



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 19, 2023

DATE: September 19, 2023

TO: Peter Zaroni, City Manager

FROM: Bill Mahaffey, Director of Gas Operations

BillM@cctexas.com

361-826-1801

Josh Chronley, Assistant Director of Finance & Procurement

JoshC2@cctexas.com

361-826-3169

Polyethylene Pipe

CAPTION:

Motion authorizing the purchase of Polyethylene Pipe from Gajeske, Inc. of Houston, for \$251,825.00, for use by Gas Operations, with FY 2023 funding from the Gas Fund.

SUMMARY:

This motion authorizes a one-time purchase with Gajeske, Inc. of Houston in the amount not to exceed \$251,825.00, to purchase polyethylene gas pipe for the Gas Department used in the distribution of natural gas.

BACKGROUND AND FINDINGS:

The Gas Department purchases and stocks polyethylene pipes used for the distribution of natural gas.

PROCUREMENT DETAIL:

Finance & Procurement conducted a Request for Bid Process to obtain bids. The City received two bids. Staff is recommending the award to the incumbent, Gajeske, Inc., who is the lowest responsible, responsive bidder. In 2019, the City paid 39% less for this product at a cost of \$181,429.60.

ALTERNATIVES:

An alternative to accepting this bid would be to require the Gas Department to purchase the polyethylene pipe on an as-needed basis, which would not be as productive or cost effective. The long-term agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Gas Operations in FY 2023 is not to exceed \$251,825.00 with Gajeske, Inc. of Houston for the purchase of polyethylene pipe.

FUNDING DETAIL:

Fund:	4562	Gas 2023 CIP
Organization/Activity:	E12132014562EXP	
Department:	11	
Project # (CIP Only):	E12132	Gas Life Cycle Replacement Program
Account:	520150	Meter & svc connection material

RECOMMENDATION:

Staff recommends approval of this motion authorizing the purchase of Polyethylene Pipe from Gajeske, Inc., as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation