



## Legislation Text

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**File #:** 18-0845, **Version:** 1

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MOTION TO RATIFY THE CITY MANAGER'S APPROVAL OF AN EMERGENCY PAYMENT TO THE SOLE SOURCE VENDOR, SMITH & LOVELESS, INC., IN THE TOTAL AMOUNT OF \$36,637.82 DUE TO EXCEEDING THE \$200,000 ESTIMATED ANNUAL AMOUNT AS APPROVED BY COMMISSION.

### **SUMMARY EXPLANATION AND BACKGROUND:**

1. On April 19, 2017, the City Commission approved the purchase of 10 Smith & Loveless, Inc. replacement sewer pumping stations from the sole source vendor, Smith & Loveless, Inc., in the amount of \$491,609, along with the purchase and installation of the control panels related to the lift station equipment from the sole source vendor, Sanders Company, Inc., in the amount of \$303,090, and the purchase of repair parts, on and as-needed basis, for all City lift stations from the sole source vendor, Smith & Loveless, Inc., for an annual estimated amount of \$200,000, for a total amount of \$994,699.
2. The Utilities Division exceeded the \$200,000 Commission approved amount by \$36,637.82 for the purchase of repair parts for lift stations. Staff ordered pumps to replenish inventory as there is a 12 week lead time for delivery, but the \$200,000 had already been exceeded and was realized when invoices were received.
3. On July 24, 2018, the City Manager approved the emergency payment of \$36,637.82 to Smith & Loveless, Inc., as the supplies were already received and there were pending invoices that needed to be paid.
4. Per Section 35.18(C)(1) of the City's Procurement Code; "In urgent cases of compelling emergency that require the immediate purchase of commodities or services, the City Manager is empowered to waive competitive bidding or competitive proposals and authorize the Chief Procurement Officer to secure by open market procedure any commodities or services, notwithstanding the estimated cost of the commodities or services."
5. The Utilities Division has taken steps to ensure that staff will keep track of all orders made against a purchase order to make sure that the approved amount is not exceeded.
6. Request Commission to ratify the City Manager's approval of an emergency payment to the sole source vendor, Smith & Loveless, Inc., in the total amount of \$36,637.82 due to exceeding the \$200,000 estimated annual amount as approved by Commission.

### **FINANCIAL IMPACT DETAIL:**

- a) **Initial Cost:** \$36,637.82
- b) **Amount budgeted for this item in Account No:** The funds have already been expensed from

account # 471-535-6021-46250 (R&M Equipment).

- c) Source of funding for difference, if not fully budgeted:** Not Applicable
- d) 5 year projection of the operational cost of the project:** Not Applicable
- e) Detail of additional staff requirements:** Not Applicable