



AGENDA MEMORANDUM

Action Item for the City Council Meeting January 21, 2020

DATE: January 21, 2020

TO: Peter Zaroni, City Manager

FROM: Kim Baker, Director of Contracts and Procurement
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Gas Line Pipe

CAPTION:

Motion authorizing a two-year supply agreement with Gajeske, Inc. of Corpus Christi, Texas, in an amount not to exceed \$1,234,287.92 for the purchase of gas line pipe for the City Warehouse as a central distribution for Gas Operations, effective upon issuance of notice to proceed, with funding in the amount of \$411,429.31 available in the FY 2020 Stores Fund.

SUMMARY:

This motion authorizes a two-year supply agreement with Gajeske Inc. of Corpus Christi, Texas for the purchase of gas line pipe for the Gas Operations. The department utilizes this pipe to convey natural gas.

BACKGROUND AND FINDINGS:

The City Warehouse purchases and stocks gas line pipe for use by the Gas Department for conveying natural gas. The gas line pipes are epoxy coated 42 foot welded pipe in inner-diameters between 2 inches to 10 inches. Please see table below for additional information related to the various pipe sizes and quantities recommended for this supply agreement.

The Contracts and Procurement Department conducted a competitive Request for Bid process to obtain bids for a new contract. The City received three responsive, responsible bids, and is recommending the award to the lowest responsive, responsible bidder, Gajeske Inc.

ITEM	DESCRIPTION	UNIT	QTY
1	PIPE 2" EPOXY COATED 42' WELDED, 2.375-0X154W X42 FBE14-16 MIL, 2.375-0 X .154 W X 42 WELDED	FT	6,000
2	PIPE 4" EPOXY COATED 42' WELDED, 4.5-0 X 2.37 X 42 FBE 14-16 MIL, 4.5-0 X 2.37 X 42 FBE 14-16 MIL WELDED	FT	7,000
3	PIPE 6" EPOXY COATED 42' WELDED, 6" X 0.280 W/FBE 14-16 MIL, 6.625-0 X .280 W X 42' FBE 14-16 MIL	FT	19,200
4	PIPE 10" EPOXY COATED 42' WELDED, 10" X 0.365 W/FBE 14-16 MIL, 10.75-0 X .365 W X 42 FBE 14-16 MIL	FT	7,200
5	PIPE 8" EPOXY COATED 42' WELDED, 8" X 0.322 W/FBE 14-16 MIL, 8.625-0 X .322 W X 42 FBE 14-16 MIL	FT	26,400

ALTERNATIVES:

An alternative to accepting this bid would be to require the department to purchase the gas line pipe on an as needed basis, which would not be as productive. In addition, a two-year agreement allows for a better economy of scale.

FISCAL IMPACT:

The fiscal impact for Contracts and Procurement in FY 2020 is \$411,429.31. The remaining cost will be budgeted 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 two-year supply agreement with Gajeske Inc. for gas line pipe as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement