



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
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[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2015-0141 Version 2

**TO:** Mayor and City Council Members  
**FROM:** Allan E. Schneck, P.E., Director of Public Services  
**DATE:** May 18, 2015  
**SUBJECT:** Request to Rescind Purchase Authorization for Sign Shop Printer

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**REQUEST:**

City Council is requested to rescind the purchase authorization of one (1) Sign Shop Printer to One Source Supply, LLC, Swartz Creek, Michigan in the amount of \$21,918.00.

**REASON FOR PURCHASE:**

City Council approved the purchase of the Sign Shop Printer in the amount of \$21,918.00 to One Source Supply, LLC at the Regular City Council Meeting held April 20, 2015. The award was based on competitively solicited quotes issued 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 and informed 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 the pricing 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 is no longer the lowest, responsive, responsible bidder.

**PROCESS:**

**Vendor Name and Address:**

One Source Supply, LLC  
4420 Elms Road  
Swartz Creek, MI 48473

**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 2<sup>nd</sup> 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	\$21,918.00	(\$21,918.00)

**RECOMMENDATION:**

It is recommended that the Rochester Hills City Council rescind the purchase authorization for one (1) Sign Shop Printer to One Source Supply, LLC, Swartz Creek, Michigan in the amount of **\$21,918.00**.

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