

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Greater 18-207T - Gas Refrigerants

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the recommendation to award Invitation to Bid (ITB) 18-207T - Gas Refrigerants for a one (1) year period of from February 6, 2019 through January 31, 2020, with a renewal option for two (2) additional one (1) year periods. The requested spending authority for this ITB is \$500,000.

Goods/Services Description

Responsible: Physical Plant Operations (PPO)

This contract is utilized by the Central Stockroom for the benefit of the Physical Plant Operations Department (PPO); to supply in-stock and special order gas refrigerants needed for Preventive/Routine Maintenance and Capital Improvement programs throughout the District. Items purchased on this contract are used at school sites in order to maintain the Heating, Ventilation, Air Conditioning (HVAC) Systems and Refrigeration Equipment throughout the District.

Procurement Method

Responsible: PWS

The solicitation for this ITB ran from October 29, 2018 through December 5, 2018. There were two hundred, and eighty-six (286) vendors notified, and ten (10) vendors downloaded the ITB. Procurement & Warehousing Services received two (2) bids, which is recommended for award to the vendors providing the lowest prices and who met all specifications, terms, and conditions of the bid.

Financial Impact

Responsible: PWS and PPO

The total spending authority requested is \$500,000, as demonstrated in the breakdown below:

Historical Average Monthly Expenditures	\$39,812
Number of months	12
Estimated forecasted spend	\$477,749
Contingency	\$22,251
Total spend authority (rounded)	\$500,000

Contingency for this contract is necessary due to the market conditions of this commodity. Gas, as a commodity, has many factors that affect its price. The volatility of the price of gas refrigerants is affected by the following:

- Regulatory, Environmental & Supply Issues
- Anti-Dumping Actions & Their effect on the market
- Production Facilities & Possible Shortage Situations for Raw Material Components
- Import Tariffs

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This contract establishes a contract with two suppliers, whereas the price is firm for the first ninety (90) days and then the District purchases on a quote basis from the lowest price.

Funding for this ITB will come from PPO's operating budget. The amount requested was determined based on historical spend and the Department's requirement to satisfy the needs of the District. The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.