



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

**1000 Rochester Hills Dr.
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www.rochesterhills.org**

Legislative File No: 2006-0805

TO: Mayor and City Council Members
FROM: Jean Farris, Supervisor of Procurement
DATE: November 5, 2006
SUBJECT: Various Supplies Including Hardware and Building Products

REQUEST:

City Council is requested to authorize a blanket purchase order to Home Depot, 225 W. Avon Road, Rochester Hills, Michigan for various supplies, including hardware and building products in the amount not-to-exceed \$35,000.00 through December 31, 2007.

City Council is further requested to waive the formal competition requirement for purchases over \$25,000 under Chapter 2, Article VI, Section 2-281.

REASON FOR PURCHASE:

The City has utilized Home Depot as a local supplier of various supplies, including hardware and building products for the past seven (7) 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 higher priced 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 \$35,000 for 2007.

U. S. Communities Government Purchasing Alliance has recently awarded a cooperative contract to Home Depot. The Michigan Intergovernmental Trade Network is currently reviewing the ability to aggregate purchases and the on-line services for cost savings.

PROCESS:

Vendor Name and Address:

Home Depot
115 W. Avon
Rochester Hills, MI 48307

Reason for Selection:

Best Value

Method of Purchase:

Blanket Purchase Order

BUDGET:

Hardware and building supplies are budgeted in departmental budgets.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Various	Various/City -Wide	Various	\$35,000	\$35,000	0

RECOMMENDATION:

It is recommended that City Council waive the formal competition requirements for purchases over \$25,000 under Chapter 2, Article VI, Section 2-281 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 a blanket purchase order to Home Depot, Rochester Hills, Michigan, for various supplies, including hardware and building products, used for citywide departmental operations in the amount not-to-exceed \$35,000 through December 31, 2007.

RESOLUTION**NEXT AGENDA ITEM****RETURN TO AGENDA**

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

