

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

DATE: May 14, 2019

TO: BOARD OF COUNTY COMMISSIONERS

THROUGH: Jason E. Brown, County Administrator
Kristin Daniels, Budget Director

FROM: Jennifer Hyde, Purchasing Manager

SUBJECT: Award of Bid 2019048 – Annual Bid for Utility Operations Warehouse Stock

BACKGROUND:

On behalf of the Department of Utility Services, annual bids were requested to establish fixed pricing for as needed Operations warehouse stock. The previous bid had one renewal available, but both awarded vendors (Ferguson Enterprises and Core & Main LP) indicated they could not renew at the existing prices due to manufacturer price increases, therefore the bid expired on March 31, 2019. The term of award for this bid is one year, with the option for two additional one-year renewals, subject to vendor acceptance, satisfactory performance and staff's determination that the renewal would be in the best interest of the County.

BID RESULTS:

Advertising Date: April 8, 2019
 Bid Opening Date: May 1, 2019
 Broadcast to: 585 Subscribers (454 Demandstar/131 Vendor Registry through www.ircgov.com)
 Bid Documents Obtained by: 22 Vendors (18 Demandstar/4 Vendor Registry)
 Replies: 3 Vendors

Firm	Location	Annual Bid
Core & Main LP	Fort Pierce	\$985,319.34
Ferguson Enterprises	Fort Pierce	\$915,449 read in public opening DQ-mandatory Excel copy of bid form not included on the USB drive submitted
Best Plumbing Specialties	Myersville, MD	DQ-Bid form not signed

ANALYSIS:

Bidders were invited to provide pricing for any/all of 1,174 items listed on the bid form, provided in Microsoft Excel format, with the requirement that the form be returned both in signed hard copy and in Excel on a CD or USB thumb drive.

Best Plumbing Specialties was determined to be non-responsive and their bid total not read in the public opening because their bid form was not signed. The sum of the extended prices for all items bid was read aloud for the two other bidders, as they appeared to have met the initial responsiveness requirements.

After the public opening and release of the initial bid tabulation, staff downloaded the contents of the USB drives submitted by the two initially-responsive bidders and identified that Ferguson provided a scanned pdf of their bid form, rather than a copy of the bid form in Excel format. The bid form in Excel was required within the invitation to bid so staff could easily copy and paste item bid pricing and compare bids submitted, and also have an accessible estimating tool after award, without being required to manually type unit prices and be subject to typographical error.

After an updated bid tabulation indicating their disqualification, Ferguson submitted a protest memo, asserting they should not have been declared non-responsive for something they can easily correct, that they were the low bid and should not have been eliminated and that it would be unjust to award the bid when only one bid was considered. After review of Ferguson's protest and conferring with the Department of Utility Services and Office of the County Attorney, the Purchasing Manager denied Ferguson's protest. Ferguson indicated they did not intend to appeal the denial of their protest. Copies of both the protest memo and staff's response are attached.

The Department has reviewed the bid submitted by Core & Main LP, and has also determined their bid to be responsive and the vendor responsible to provide the goods proposed.

SOURCE OF FUNDS:

Expenditures for FY 17/18 for warehouse stock under the previous bid totaled \$752,656.25. Year to date expenditures for warehouse stock total \$260,964. The new bid was developed to reflect the ideal quantities of items Warehouse staff felt should be kept in inventory, however, those quantities reflected in the bid did not account for existing inventory already in place. Therefore, the full annual bid amount is not anticipated to be spent in a single fiscal year. Additionally, some of the items included in the bid total will be utilized on and funded under specific project accounts.

The new bid represents an average per item increase of approximately 26% from the previous bid. The imposition of tariffs on imported materials has increased the cost of many items significantly. Additionally, the current bid specified a higher quality of several products than the last bid, matching the requirements of the Department's current Utility Construction Standards.

Funds for warehouse stock for continuing maintenance are available in the following accounts, which come from operating funds and are generated from water and sewer revenues.

Account Number	Account Description	Estimated Expenditure
47121836-044699	R&R – Wastewater Treatment	\$5,000
47121936-044699	R&R – Water Production	\$5,000
47126836-044699	R&R – Wastewater Collection	\$30,000
47126936-044699	R&R – Water Distribution	\$125,000
47126936-044660	Water Distribution Hydrant Maintenance	\$8,000

RECOMMENDATION:

Staff recommends the Board award Bid 2019048 to Core & Main LP. Staff also recommends the Board authorize the Purchasing Division to issue blanket purchase orders to the awarded bidder, and authorize the Purchasing Manager to renew this bid for two (2) additional one (1) year periods subject to satisfactory performance, vendor acceptance, and the determination that renewal of this annual bid is in the best interest of Indian River County.

ATTACHMENTS:

- Ferguson Protest Memo
- Purchasing Manager Response to Ferguson Protest