



AGENDA MEMORANDUM

Action Item for the City Council Meeting March 17, 2020

DATE: March 17, 2020

TO: Peter Zaroni, City Manager

FROM: Kim Baker, Director of Contracts and Procurement
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<p>Supply Agreement for Schedule 40 PVC Pipe for the City Warehouse</p>
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CAPTION:

Resolution rejecting the apparent low bid of Gajeske Inc., of San Antonio, Texas as non-responsive and authorizing a three-year supply agreement with Mann Flow Controls, Inc., of Houston, Texas for a total amount not to exceed \$265,294.20, for the purchase of schedule 40 PVC pipes for the City Warehouse as a central distribution for various City departments, effective upon issuance of a notice to proceed, with FY 2020 funding in the amount of \$51,584.98 available through the Stores Fund.

SUMMARY:

This three-year supply agreement is for the purchase of schedule 40 PVC pipe for various City departments, to be stocked by the City Warehouse. Schedule 40 PVC pipes ranging in diameter from ½ to 12 inches are used for various projects throughout the City. The schedule 40 PVC pipes are being purchased for the City Warehouse and will be stocked for purchase and distribution to various departments.

BACKGROUND AND FINDINGS:

The City Warehouse purchases and stocks schedule 40 PVC pipes, so that they are available as needed and used by various City departments. Schedule 40 PVC pipes are essential for projects that include irrigation, water supply and facility maintenance.

The Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids for a new supply agreement. The City received two bids. The lowest bid was deemed non-responsive because the bidder indicated they would not hold their pricing for the term of the contract as required by the bid documents. The Request for Bid specifically required that the pricing be held firm for the three-year term of the agreement. The apparent low bidder, Gajeske Inc., indicated on the bid form and by email

to staff that the pricing provided was only good for a single year. Given the requirement to renegotiate the pricing after a year, staff is concerned that award to the apparent low bidder could ultimately cost significantly more than the next low bidder, who was willing to hold the prices for the full three years as required by the bid documents. Staff is recommending the award to Mann Flow Controls, Inc. of Houston, Texas lowest, responsive, responsible bidder.

ALTERNATIVES:

The alternative to accepting this bid would be to require all City departments to purchase schedule 40 PVC pipe on an as needed basis individually, which would not be as productive. In addition, a long-term supply agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for the Contracts and Procurements Department in FY 2020 is an estimate of \$51,584.98 for a three-year supply agreement for schedule 40 PVC pipe, with the remaining cost of \$213,709.22 will be funded in future years through the annual budget process.

Funding Detail:

Fund:	5010 Stores
Organization/Activity:	40000 Warehouse Stores
Mission Element:	185 Centralized Purchasing System
Project # (CIP Only):	N/A
Account:	520210 Cost of Goods Sold

RECOMMENDATION:

Staff recommends approval of this resolution authorizing a three-year agreement with Mann Flow Controls, Inc., for Schedule 40 PVC Pipe as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Bid Tabulation
Supply Agreement