

**EAGLE MOUNTAIN CITY
CITY COUNCIL MEETING
JULY 16, 2013**

TITLE:	AGREEMENT – Consideration and Approval of an Addendum to the Agreement with Niels Fugal Sons Company for the Installation of Underground Natural Gas Laterals.		
FISCAL IMPACT:	N/A		
APPLICANT:	Adam Ferre, Energy Department Director		
GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY
N/A	N/A	N/A	

NOTICES:

- Posted in 2 public places
- Posted on City webpage
- Notice to newspapers

REQUIRED FINDINGS:

Vote: N/A

Prepared By: Steven Olsen

NOTES/COMMENTS:

RECOMMENDATION:

The Energy Director recommends that Council approve an addendum to the agreement with Neils Fugal Sons for the installation of underground natural gas laterals.

BACKGROUND

The existing contract with Niles Fugal Sons Company recently expired. The contractor requested a substantial price increase as part of any agreement to renew the existing contract. Staff decided to rebid this contract, however no bids were received. Staff intends to put this contract out to bid once again, but it will take at least 4 to 6 weeks before this process can be completed. We currently don't have the manpower to do this work in-house. In the interim, staff recommends that the addendum be approved, at the new rate, until a new contract can be awarded.

The existing and new contract prices for the installation of natural gas services are as follows:

Service Type	Existing rate	New Rate
3/4" Gas Service	\$503.93	\$638.02
1-1/4" Gas Service	\$567.98	\$720.44
2" Gas Service	\$797.58	934.92