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APPROVED
BY THE CITY COUNCIL

JUL 18 1989

OFFICE OF THE
CITY CLERK

DEPARTMENT OF
GENERAL SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5730 - 24TH STREET
BUILDING FOUR
SACRAMENTO, CA
95822-3699

OFFICE OF THE DIRECTOR

July 7, 1989

PS:Admin:FM:SA:bb
CITY MANAGER'S OFFICE

916-449-5548

City Council
Sacramento, California

RECEIVED

DIVISIONS:

COMMUNICATIONS
FACILITY MANAGEMENT
FLEET MANAGEMENT
PROCUREMENT SERVICES

Honorable Members In Session:

JUL 11 1989

SUBJECT: INCREASE IN CONTRACT AMOUNT, BID NO. 988

SUMMARY

The Procurement Services Division of the General Services Department is requesting that Contract No. 988 for welding gases be increased by \$16,500.00.

BACKGROUND INFORMATION

On August 26, 1986, City Council awarded Bid No. 988 for welding gases used by almost all City departments to Amerigas Welding Equipment, Sacramento, CA, in an amount not to exceed \$15,000.00. The bid contained options to extend the contract four (4) years should pricing remain fair and reasonable. As Amerigas has requested only one increase of five (5) percent in four years, effective July, 1988, Procurement Services desires to extend this contract yet another year, the fourth of a potential five year contract.

The original requested award amount of \$15,000.00 was an estimate as very little history concerning usages was known at the time. Increases in such usage, combined with the departments' ability to better forecast the financial impact of cylinder rental fees, make it necessary to request an increase in an amount sufficient to cover the nineteen pending purchase orders to be issued on behalf of the departments.

FINANCIAL DATA

Sufficient funds have been budgeted by all departments under appropriate object codes for this commodity.

POLICY MATTERS

No impact.

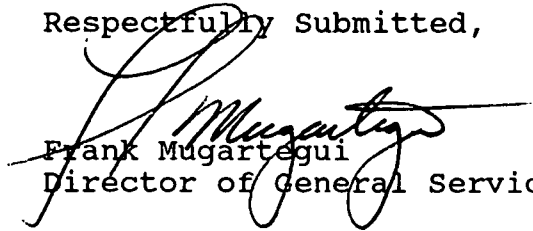
MBE/WBE

No impact.

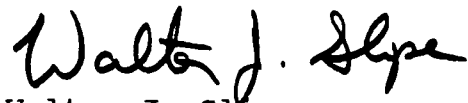
RECOMMENDATION

It is recommended that, in the best interest of the City, the City Council increase the contract amount for Bid No. 988 by \$16,500.00 for a total of \$31,500.00.

Respectfully Submitted,


Frank Mugartegui
Director of General Services

Recommendation Approved


Walter J. Slipe
City Manager

July 18, 1989
All Districts

Contact Person - Steve Alstrom, Buyer II
449-5343

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