



Legislation Text

File #: 20-0623, **Version:** 1

MOTION TO APPROVE THE PURCHASE OF REPAIR PARTS FOR ALL CITY LIFT STATIONS ON AN AS NEEDED BASIS FOR AN ANNUAL AMOUNT NOT TO EXCEED \$246,146 FROM THE SOLE SOURCE VENDOR, SMITH & LOVELESS, INC., PURSUANT TO SECTION 38.18(C)(3) OF THE CITY'S CODE OF ORDINANCES, REALIZING A SAVINGS OF UP TO \$17,230.22 IN SALES TAX.

PROCUREMENT PROCESS TAKEN:

- ***Chapter 35 of the City's Code of Ordinances is titled "PROCUREMENT PROCEDURES, PUBLIC FUNDS."***
- ***Section 35.18 of the City's Code of Ordinances is titled "COMPETITIVE BIDDING OR COMPETITIVE PROPOSALS REQUIRED; EXCEPTIONS."***
- ***Section 35.18(C) states that "Only the following situations are exempt from the competitive bid and competitive proposal requirements of this section:"***
- ***Section 35.18(C)(3) states that "City standard, single-source and sole- source commodities or services. City standard, single- source and sole-source commodities or services are exempt from this section."***
- ***Section 35.21 of the City's Code of Ordinances is titled "AWARD OF CONTRACT."***
- ***Section 35.21(A) of the City's Code of Ordinances is titled "City Commission approval."***
- ***Section 35.21(A)(1) states, "An initial purchase of, or contract for, commodities or services, in excess of \$25,000, shall require the approval of the City Commission, regardless of whether the competitive bidding or competitive proposal procedures were followed."***

SUMMARY EXPLANATION AND BACKGROUND:

1. Every year, the Utilities Division is provided funding for the purchase of lift station pump and motor replacements as needed throughout the year.
2. Lift Stations are used to pump wastewater from homes, businesses and parks in the City to the Wastewater Treatment Plant.

3. As part of the Operation, Maintenance, Management of the Utility System Agreement with Operations Management International, Inc. (OMI), a Preventative Maintenance Program was established to include all lubrications, adjustments, inspections, monitoring and repairs as necessary to maintain City Facilities throughout the term of the agreement. Included on the list of City Facilities are all 202 lift stations throughout the City.

4. Purchasing directly from Smith and Loveless gives the City the ability to save up to \$17,230.22 in sales tax.

5. On December 15, 1999, City Commission approved The Engineering Standards Manual for the City that requires all lift stations must be manufactured by Smith & Loveless, Inc. A single manufacturer was chosen for uniformity of spare parts and ease of maintenance.

6. Smith & Loveless, Inc., has supplied a letter stating, "Smith & Loveless, Inc. is the sole source for its new equipment, retrofit equipment and parts. Your local sole source Representative is Sanders Company for pumping, headworks, and treatment equipment."

7. Smith & Loveless, Inc. has provided a pricing sheet in which the City anticipates a total estimated annual amount not to exceed \$246,146, saving \$17,230.22 in sales tax. Included on the price list, is an estimated annual amount not to exceed \$98,052.12 for the purchase of lift station repair parts such as pumps, motors, valves, etc. In addition, the City anticipates an estimated annual amount not to exceed \$148,093.88 for the purchase of different sized lift station motors, which is also included in the Smith & Loveless, Inc. pricing sheet.

8. Request City Commission to approve the purchase of repair parts for all City Lift Stations on an as needed basis for an annual amount not to exceed \$246,146 from the Sole Source Vendor, Smith & Loveless, Inc. pursuant to Section 38.18(C)(3) of the City's Code of Ordinances, realizing a savings of up to \$17,230.22 in sales tax.

FINANCIAL IMPACT DETAIL:

a) **Initial Cost:** \$246,146

b) **Amount budgeted for this item in Account No:** \$203,224 in Account No. 471-535-6021-46250 (R&M Equipment) FY2019-2020 and \$42,922 in Account No. 471-535-6021-46250 (R&M Equipment) FY2020-2021

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.