



AGENDA MEMORANDUM

Future Item for the City Council Meeting of March 25, 2014

Action Item for the City Council Meeting of April 8, 2014

DATE: March 25, 2014

TO: Ronald L. Olson, City Manager

FROM: Paul Pierce, Acting Assistant Director of Financial Services
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Supply Agreement for Hot Tap Fittings

CAPTION:

Motion approving a supply agreement with M.T. Deason Company, Inc., Birmingham, Alabama for hot tap fittings in accordance with Bid Invitation No. BI-0093-14 based on only bid for an estimated annual expenditure of \$90,264.00, of which \$45,132.00 is required for the remainder of FY 2013-2014. The term of the agreement shall be for twelve (12) months with options to extend for up to two (2) additional twelve-month periods, subject to the approval of the supplier and the City Manager or designee. Funds have been budgeted by the Utilities Department in FY 2013-2014.

PURPOSE:

The fittings are used for tapping into existing pressurized natural gas lines in order to block off a section of line in need of repair or to add an additional line for new gas service.

BACKGROUND AND FINDINGS:

None.

ALTERNATIVES:

None.

OTHER CONSIDERATIONS:

None.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency.

DEPARTMENTAL CLEARANCES:

Utilities Department

FINANCIAL IMPACT:

Operating

Revenue

Capital

Not applicable

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$359,382.55	\$45,132.00	\$404,514.55
Encumbered / Expended Amount		\$122,374.18	\$0	\$122,374.18
This item		\$45,132.00	\$45,132.00	\$90,264.00
BALANCE		\$191,876.37	\$0	\$191,876.37

Fund(s): Gas Fund

Comments: The \$45,132.00 financial impact shown above represents six (6) months of expenditures that will be encumbered through the end of this fiscal year. The remaining \$45,132.00 for the last six (6) months of the contract will be requested during the normal FY 2014-2015 budget approval process.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation