

City Council Agenda Summary Sheet (Purchases)

Agenda No: 2004-1185
Date: November 29, 2004
Prepared By: Jean Farris, Supervisor of Procurement
City File No:

Meeting Date: December 8, 2004

PURPOSE:

City Council is requested to authorize a blanket purchase order to Home Depot, 225 W Avon, Rochester Hills, MI 48307, for various supplies, including hardware and building products, in the amount of \$45,000 through December 31, 2005.

City Council is further requested to waive the formal competition requirements for purchases over \$25,000 under Section 2-10.11 of the Purchasing Ordinance.

DISCUSSION:

The City has utilized Home Depot as a local supplier of various supplies, including hardware and building products for the past five (5) years. Home Depot offers several benefits including, a central location for the various department users, broad coverage of needs with lower prices than other local hardware and building supply facilities; consolidation of numerous vendors into one source and 24-hour access for emergencies. As the City does not warehouse hardware and building products, purchases can be made efficiently on an as-needed basis, saving travel and personnel resources. The Home Depot blanket purchase order has reduced expenditures with other vendors of these commodities.

Review of transactions with Home Depot indicated frequent small purchases, as well as those awarded based on lowest quotation. Home Depot has provided the lowest quotation in purchasing some bulk materials, such as: hydrant paint and lumber. These types of purchases, based on past experience are estimated not-to-exceed a total of \$45,000 for 2005.

FISCAL INFORMATION:

Funds for the various supplies, including hardware and building products are budgeted in various cost centers depending on the departmental usage; no additional staffing is required.

Fund Name	Fund Account #	Description	Budget Amount	Cost	Remaining Budget
Various/City-wide	Various/City-Wide	Various	>\$45,000	\$45,000	0

Vendor Name and Address:

Home Depot
225 W Avon
Rochester Hills, MI 48307

Reason for Selection:

Best Value

Method of Purchase:

Best Value

RECOMMENDATION:

It is recommended that City Council waive the formal competition requirements for purchases over \$25,000 under Section 2-10.11 of the Purchasing Ordinance, recognizing the best value provided to the City of Rochester Hills by Home Depot, deeming this action to be in the best interest of the City of Rochester Hills.

It is further recommended that City Council authorize an increase to blanket purchase order to Home Depot, 225 W Avon, Rochester Hills, MI 48307, for various supplies, including hardware and building products, used for citywide departmental operations in the amount not-to-exceed \$45,000 through December 31, 2005.

ATTACHMENTS:

Department Authorization:

Reviewed by:

Fiscal: *Julie Jenuwine*

Purchasing: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

RESOLUTION

NEXT AGENDA ITEM

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