



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: 2016-0471 Version 2

TO: Mayor and City Council Members
FROM: Lisa Cummins, Purchasing Manager
DATE: December 11, 2017
SUBJECT: Maintenance, Hardware and Building Supplies

REQUEST:

City Council is requested to authorize an increase to the existing blanket purchase order for the purchase of various maintenance, hardware, and building supplies in the amount of \$7,000.00 for a new not-to-exceed amount of \$57,000.00 to The Home Depot, Rochester Hills, Michigan through December 31, 2017.

REASON FOR PURCHASE:

The City of Rochester Hills utilizes the U.S. Communities Cooperative Purchasing Program. The contract was competitively bid by Maricopa County, Arizona, offering savings for governmental agencies across the United States. The City receives a rebate based on annual net purchases and percentage of discount for large volume purchases.

The City has utilized The Home Depot as a local supplier of various supplies, including hardware and building products for several years. The Home Depot offers many 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 with 24-hour access for emergencies. The City does not warehouse maintenance, 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.

This blanket is utilized City wide and generates a large volume of use from the City's Parks, DPS Garage, Fire, and Facilities Departments. The reason for the requested additional funding is due to the increase in smaller repair projects being undertaken by the City, especially within the Facilities department. Additionally, the City has worked diligently to centralize these purchases being made and has strongly encouraged departments to make their purchases from The Home Depot versus that of several different hardware stores. This has been done due to the fact that the contract was competitively solicited with award to The Home Depot, with the added benefit of the City earning a rebate on their purchases. In addition, by utilizing the City's pcards for these purchases an additional rebate is earned through our pcard program, providing additional value/benefit back to the City. It is in the best interest of the City to continue this approach for these needs.

PROCESS:

Vendor Name and Address:

The Home Depot
225 W. Avon
Rochester Hills, MI 48307

Reason for Selection:

Best Value; Cooperative Contract

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funding is included Citywide in the FY 2017 Adopted Budget. Increase expense in maintenance supplies but overall savings in Citywide Operating Supplies Accounts.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Various Citywide	Various Citywide	Various.740000 / Operating Supplies	\$57,000	\$57,000	\$0

RECOMMENDATION:

It is recommended that City Council authorize an increase to the blanket purchase order for the purchase of various maintenance, hardware, and building supplies in the amount of \$7,000.00 for a new not-to-exceed amount of \$57,000.00 to The Home Depot, Rochester Hills, Michigan through December 31, 2017.

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