

COUNCIL ACTION FORM

SUBJECT: FURNISHING GASES AND CYLINDERS TO THE POWER PLANT

BACKGROUND:

This contract is for the purchase of gases and cylinders for the Power Plant as needed. The gases required for Power Plant operations include hydrogen, nitrogen, carbon dioxide, and commercial methane.

This contract is to furnish gases and cylinders for the Power Plant for the period from February 1, 2020 through December 31, 2020. The contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms.

On December 17, 2019, bid documents were issued to seven companies. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage. The bid was also sent to one plan room.

On January 7, 2020, one bid was received as shown on the attached report. Staff has reviewed the bid and concluded that the bid, submitted by Airgas USA, LLC in the amount of \$29,726.82 for the contract period, is acceptable.

Council should note that actual cost invoices will be based on the amount of gases and cylinders purchased. The approved FY 2019/20 and Requested FY 20/12 operating budget both include \$32,000 this purchase.

ALTERNATIVES:

1. Award the contract for supplying gases and cylinders to the Power Plant to Airgas USA, LLC with a total amount not-to-exceed \$29,726.82. This contract includes a provision that would allow the City to renew the contract for up to four additional one-year terms at stated rates.
2. Reject the bid and purchase gases and cylinders on an as-needed basis.

CITY MANAGER'S RECOMMENDED ACTION:

This contract will offer the City flexibility in purchasing gases and cylinders and will maintain standards of performance for gas and cylinder content and delivery. Detailed ordering and delivery procedures will also be part of this contract.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as stated above.