

Draft Findings Regarding Exemption from Competition for a Contract to Purchase Goods or Services

City Staff recommends that the Council make the following findings as their basis for approval if they approve exempting the contract for the purchase of 1800' of 48" High Density Poly Ethylene (HDPE) pipe by directly contracting with KRAH USA.

1. The nature of the contract for which the exemption is requested:
 - Contract for the purchase of goods.
2. The estimated contract price is \$171,900.00.
3. Findings to support the substantial costs savings, enhancement in quality or performance, or other public benefit anticipated by the exemption from competitive solicitation:
 - Pursuant to engineering reports, it is recommended that the City purchase a fully welded HDPE pipe for the proposed alignment of the replacement pipe on the Western boundary of Meadow Lakes Golf Course to try to avoid future leak propensity along the replacement area, especially within a heavily traveled public golf course. The proposed pipe alignment runs coincident with the golf cart path.
 - There are two primary options for HDPE replacement pipe. KRAH USA can provide pipe manufactured of re-pelletized (i.e., re-used HDPE 4710 resin from recycled, cleaned and reformed into manufacturing pellets) pipe and personnel to perform the welding for approximately 60% less than the cost of filed-welded solid-wall HDPE pipe. Furthermore, the normal cost for KRAH USA pipe is the same as the solid-wall pipe, therefore the City will realize a significant savings on this particular order, given the re-pelletizing approach.
 - The KRAH USA HDPE pipe is flexible, and will be suitable for installation in the revised pipe alignment along the edge of the golf course. Additionally, the KRAH USA pipe is a full 48" inside diameter, whereas 48" solid-wall HDPE would have less hydraulic capacity, since its inside diameter is about 45 inches.
 - The City Engineer has estimated it would take approximately three months to prepare the scope of work and other documents necessary to issue an invitation to bid, allow other contractors to prepare their bid, and to select the lowest bidder.
 - Additional costs to the City for preparing the documents to issue an invitation of bid would be eliminated.
4. Findings to support the reason that approval of the request would be unlikely to encourage favoritism or diminish competition for the public contract or would otherwise

substantially promote the public interest in a manner that could not practically be realized by complying with the solicitation requirements that would otherwise be applicable:

- Based on the two options presented, directly contracting with KRAH USA is based on cost savings alone.
5. A description of the proposed alternative contracting methods to be employed:
 - Directly contracting with KRAH USA for the purchase of a 1800' of 48" HDPE pipe.
 6. The estimated date by which it would be necessary to let the contract is August 15, 2021.