

Legislation Text

File #: 4668, **Version:** 1

CC MEETING: February 4, 2020**DATE:** January 29, 2020**TO:** Erin Rinehart, City Manager**FROM:** Bob Scott, Assistant City Manager and Chief Financial Officer

Consider **Approval Of Bid # 19-045 Water And Sewer Supplies For The Public Works Department From Various Vendors** In An Amount Not To 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 to eleven vendors of which three vendors responded. Bids were advertised in the normal manner with advertisements in the Dallas Morning News and past vendors were contacted.

FINANCIAL IMPLICATIONS:

The service on **RFP # 19-045** will be purchased from budgeted funds for the cost center and amounts as listed below:

COST CENTER	LINE ITEM	BUDGET AMOUNT
WATER PRODUCTION	61190 - PROFESSIONAL SERVICES	\$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.

