



AGENDA MEMORANDUM

Action Item for the City Council Meeting January 14, 2020

DATE: January 14, 2020

TO: Peter Zaroni, City Manager

FROM: Kim Baker, Director of Contracts and Procurement
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Magnesium Anodes

CAPTION:

Motion authorizing a three-year supply agreement with International Corrosion Control, Inc., of Lewiston, New York for a total amount not to exceed \$171,492.00 for the purchase of magnesium anodes for the City Warehouse as a central distribution for the Gas Department to provide cathodic protection for corrosion control of underground gas pipelines, effective upon issuance of a notice to proceed, with FY 2020 funding in the amount of \$57,164.00 available through the Stores Fund.

SUMMARY:

This three-year supply agreement is for magnesium anodes for the Gas Department and stocked by the City's Warehouse. Magnesium anodes are used to provide cathodic protection for corrosion control of City underground gas pipelines. The magnesium anodes are being purchased by the City Warehouse and stocked for purchase by the Gas Department as needed.

BACKGROUND AND FINDINGS:

The City Warehouse purchases and stocks magnesium anodes so that they are available as needed for use by the Gas Department to provide cathodic protection of underground gas pipelines. Cathodic protection of coated steel gas lines is necessary in preventing corrosion which is a leading cause of premature failure in pipelines.

These anodes are buried in the soil and attached to the pipeline by wire through a test station and act as a sacrificial metal that corrodes, instead of the protected line. Overtime the magnesium anode continues to corrode, consuming the anode material until it eventually must be replaced. These anodes will be used to replace existing anodes

throughout our system that have been depleted or have exceeded the expected life cycle of approximately 10 years.

The Contracts and Procurement Department conducted a competitive Request for Bids process to obtain bids for a new contract. The City received two responsive, responsible bids and is recommending the award to the lowest, responsive, responsible bidder, International Corrosion Control, Inc.

ALTERNATIVES:

The alternative to accepting this bid would be to require the Gas Department to purchase magnesium anodes on an as needed basis, 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 cost of \$57,164.00, with the remaining cost 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 motion authorizing a three-year agreement with International Corrosion Control, Inc., for Magnesium Anodes as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service Agreement