



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

19

2. Council Meeting Date:

May 12, 2016

TO: MAYOR AND COUNCIL

3. Date Prepared: March 22, 2016

THROUGH: CITY MANAGER

4. Requesting Department: Management Services

5. SUBJECT: Amendment No. 3 to Agreement No. WH3-890-3218 for Waterworks Supplies

6. RECOMMENDATION: Staff recommends City Council approve Amendment No. 3 to Agreement No. WH3-890-3218, with HD Supply Waterworks, for waterworks supplies, an amount not to exceed \$300,000, for one year.

7. BACKGROUND/DISCUSSION: This agreement is for the City's annual requirements for the supply of waterworks products. The products are stocked in the City's Central Supply and used primarily by the Water Distribution Division. In addition to items stocked in Central Supply, Water Distribution will purchase some of the requested items directly from the vendor. Products available under the agreement include hydrants, valves, copper and brass fittings, as well as mechanical joints, fittings, and pipe and are used as needed by the Municipal Utilities and Transportation and Development Departments for both routine and emergency operations.

8. EVALUATION PROCESS: On April 29, 2013, City Council approved an agreement with HD Supply Waterworks, for waterworks supplies, for a one-year period, with the option of four one year extensions. HD Supply Waterworks has agreed to extend for one additional year under the same terms and conditions. In the extension term, pricing for 260 of the 369 line items remains the same as the first term of the agreement.

HD Supply Waterworks requested a price adjustment for 109 of the 369 line items. Staff reviewed the adjustment request and found an average price increase of 3.17% for these line items was reasonable based on documentation from manufacturer indicating an increased cost of material and production across the industry to support the price adjustment. HD Supply Waterworks also provides discounts of 20-80% on non-contract items.

Staff recommends extension of this agreement for the term of May 13, 2016, through May 12, 2017. This is the third extension of the agreement.

9. FINANCIAL IMPLICATIONS:

Cost: \$300,000

Funds for the purchase of waterworks supplies will be from the Central Supply Inventory account 101.0000.1516 and charged back to individual cost centers as supplies are requested.

10. PROPOSED MOTION: Move City Council approve Amendment No. 3 to Agreement No. WH3-890-3218, with HD Supply Waterworks, for waterworks supplies, in an amount not to exceed \$300,000, for one year.

Attachments: Amendment

APPROVALS

11. Requesting Department


Rose Tapia, Central Supply Supervisor

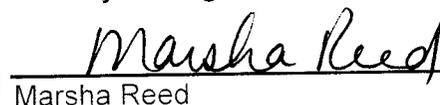
13. Department Head


Dawn Lang, Management Services Director

12. Purchasing and Materials Manager


Christina Pryor

14. City Manager


Marsha Reed

AMENDMENT NUMBER THREE
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
HD SUPPLY WATERWORKS
FOR WATERWORKS SUPPLIES
AGREEMENT NO. WH3-890-3218

This Amendment No. 3 to that certain Agreement between the City of Chandler (City) and HD Supply Waterworks (Contractor) for waterworks supplies dated April 29, 2013, and is entered into this _____ day of _____, 2016.

WHEREAS, the parties have agreed;

NOW THEREFORE, the parties agree as follows:

1. Exhibit B is deleted in its entirety and replaced by the Amended Exhibit B, attached hereto and incorporated herein by this reference.
2. Section 5. For each item ordered by it, the City shall pay Contractor the per unit price as set forth in Amended Exhibit B but in no instance shall the aggregate of the per-unit prices exceed \$300,000.
3. Section 6. The term of the Agreement, as amended, is hereby extended for a one-year period, May 13, 2016 through May 12, 2017.
4. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this _____ day of _____, 2016.

CITY OF CHANDLER:

By: _____
Mayor

CONTRACTOR:

By: 
Title: Account Manager

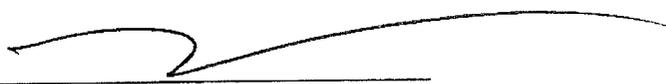
APPROVED AS TO FORM:

City Attorney (jeb)

ATTEST: (If corporation)

ATTEST:

City Clerk


Secretary

WITNESS: (If individual or
Partnership)

[SEAL]