the jobsite. Option #2 requested pricing for the purchase and delivery of the piping on an "as-needed", per project basis, to the construction contractor's secured jobsite so that the City does not need to store or secure the pipe. Option #2 listed the required amount of pipe for each of the four projects and the approximate date the pipe would be needed. Option #2 is being recommended in the award.

34 vendors were invited to bid, in addition to the standard advertising in the Arizona Republic, Record Reporter and Bid Net. Five bids were received, of which, three were deemed non-responsive (no bid bonds submitted as required). The recommended vendor offered the best overall pricing with the best delivery time.

The contract allows the City to purchase additional coated steel pipe at the bid price for 120 days after the bid opening date.

Alternatives

Council may choose not to authorize the purchase and new bids will be obtained. A delay in purchasing these materials is not recommended as this may delay the construction projects.

Fiscal Impact

The total amount of \$176,201.69 is available through various Mesa and Magma CIP projects (10-512-001, 10-375-001, 10-376-001 and 05-042-001).

Coordinated With

Energy Resources – Gas Utility

**CITY OF MESA
AWARD RECOMMENDATION
PURCHASE OF COATED STEEL PIPE
(Invitation for Bids #2012137)**

**Consolidated Pipe & Supply Co. Inc.
Birmingham, AL**

| Description | Bid Pricing |
|---|---------------------|
| Coated Steel Pipe per bid quantities and specifications (approximately 13,060 linear feet of 6" and 8" coated steel pipe): | |
| 6" Extruded Polyethylene Coated Steel Pipe, 0.188" W.T., Grade B Quantity 3,660 L.F. @ \$13.94 / L.F. | \$51,020.40 |
| 6" Extruded Polyethylene Coated Steel Pipe, 0.250" W.T., Grade X-42 Quantity 3,000 L.F. @ \$17.29 / L.F. | \$51,870.00 |
| 4" Extruded Polyethylene Coated Steel Pipe 0.156" W.T. X-42 Quantity 5,800 L.F. @ \$7.94 / L.F. | \$46,052.00 |
| 4" Powercrete Coated Steel over FBE 0.156" W.T. X-42 Quantity 600 L.F @ \$27.25 / L.F. | <u>\$16,350.00</u> |
| Sub-Total | \$165,292.40 |
| 6.6% Use Tax | <u>\$10,909.29</u> |
| Total Amount | \$176,201.69 |
| <u>Option 2 – Manufacture, Coat, and Deliver pipe “As Needed” to project site.</u> Pricing includes all materials, dunnage, freight charges and four (4) hours of off-load standby time for delivery, “as needed” to project site including storage for up to 90 days at vendor’s secured storage facility | |

April 9, 2012 Bid Responses:

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| Wilson Industries, L.P. Houston, TX | \$133,689.40 – Option #1 (Non-Responsive **) No-Bid – Option #2 |
| Consolidated Pipe & Supply Co., Inc. Birmingham, AL | \$162,048.20 – Option #1 \$165,292.40 - Option #2 (Recommended) |
| Ferguson Enterprises, Inc. Phoenix, AZ | \$171,063.80 - Option #1 \$183,968.80 - Option #2 |
| Border Construction Specialties, LLC Phoenix, AZ | \$171,891.40 – Option 1 (Non-Responsive **) \$186,234.00 – Option 2 (Non-Responsive **) |
| JD Fields & Company, Inc. Brea, CA | \$174,785.40 - Option #1 (Non-Responsive **) \$184,023.60 - Option #2 (Non-Responsive **) |

Non-Responsive** Did not submit a bid bond as required.