



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

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
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[www.rochesterhills.org](http://www.rochesterhills.org)**

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**Legislative File No:** 2005-0761

**TO:** Mayor and City Council Members  
**FROM:** Jean Farris, Supervisor of Procurement  
**DATE:** November 8, 2005  
**SUBJECT:** Hardware and Building Supplies

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**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 through December 31, 2006.

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 six (6) 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 \$35,000 for 2006. This amount is \$10,000 less than 2005, as additional product specific contracts have been established and more precise tracking is available through the integration of the procurement card system with the City's financial system.

**PROCESS:**

**Vendor Name and Address:**

Home Depot  
225 W. Avon  
Rochester Hills, Michigan 48307

**Reason for Selection:**

Best Value

**Method of Purchase:**  
Blanket Purchase Order

**BUDGET:**

Hardware and building supplies are budgeted in departmental budgets.

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

**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, 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 \$35,000 through December 31, 2006.

**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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

