



City of Keller

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Legislation Text

File #: 19-104, **Version:** 1

To: Mark R. Hafner, City Manager

From: Alonzo Liñán, Director of Public Works

Subject:

Consider a resolution approving the primary bid from Ferguson Waterworks of McKinney, Texas, with award by the lowest total amount bid and approving the secondary bid from Core & Main, LP of Richland Hills, Texas, with award by the greatest proposed discounts on list items, for the purchase of water and sewer line parts, for the Water and Wastewater division of the Public Works Department; and authorizing the City Manager to execute all purchase documents relating thereto on behalf of the City of Keller, Texas.

Background:

Annually, the Water & Wastewater division of the Public Works Department bids all water and sewer parts the City expects to use during the coming fiscal year. On Tuesday, February 26, 2019, the annual bids were opened and read aloud for as needed water and sewer line parts for the Water and Wastewater Divisions of the Public Works Department. Below are the two qualifying bids received:

| | |
|---------------------|--------------|
| Ferguson Waterworks | \$242,266.21 |
| Core & Main, LP | \$296,311.76 |

The lowest most responsive overall total bid, meeting all specifications and bidding all required line items was \$242,266.21 from Ferguson Waterworks, McKinney, Texas. However, upon further inspection, the discounts offered by the second low-bidder on items not frequently purchased was of better value for the City. Therefore, the department would like to award the bid to both vendors, with Ferguson Waterworks as the Primary vendor and Core & Main, LP as the Secondary vendor.

These water and sewer parts are purchased on an as needed basis for the Water and Wastewater divisions of the Public Works department. The line items represented in the bid documentation "the bids" (Included as Staff Attachments) represent the broad majority of parts ordered for department operations. Any parts not included in the line items of the bids are to be discounted at the rate which is proposed in the bids for each category of parts.

It is requested that this agreement be awarded on a primary and secondary basis in order to most effectively procure required materials. In the case where the primary vendor cannot provide needed materials in a required amount of time, the secondary vendor may be requested to provide required materials.

The Public Works Department had previously advertised this bid on two occasions. On both of those occasions, Ferguson Waterworks was the only bid. On the first advertisement, required information was missing, forcing a bid rejection. On the second advertisement, the bid amount was deemed

excessive and the bid was again rejected.

Because of the difficulty in obtaining qualified bids, the department reformatted and reconfigured this advertisement from an all or nothing design, to a design which emphasizes purchasing on frequently used items and discounts off list pricing on all other items.

This agreement is intended to be renewed on an annual basis. As such, funding for the purchase of water and sewer parts is contingent upon annual funding appropriations for these items by the City Council through the budget process. Both vendors have an option for inflation adjustments, capped at 10%, to be approved by the Finance Department before an agreement renewal is approved.

Financial Impact:

The total price each vendor has proposed is based on estimated quantities and represents the lowest price the vendor will offer for required parts. The proposed bid prices shall not be construed as being awarded as a total combined amount.

Funding is provided in the FY 2018-19 Water & Wastewater Utility Fund budget in the amount of \$340,000. This amount, and future budgeted amounts, shall not be exceeded by any combination of purchasing from either proposed vendor. Funding in future years for these activities is contingent upon budget appropriations by the City Council through multiple fiscal years.

Citizen Input/Board Review:

Not applicable.

Legal Review:

The City Attorney has reviewed and approved.

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial