

## EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new Contract with **Oldcastle Precast Inc.** for precast concrete utility products (manholes, manhole covers, vaults, boxes, and lids).

Backgrounder (if "yes," "See backgrounder information") No

Board Meeting Date: May 5, 2009

Project or Job Name: Precast Concrete Utility Products

Project Contact: Tom Ossowski Ext. 3256

Purchasing Contact: Cheryl Golbek Ext. 3274

### Action Requested:

Contract Award  
 Contract Renewal  
 Contract Increase  
 Other

### Contract Amount:

Original Contract Amount: \$ 900,700

Additional \$ Previously Approved: \$ 0

Invoices over last approval: \$ 0

Percentage over last approval: 0%

Amount this Request: \$ 900,700

**Resulting Cumulative Total:** \$ 900,700

### Funding Source:

Budget  
 Reserves  
 New Revenue  
 Bonding  
 Other

### Contracting Method:

Method of Solicitation: EWEB Purchasing's Website

If applicable, basis for exemption: N/A

Term of Agreement: May 5, 2009 thru May 4, 2010

Option to Renew? Yes, Renewable annually up to 5 years total.

Approval for purchases "as needed" for the life of the contract Yes

### Form of Contract:

Single Purchase  
 Services  
 Personal Services  
 Construction  
 IGA  
 Price Agreement  
 Other

### Narrative:

The Board is being asked to approve a new price agreement with **Oldcastle Precast, Inc.** for the purchase of precast concrete utility products (manholes, manhole covers, vaults, boxes, and lids).

In July 2006, the Board approved a price agreement (contract) with Utility Vault (now known as Oldcastle Precast) for precast concrete utility products. During the third year of the contract renewal process, Oldcastle Precast submitted a request for significantly higher unit prices. Staff determined that it would be in the best interest of EWEB not to renew the contract, but to seek competition/solicit a new contract.

On October 17, 2008, EWEB issued a formal invitation to bid for the provision of precast concrete utility products. Two bids were received and opened on November 6, 2008. **Oldcastle Precast, Inc.** was determined to be the lowest responsive-responsible bidder. A majority of the unit prices bid by Oldcastle Precast were 5%-20% lower than their requested price increases for the expiring contract.

This price agreement, if approved, will be for one-year with an option, at EWEB's discretion, to renew for four additional one-year periods (total potential contract term: 5 years). Product will be purchased on an "as needed" basis to replenish stock. Exact purchase amounts are unknown. No guarantee has been made with the supplier to purchase any specific annual quantity. Historical data indicates that EWEB will purchase approximately \$163,000 of product each year. Staff estimates the purchase of these products will be \$163,000 the first year with up to a 5% increase each year thereafter, as allowed in the contract. The total five-year contract amount will be approximately \$900,700. However, this is a requirements contract (price agreement); exact total amount of this contract is based on need and not on any specific dollar amount.

### ACTION REQUESTED:

Staff requests Board approve a new contract with **Oldcastle Precast, Inc.** for the purchase of precast concrete utility products on an "as needed" basis. Funds for these purchases were budgeted for 2009 and will be budgeted annually.

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_

Supervisor: \_\_\_\_\_

Purchasing Manager: \_\_\_\_\_

Division Director: \_\_\_\_\_

General Manager: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_

Secretary/Assistant Secretary verification: \_\_\_\_\_