



Legislation Text

File #: 16-480, **Version:** 1

AUTHORIZATION TO ENTER INTO A LINKING AGREEMENT WITH HENNESY MECHANICAL SALES, LLC, AND APPROVE THE EXPENDITURE OF FUNDS FOR EQUIPMENT REPAIR AND MAINTENANCE

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a linking agreement with Hennesy Mechanical Sales, LLC, (Hennesy) for equipment repair and maintenance; approve the expenditure of funds in an amount not to exceed \$250,000 for the initial term; and authorize the City Manager, at his discretion, to extend the agreement for two additional two-year terms, in an amount not to exceed \$1,250,000 for the entire term of the agreement. This cooperative purchase is available through an agreement between the City of Chandler and Hennesy, agreement no. WA5-936-3480, and can be extended through June 30, 2021.

Background

The City's water treatment and distribution; and wastewater collection and treatment systems include an array of pumps, mixers, processing and filtering equipment. From time to time, this equipment needs rehabilitating or replacing. Even though the system has redundant and backup equipment available, the loss of equipment reduces the service level capacity. So time is of the essence to get the equipment back in service. Having "on-call" repair contractors reduces the time equipment is out of service.

The City has contracted with multiple repair vendors as most vendors do not repair all brands or types of equipment and some have exclusive responsibilities for specific manufacturers. The City intends to contract with additional firms as they become available.

Analysis

Cooperative purchasing allows counties, municipalities, schools, colleges and universities in Arizona to use a contract that was competitively procured by another governmental entity or purchasing cooperative. Such purchasing helps reduce the cost of procurement, allows access to a multitude of competitively bid contracts, and provides the opportunity to take advantage of volume pricing. The Glendale City Code authorizes cooperative purchases when the solicitation process utilized complies with the intent of Glendale's procurement processes. This cooperative purchase is compliant with Chapter 2, Article V, Division 2, Section 2-149 of the Glendale City Code, per review by Materials Management.

On June 12, 2015, the City of Chandler entered into an agreement, agreement no. WA5-936-3480, for the repair and maintenance of equipment. This agreement permits its cooperative use by other governmental agencies. The City of Glendale Materials Management and the City Attorney's Office have reviewed and approved the utilization of the agreement for the defined services, and concur the cooperative purchase is in

the best interest of the city.

Previous Related Council Action

On September 27, 2016 Council approved Amendment #2 to the linking agreement with Weber Water Resources, LLC to extend the terms of the agreement and increase the amount for the rehabilitation and update of pumps at various water and wastewater facilities.

On September 27, 2016 Council approved Amendment #2 to the linking agreement with Layne Christensen Company to extend the terms of the agreement and increase the amount for the rehabilitation and update of pumps at various water and wastewater facilities.

Community Benefit/Public Involvement

Maintained equipment ensures reliable and sufficient water and wastewater services for the community.

Budget and Financial Impacts

Funding is available in the Fiscal Year 2016-17 Water Services operating budget. Annual budget appropriation thereafter is contingent upon Council approval. The budget will be encumbered only as electrical parts are needed.

Cost	Fund-Department-Account
\$250,000	2360-17160-523400, Arrowhead Water Reclamation Facility
	2360-17170-523400, West Area Water Reclamation Facility
	2400-17280-523400, Central System Maintenance
	2400-17250-523400, Pyramid Peak Water Treatment Plant
	2400-17260-523400, Cholla Water Treatment Plant
	2400-17290-523400, Water Distribution
	2400-17310-523400, Oasis Surface Water Treatment Plant
	2400-17320-523400, Oasis Groundwater Water Treatment Plant

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?