

**RESOLUTION NO. 1502
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION APPROVING EXEMPTION FROM COMPETITIVE BIDDING FOR
PURCHASE OF GOODS OR SERVICES FROM KRAH USA**

RECITALS:

A. City of Prineville (“City”) Resolution No. 1266 authorizes the City Council acting as the Contract Review Board for the City to exempt from competition certain contractors pursuant to specific factors presented to Council during a public hearing.

B. A public notice was published in the July 20, 2021, edition of the Central Oregonian setting the July 27, 2021, Prineville City Council meeting as the time and place to comment on the City’s draft findings for exempting a contract from competition and awarding a goods and services contract directly to KRAH USA for the purchase of 1800’ of 48” High Density Poly Ethylene (HDPE) pipe. Draft findings were contemporaneously published on the City’s website.

C. A public hearing was held July 27, 2021, at the Prineville City Council meeting to allow an opportunity for any interested person to appear and present comment. No interested person was present nor were any comments made.

D. Pursuant to City Resolution No. 1266, the City Council makes the following findings as their basis for exemption from City’s competitive bidding requirement for a contract to purchase goods and services:

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.

NOW, THEREFORE, based on the above Recitals and findings of fact, the Prineville City Council, sitting as the Contract Review Board for the City of Prineville, hereby resolves as follows:

1. The contract for the purchase of 1800' of 48" High Density Poly Ethylene (HDPE) pipe is hereby exempt from competitive bidding.

2. Appropriate City officials are authorized to sign the contract with KRAH USA for the 1800' of 48" High Density Poly Ethylene (HDPE) pipe.

Passed by the City Council this 10th day of August, 2021.



Rodney J. Beebe, Mayor

ATTEST:



Lisa Morgan, City Recorder