

## Legislation Text

---

**File #:** 3531, **Version:** 1

---

**CC MEETING:** October 10, 2017**DATE:** October 4, 2017**TO:** Erin Rinehart, City Manager**FROM:** Bob Scott, Assistant City Manager/CFO

Consider Approval Of RFP #17-046 For Water & Sewer Supplies For Public Works From Various Vendors In An Amount To Not Exceed \$455,672.00

**BACKGROUND:**

The materials to be purchased from this price agreement will be used for construction repairs and maintenance of all water and sewer lines in the City. The Request for Proposal has two one-year renewal options if mutually agreeable by both parties.

Bids were advertised and received from four vendors.

**FINANCIAL IMPLICATIONS:**

The materials on Bid # 17-046 will be purchased from budgeted funds for the business units and amounts as listed below.

| <u>COST CENTER</u> | <u>LINE ITEM</u>            | <u>BUDGET AMOUNT</u> |
|--------------------|-----------------------------|----------------------|
| Public Works       | 60930 - R/M - Water & Sewer | \$455,672.00         |

**STAFF RECOMMENDATION/ACTION DESIRED:**

Staff recommends awarding this bid based on the least expensive vendor for each item. The Public Works staff feels that a bid award by line to the lowest priced vendor is in the cities best interest, and this was explained to the vendors in the RFP. Previous bids were awarded by category, but staff discovered that some vendors would play a pricing game. Some would "low ball" infrequently ordered items in a category to win that category, but they would price the higher usage items at a premium to make a larger profit. By awarding each item to the lowest priced vendor, we will be able to receive the best value and lowest cost across the board.

It is very important to Public Works to have multiple vendors available in case supplies are needed on an urgent basis. Since we do not warehouse utility supplies, this is now more urgent than ever before. Using the supplier as our warehouse allows us to minimize overhead costs and ensures price stability.

Therefore staff recommends an award to the lowest priced vendor for each item, and to use the other vendors only if the primary vendor does not have the item. The secondary vendors will be used as warranted for business purposes.

NOTE: Items that are marked as "No Bid" items will be purchased as needed via the open market.