



## Legislation Text

File #: 21-0300, Version: 1

MOTION TO APPROVE THE AGREEMENT WITH FERGUSON ENTERPRISES, LLC. D/B/A FERGUSON WATERWORKS, FOR THE PURCHASE OF UNDERGROUND UTILITY PARTS ON AN AS NEEDED BASIS UTILIZING THE PRICING ESTABLISHED FROM THE COLLIER COUNTY RFP NO.17-7176 FOR AN ANNUAL AMOUNT NOT TO EXCEED \$227,000 IN YEAR 1 AND AN ANNUAL AMOUNT NOT TO EXCEED \$189,000 IN YEAR 2 AND YEAR 3 OF THE AGREEMENT, PURSUANT TO SECTION 35.18(C)(5) OF THE CITY'S CODE OF ORDINANCES, REALIZING A SAVINGS OF UP TO \$15,890 IN SALES TAX ANNUALLY.

### 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 regarding "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)(5) states that "Commodities or services that are the subject of contracts with the state its political subdivisions or other governmental entities including the United States Government, are exempt from the competitive procurement process."*
- *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. As part of the Operation, Maintenance, Management of the Utility System Agreement with Operations Management International, Inc. (OMI), a Preventive 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

is the Water Distribution System throughout the City.

2. Currently, all water distribution materials purchased for the Preventive Maintenance Program to maintain the City's Water Distribution System are considered Maintenance and Repair Expenditures.

3. Purchasing directly from Ferguson gives the City the ability to save up to \$15,890 yearly in sales tax.

4. On February 27, 2018, Collier County entered into an agreement for RFP #17-176 for a three (3) year period ending on April 1, 2021.

5. On March 9, 2021, Collier County and Ferguson Enterprises, Inc. d/b/a Ferguson Waterworks renewed the original agreement commencing on April 2, 2021 and ending April 1, 2024.

6. Request City Commission to approve the agreement with Ferguson Enterprises, LLC. d/b/a Ferguson Waterworks, for the purchase of Underground Utility Parts on an as needed basis utilizing the pricing established from the Collier County RFP Solicitation No.17-7176 for an annual amount not to exceed \$227,000 in Year 1, an annual amount not to exceed \$189,000 in Year 2 and Year 3 of the agreement, pursuant to Section 35.18(C)(5) of the City's Code of Ordinances, realizing a savings of up to \$15,890 in sales tax annually.

#### FINANCIAL IMPACT DETAIL:

a) **Initial Cost:** \$116,750 (Based on as needed basis)

b) **Amount budgeted for this item in Account No:** An Estimated \$116,750 for remainder of FY is budgeted in Account No. 471-533-6032-546150-0000-000-0000 (R&M Land Bldg & Improvement).

c) **Source of funding for difference, if not fully budgeted:** Not applicable.

d) **5 year projection of the operational cost of the project:** The agreement term is effective upon execution of agreement and ends April 1, 2024.

	Current FY	FY2021-2022	FY2022-2023	Oct. 2023-April 2024	N/A
Revenues	\$0	\$0	\$0	N/A	N/A
Expenditures	\$116,750	\$189,000	\$189,000	\$110,250	N/A
Net Cost	\$116,750	\$189,000	\$189,000	\$110,250	N/A

e) **Detail of additional staff requirements:** Not Applicable.