



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2015-0209

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: May 18, 2015
SUBJECT: Sign Shop Printer

REQUEST:

City Council is requested to authorize the purchase of one (1) Sign Shop Printer from National/Azon Equipment, Troy Michigan for a new total not-to-exceed amount of \$25,398.00.

REASON FOR PURCHASE:

City Council approved the purchase of the Sign Shop Printer in the amount of \$21,918.00 from One Source Supply, LLC on April 20, 2015. The award was based on competitively solicited quotes by the City. One Source Supply, LLC was the lowest responsive responsible vendor.

Once City Council approval was received, One Source Supply, LLC was sent a Notice of Intent to Award letter. In response to the letter Purchasing was contacted by the vendor that they made an error in the price they quoted for the extended warranty and that they would not honor their quoted pricing. One Source had quoted \$3,118.00 for a 2-year extended warranty, when in actuality they stated that was only for a 1-year extended warranty agreement. The vendor was unwilling to work with the City on this issue. Based on the error in the quoted pricing, One Source Supply, LLC was no longer the lowest, responsive, responsible bidder.

Based on the above, National AZON Equipment, Troy, MI is the low responsive, responsible bidder with a purchase price of \$19,490.00 for the printer and \$5,908.00 to purchase the 2-year extended warranty. National AZON was contacted by the City and confirmed they could still honor their pricing and provide the Mutoh 1624 printer under the terms of the agreement and their quote response. Purchase of the extended warranty was recommended by MIS and would provide coverage for the majority of the equipment's depreciated life. The City will trade-in its current MUTOH ValueJet 1304 in the amount of \$6,300.00, which was included in the solicitation.

Additional funds of \$3,480.00 are being requested for the purchase of the Sign Shop Printer from National/AZON Equipment the lowest responsive, responsible quote due to difference in pricing for the extended warranty coverage for the additional 1-year term.

PROCESS:

Vendor Name and Address:

National/AZON Equipment
1148 Rochester Road
Troy, MI 48083

Reason for Selection:

Lowest responsive responsible quote

Method of Purchase:

Purchase Order

BUDGET:

This equipment replacement was anticipated to be brought forward as part of the upcoming FY 2016 MIS Proposed Budget. The existing printer is not operational and is need of repairs. Due to the cost of the repairs required to make the printer operable as well as its anticipated replacement for next year, it is recommended that this equipment replacement be moved up one-year earlier. The City's current Sign Shop printer is fully depreciated, with the funding set aside in MIS fund balance.

If approved by City Council, Fiscal shall include this expense in the MIS Fund budget as part of the 2nd Quarter Budget Amendment, the trade-in amount will be shown as revenue - with remaining funding to be provided by MIS Fund Retained Earnings.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS Fund	636.980000	Office Equipment	\$0.00	\$25,398.00	(\$25,938.00)

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize the purchase of one (1) Sign Shop Printer to National/AZON Equipment, Troy, Michigan in the amount of **\$25,398.00**.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		