



## City Council Agenda Request

FEBRUARY 5, 2019

**AGENDA REQUEST NO:** III.B.

**AGENDA OF:** City Council Meeting

**INITIATED BY:**

*Brian J. Butscher, P.E., Assistant Director of Public Works*

**PRESENTED BY:** *Brian Butscher, Assistant Director of Public Works*

**RESPONSIBLE DEPARTMENT:** Public Works

**AGENDA CAPTION:**

Consideration of and action on authorizing execution of a Contract with ACT Pipe and Supply, Inc., in the amount of \$33,652.00, for water repair parts in Fiscal Year 2019, with four fiscal year renewal terms in the amount of \$51,827.45 for each fiscal year, for a total Contract amount of \$240,961.80.

**RECOMMENDED ACTION:**

Staff recommends the authorization of a supply contract to purchase service/repair parts in the amount of \$33,652.00 to ACT Pipe and Supply, with four additional one-year terms of \$51,827.45, for a total contract amount of \$240,961.80.

**EXECUTIVE SUMMARY:**

As part of the recent annexation, Public Works developed and advertised an Invitation to Bidders for the "Purchase of Water Parts". The City's intent was to enter into a long-term supply contract for all of utilities' inventoried items. These items include but are not limited to brass, water line repair clamps, valves, and pipe. In total, respondents were asked to bid on over 160 different items.

On October 17, 2017, Council approved three (3) separate contracts totaling \$179,305 based on the respective respondents low bid. The contracts were awarded for one (1) year with the option for four (4) annual renewals. One of the stipulations of the renewals is the opportunity to incorporate up to a 2.5% annual price adjustment based on the Consumer Price Index (CPI).

At the time of the FY19 renewals, each vendor informed the City of upcoming price increases because of recent tariffs on raw materials. In late November, staff received a formal termination notice from each of the vendors. Staff elected to advertise these contracts and re-establish long-term supply contracts.

The City maintains and operates over 645 miles of water distribution lines and 550 miles of wastewater collection lines as part of our utility infrastructure. On January 3, 2019, the City received five bids in response to Invitation to Bid 2019-10 Purchase of Water Parts for the City's utility infrastructure. Bidders were asked to price an assortment of water and wastewater parts along with discount rates for comparison purposes. Parts were to be awarded according to cumulative pricing based on projected quantities. All vendors being selected were able to meet the City's required time frame.

Item	Delivery Deadline
Stock Orders	5 Working Days
Special Orders	10 Working Days
Emergency Orders	4 Hours

Based on pricing for eight categories of parts, ACT was the lowest bidder for repair clamps and meter boxes. CPR Services & Supplies, Inc. dba MDN Enterprises was the lowest bidder for brass, saddles, tubing, valves, PVC fittings, and miscellaneous parts. The City has a long-standing relationship with both of these companies.

Items are ordered as needed to maintain an adequate inventory at all times. Financially, parts are placed in an inventory account and costs are allocated to the budget at the time they are used. The City is not charged for these parts until they are ordered for

inventory. Funding is available in the Public Works - Repair and Maintenance Utilities System Supplies accounts to fund the parts as they are used for repairs.

The recommended contracts are for the remainder of FY19 with four one-year mutually agreeable extensions. The first year of the contract will run from February 6, 2019 to September 30, 2019. The first 8 months (February 6, 2019 – September 30, 2019) will be funded with the FY19 approved budget. Should the future year funding not be approved for any reason, the contract will terminate on the first day of the new fiscal year. The current approved budget includes \$126,652.00 to fund the remainder of FY19. Each subsequent year of the contract will follow the October 1st start date. The total contract amounts are 8.87% higher than the rates obtained in 2017. The current budget can support these increases because the initial term is only running for 8 months. Below is a breakdown of each area of the award and its cost comparison to the 2017 bid prices.

	2017	2019	%
<b>Brass</b>	\$ 73,711.90	\$ 78,662.85	6.72%
<b>Saddles</b>	\$ 12,522.21	\$ 14,286.52	14.09%
<b>Clamps</b>	\$ 40,027.36	\$ 40,431.20	1.01%
<b>Tubing</b>	\$ 7,871.00	\$ 10,041.40	27.57%
<b>Valves</b>	\$ 28,692.62	\$ 33,017.64	15.07%
<b>PVC Fittings</b>	\$ 2,499.55	\$ 2,991.30	19.67%
<b>Meter</b>			
<b>Boxes/Washers</b>	\$ 10,186.90	\$ 11,396.25	11.87%
<b>Misc</b>	\$ 3,794.22	\$ 4,382.66	15.51%
<b>Total</b>	<b>\$ 179,306</b>	<b>\$ 195,210</b>	<b>8.87%</b>

The Public Works Department recommends the authorization of a supply contract to purchase service/repair parts in the amount of \$33,652.00 to ACT Pipe and Supply, with four fiscal year renewal terms in the amount of \$51,827.45 for each fiscal year, for a total contract amount of \$240,961.80.

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### **BUDGET**

**EXPENDITURE REQUIRED:** \$33,652.00

**CURRENT BUDGET:** \$126,652.00

**ADDITIONAL FUNDING:** NA

**FUNDING SOURCE:** Utility Operating Fund

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### **ATTACHMENTS:**

	<b>Description</b>	<b>Type</b>
□	<a href="#">ACT Signed Contract</a>	Contracts



## City Council Agenda Request

FEBRUARY 5, 2019

**AGENDA REQUEST NO:** III.C.

**AGENDA OF:** City Council Meeting

**INITIATED BY:** *Brian J. Butscher, P.E., Assistant Director of Public Works*

**PRESENTED BY:** *Brian Butscher, Assistant Director of Public Works*

**RESPONSIBLE DEPARTMENT:** Public Works

**AGENDA CAPTION:**

Consideration of and action on authorizing execution of a Contract with CPR Services & Supplies, Inc., dba MDN Enterprises, in the amount of \$93,000.00, for water repair parts in Fiscal Year 2019, with four fiscal year renewal terms in the amount of \$143,382.00 for each fiscal year, for a total Contract amount of \$666,528.00.

**RECOMMENDED ACTION:**

Staff recommends the authorization of a supply contract to purchase service/repair parts in the amount of \$93,000.00 to CPR Services and Supplies, Inc., dba MDN Enterprises, with four additional one-year terms of \$143,382.00, for a total contract amount of \$666,528.00.

**EXECUTIVE SUMMARY:**

As part of the recent annexation, Public Works developed and advertised an Invitation to Bidders for the "Purchase of Water Parts". The City's intent was to enter into a long-term supply contract for all of utilities' inventoried items. These items include but are not limited to brass, water line repair clamps, valves, and pipe. In total, respondents were asked to bid on over 160 different items.

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The City maintains and operates over 645 miles of water distribution lines, and 550 miles of wastewater collection lines. On January 3, 2019, the City received five bids in response to Invitation to Bid 2019-10 Purchase of Water Parts for the City's utility infrastructure. Bidders were asked to price an assortment of water and wastewater parts along with discount rates for comparison purposes. Parts were to be awarded according to cumulative pricing based on projected quantities. All vendors being selected were able to meet the City's required time frame.

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inventory. Funding is available in the Public Works - Repair and Maintenance Utilities System Supplies accounts to fund the parts as they are used for repairs.

The recommended contracts are for the remainder of FY 19 with four one-year mutually agreeable extensions. The first year of the contract will run from February 6, 2019 to September 30, 2019. The first 8 months (February 6, 2019 – September 30, 2019) will be funded with the FY19 approved budget. Should the future year funding not be approved for any reason, the contract will terminate on the first day of the new fiscal year. The current approved budget includes \$126,652.00 to fund the remainder of FY19. Each subsequent year of the contract will follow the October 1st start date. The total contract amounts are 8.87% higher than the rates obtained in 2017. The current budget can support these increases because the initial term is only running for 8 months. Below is a breakdown of each area of the award and its cost comparison to the 2017 bid prices.

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<b>Misc</b>	\$ 3,794.22	\$ 4,382.66	15.51%
<b>Total</b>	<b>\$ 179,306</b>	<b>\$ 195,210</b>	<b>8.87%</b>

The Public Works Department recommends the authorization of a supply contract to purchase service/repair parts in the amount of \$93,000 to CPR Services, with four fiscal year renewal terms in the amount of \$143,382.00 for each fiscal year, for a total contract amount of \$666,528.00.

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#### **BUDGET**

**EXPENDITURE REQUIRED:** \$93,000.00

**CURRENT BUDGET:** \$126,652.00

**ADDITIONAL FUNDING:** NA

**FUNDING SOURCE:**Utility Operating Fund

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#### **ATTACHMENTS:**

	<b>Description</b>	<b>Type</b>
□	<a href="#">MDN Signed Contract</a>	Contracts