

**INDIAN RIVER COUNTY
OFFICE OF MANAGEMENT AND BUDGET
PURCHASING DIVISION**

DATE: April 4, 2018

TO: BOARD OF COUNTY COMMISSIONERS

THROUGH: Jason E. Brown, County Administrator
Mike Smykowski, Director, Office of Management and Budget

FROM: Jennifer Hyde, Purchasing Manager

SUBJECT: First Renewal and Modification of Annual Bid 2017024 for Utility Operations Warehouse Stock

BACKGROUND:

On April 4, 2017, the Board of County Commissioners awarded the annual bid for Utility Operations Warehouse Stock to the two firms that bid: Core & Main (previously HD Waterworks) and Ferguson Waterworks. The Board also authorized the Purchasing Manager to renew the bid for two additional one-year periods.

In response to the Purchasing Division’s request to exercise the first renewal, both firms indicated they are unable to renew at the existing pricing due to a significant change to the pricing of items manufactured by Ford. Rather than rebid all 1144 individual items, staff asked both vendors to provide updated pricing for the 108 Ford items.

Both vendors proposed increases to some prices and decreases to others. The submitted pricing will result in an approximate \$12,164, (or 0.7%), increase to Ferguson’s original bid and a \$31,010, (or 4.6%), increase to Core & Main’s original bid, resulting in a total annual increase of expenditures of \$43,174.

As explained in the original bid award, the extreme variance in totals between the two vendors’ original bids can be attributed to 84 items on Ferguson’s bid priced more than 50 percent higher than Core & Main, with 53 of those at least 100 percent higher. At the time of order, when exact items and quantity are known, the lowest cost and availability will be used to determine vendor. The summary below reflects the sum of the pricing for all items quoted per vendor. It continues to be valuable to the Department of Utility Services to have more than one vendor to purchase from.

Bidder	Location	Original Annual Bid Amount	Updated Bid Amount
Core & Main	Fort Pierce	\$ 648,811.65	\$ 679,821.98
Ferguson Enterprises	Fort Pierce	\$1,720,050.66	\$1,732,215.00

ANALYSIS:

Materials are purchased on an as-needed basis for day-to-day renewal and replacement of the utility systems. Year-to-date expenditures for warehouse stock were \$24,626 for Wastewater Collection and \$356,375 for Water Distribution. The Department anticipates expenditures to be comparable for the remainder of the fiscal year with an additional allowance for the rate increase.

SOURCE OF FUNDS:

Estimated expenditures for the remaining FY of 17/18 total \$402,588, with \$26,021 needed for Wastewater Collection and \$376,567 for Water Distribution.

Account Number	Account Description	Additional Funds Needed
47126836-044699	R&R – Wastewater Collection	\$ 26,021
47126936-044699	R&R – Water Distribution	\$247,000
47123536-044699-02532	R&R – Miscellaneous Water	\$129,567

RECOMMENDATION:

Staff recommends the Board:

- Approve the amended award to Core & Main and Ferguson Waterworks.
- Authorize the Purchasing Division to issue/extend blanket purchase orders through September 30, 2018 with the recommended bidders.
- Authorize the Purchasing Manager to renew this bid for one additional one year period subject to satisfactory performance, vendor acceptance, and the determination that renewal of this annual bid is in the best interest of Indian River County.