



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting January 21, 2020

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**DATE:** January 21, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Kim Baker, Director of Contracts and Procurement  
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<b>Polyethylene Pipe</b>
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**CAPTION:**

Motion authorizing a two-year supply agreement with Gajeske Inc. of Corpus Christi, Texas, in an amount not to exceed \$443,618.22 for the purchase of polyethylene 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 \$147,872.74 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 polyethylene pipe for the Gas Operations for underground natural gas lines.

**BACKGROUND AND FINDINGS:**

The City Warehouse purchases and stocks polyethylene pipe for use by the Gas Department for underground natural gas lines. The polyethylene pipes range from ½ inch to 6 inches in inner-diameter. 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 two responsive, responsible bids, and is recommending the award to the lowest responsive, responsible bidder, Gajeske Inc.

ITEM	DESCRIPTION	UNIT	2 YEAR QTY
1	POLYETHYLENE PIPE YW 1/2" PE2708{2406}500' PIPE 65P0040931500Y	FT	10,000
2	POLYETHYLENE PIPE YW 1" PE2708{2406} PIPE 500' 65P0101101500Y	FT	96,000
3	POLYETHYLENE PIPE YW 2" PE2708{2406} PIPE 500' 65P0201101500Y	FT	147,000
4	POLYETHYLENE PIPE YW 4" 4IPS DR11 YW GAS PIPE 1098798	FT	12,080
5	POLYETHYLENE PIPE 6" YW DR11 PIPE 500' COIL YELLOW 6" YELLOW DR11 PE2406	FT	33,000

### **ALTERNATIVES:**

An alternative to accepting this bid would be to require the Gas Department to purchase the polyethylene pipe on an as needed basis, which would not be as productive. In addition, a long-term agreement allows for a better economy of scale.

### **FISCAL IMPACT:**

The fiscal impact for Contracts and Procurement in FY 2020 is \$147,872.74. 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 polyethylene pipe as presented.

### **LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement