



AGENDA MEMORANDUM

Action Item for the City Council Meeting March 31, 2020

DATE: March 31, 2020

TO: Peter Zaroni, City Manager

FROM: Kim Baker, Director of Contracts and Procurement
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Polyethylene Fittings

CAPTION:

Motion authorizing a two-year supply agreement with Gajeske Incorporated in an amount not to exceed \$196,846.10 to purchase polyethylene fittings for underground gas lines, effective upon issuance of notice to proceed, with FY 2020 funds in the amount of \$49,211.00 available in the Stores Fund.

SUMMARY:

This motion authorizes a supply agreement with Gajeske, Inc. to purchase polyethylene fittings used in underground natural gas lines.

BACKGROUND AND FINDINGS:

The City Warehouse purchases and stocks polyethylene fittings for use by the Gas Department for underground natural gas lines.

The Contracts and Procurement Department conducts 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.

ALTERNATIVES:

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

FISCAL IMPACT:

The fiscal impact in FY 2020 is \$49,211.00 for a two-year supply agreement for the purchase of polyethylene fittings, with the remaining cost of \$147,635.10 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 two-year supply agreement with Gajeske, Inc. as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement