



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

**1000 Rochester Hills Dr.
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248.656.4630
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Legislative File No: 2006-0658

TO: Mayor and City Council Members
FROM: Roger Rousse, Department of Public Service, 841-2497
DATE: August 28, 2006
SUBJECT: Water Service and Repair Parts

REQUEST:

City Council is requested to authorize a Blanket Purchase Order to S.L.C. Meter Service, Inc. of Davisburg, Michigan as the Primary Vendor and Etna Supply of Wyoming, Michigan as the Secondary vendor for Water Service and Repair Parts in the total amount of \$60,000.00 through August 1, 2007.

REASON FOR PURCHASE:

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

Sealed bids were solicited using the MITN website and the overall lowest responsive, responsible bidder was S.L.C. Meter Service, Inc. which the Department of Public Service selected as a primary vendor. Etna Supply was the second lowest bidder and has been selected as a secondary vendor.

Based on past usage and future needs it was determined that S.L.C. Meter Service, Inc. was the overall lowest bidder. In addition, both S.L.C. and Etna are able to provide all items listed in the bid. Based on these factors S.L.C. was chosen as the primary vendor and Etna Supply Company was selected as the secondary vendor.

The bid called for Ford Meter products based on the Department of Public Services continued success with the Ford product line. Although another bidder was able to provide a lower price for some of the brass products they did not bid a Ford product. In the past, the department has tried other brands and has found that Ford parts offered the best quality for the price.

Over the past four years the cost of copper-based products have experienced an unprecedented price escalation. The increase since 2002 amounts to a near 68% cost increase. This fluctuation in the market has prompted the Ford Meter Box Company to limit the time frame for guaranteed contract pricing. Due to this fact it was determined that the City pursue only a one year blanket at this time. The market conditions will continue to be monitored to determine the best course of action in the future.

PROCESS:

Vendor Name and Address:

Primary Vendor: S.L.C. Meter Service, Inc.
10375 Dixie Highway
Davisburg, MI 48350

Secondary Vendor: Etna Supply

Reason for Selection:

Lowest responsive, responsible bidder

Method of Purchase:

Blanket Purchase Order

BUDGET:

Funds for the water service and repair parts are in the 2006 budget. This blanket falls within two budget years with \$130,000.00 budgeted in 2006 and \$130,000.00 proposed for in the 2007 budget. Expenses for subsequent years will be funded from future budgets (if approved).

2006 Budget Only

Fund Name	Department Account No	Account No. Description	2006 Budget Amount	2006* Cost	2006 Remaining Budget
Water	530.740006	Operating Supplies- Water Taps Only	\$130,000.00	\$20,000.00	\$110,000.00

*2006 cost represents only months (4 months of the new blanket that will commence on September 21, 2006. The remaining budget amount is for the first eight (8) months of 2006 that falls under the current blanket.

RECOMMENDATION:

It is recommended that City Council authorize the issuance of a blanket purchase order to S.L.C. Meter Service, Inc. of Davisburg, Michigan as the Primary Vendor and Etna Supply of Wyoming, Michigan as the Secondary Vendor for Water Service and Repair Parts in the not-to-exceed amount of \$60,000.00 through August 1, 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		