



AGENDA MEMORANDUM

Action Item for the City Council Meeting of June 25, 2024

DATE: June 25, 2024

TO: Peter Zaroni, City Manager

FROM: Bill Mahaffey, Director of Gas Operations
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Supply Agreement for Residential Gas Regulators

CAPTION:

Motion authorizing execution of a two-year supply agreement with Wilnat Inc., dba Koons Gas Measurement of Tulsa, Oklahoma in an amount not to exceed \$262,500.00 to purchase residential gas regulators, for Gas Operations, with FY 2024 funding in an amount of \$131,250.00 available through the Gas Fund.

SUMMARY:

This motion authorizes a supply agreement for residential gas regulators for Gas Operations. These regulators will be used to replace aging regulators, for new construction, and for meter exchanges that utilize the old-style regulator.

BACKGROUND AND FINDINGS:

The Gas Department utilizes residential gas regulators to reduce gas pressure from the city's main gas line into the customer's line, ensuring safe operations of gas appliances by regulating pressure levels.

Currently, the two-year contract between the City of Corpus Christi Gas Department and Koons Gas Measurement has expired.

PROCUREMENT DETAIL:

Finance & Procurement conducted a competitive Request for Bid process to obtain bids for a new supply agreement. The procurement team has sent out 51 notifications to

interested contractors, but none of them are local bidders. The City received two responsive bids. Staff recommends the award to the lowest responsive, responsible bidder, Wilnat, Inc dba Koons Gas Measurement.

Wilnat Inc., dba Koons Gas Measurement has been serving the Natural Gas Industry for more than 40 years with its wide range of products and services. Wilnat is incumbent of the previous contract.

The table reflects Wilnat Inc., dba Koons Gas Measurement cost comparison from 2021 to 2024.

| Description | Unit | 2021 | | 2024 | | Variance per ea. | Percentage |
|----------------------------|------|------|------------|------|------------|------------------|------------|
| | | Qty | Unit Price | Qty | Unit Price | | |
| Residential Gas Regulators | Ea. | 7000 | \$34.00 | 7000 | \$37.50 | \$3.50 | 10% |

ALTERNATIVES:

No viable alternative exists; gas regulators are essential for safeguarding city residents' safety. Wilnat Inc's bid is responsive and fits within the budget parameters.

FISCAL IMPACT:

The total value for a two-year supply agreement with Wilnat, Inc, dba Koons Gas Measurement for the purchase of residential gas regulators is not to exceed \$262,500.00, and the amount to be funded in FY2024 is approximately \$131,250.00.

Funding Detail:

Fund: 4130 Gas
 Organization/Activity: 34130 Gas Construction
 Mission Element: 011 Gas Distribution System
 Project # (CIP Only): N/A
 Account: 520150 Meter/serv cnnct mat

RECOMMENDATION:

Staff recommends approval of this motion authorizing a two-year supply agreement with Wilnat Inc., dba Koons Gas Measurement for residential gas regulators as presented.

LIST OF SUPPORTING DOCUMENTS:

Supply Agreement
 Bid Tabulation