



**City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.  
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**Legislative File No:** 2005-0420

**TO:** Mayor and City Council Members  
**FROM:** Roger Rousse, Department of Public Service, 841-2497  
**DATE:** July 7, 2005  
**SUBJECT:** Water Service and Repair Parts

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**REQUEST:**

City Council is requested to authorize a Blanket Purchase Order for Water Service and Repair Parts to Etna Supply Company of Grand Rapids, Michigan, in the total amount of \$60,000.00 through August 1, 2006.

**REASON FOR PURCHASE:**

The Department of Public Service purchases miscellaneous items for emergency and normal daily operations consisting of total and partial, water tap and water main repairs.

Sealed bids for water service and repair parts were solicited and awarded to Etna Supply Company as the primary vendor and S.L.C. as the secondary vendor in July 2002. The bid included an option to renew for one additional year that the City exercised in July 2004. This option to renew was approved by City Council on July 14, 2004. This year, in light of the large increase in brass prices, the City negotiated with Etna Supply to hold their prices, with the exception of the manufacturers price increase that is applicable to all the Ford manufactured parts, for one additional year.

Purchasing conducted a market study in order to obtain current prices for these products. It was ascertained that over the past couple of years the price of brass has steadily gone up. Purchasing contacted local City's and competitors to check out current brass prices. Based on this research it has been determined that it is in the City's best interest to continue with Etna for one more year, including the 7% increase. Prices received from the competitors consisted of a 24% increase in the prices that the City was paying last year. By staying with Etna the City is saving roughly 17% per purchase.

**PROCESS:**

**Vendor Name and Address:**

Etna Supply Company  
529 – 32<sup>nd</sup> Street, S.E.  
Grand Rapids, MI 49548

**Reason for Selection:**

Holding prices with the exception of a 7% manufacturers price increase. Price for brass products, if we were to bid, has risen nearly 24% over last years price.

**Method of Purchase:**

Blanket Purchase Order

**BUDGET:**

Funds for the water service and repair parts are in the 2005 budget. There will be no additional staffing required.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Water	530.740006	Operating Supp-Water Taps	\$130,000.00	\$60,000.00	\$70,000.00

**RECOMMENDATION:**

Be it resolved, recognizing the cost savings of remaining with our current vendor, it is recommended that City Council authorize a Blanket Purchase Order for Water Service and Repair Parts to Etna Supply Company of Grand Rapids, Michigan, in the total amount of \$60,000.00 through August 1, 2006.

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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<b>APPROVALS:</b>	<b>SIGNATURE</b>	<b>DATE</b>
<b>Department Review</b>		
<b>Department Director</b>		
<b>Budget Content: Finance Director</b>		
<b>Purchasing Process: Supervisor of Procurement</b>		
<b>Mayor</b>		
<b>City Council Liaison</b>		