

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

DATE: March 27, 2017

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: Approval of Award for Bid 2017024 – Annual Bid for Utility Operations Warehouse Stock

BACKGROUND:

On October 18, 2016, the Board of County Commissioners rejected responses received for Bid 2017005, Annual Bid for Utility Operations Warehouse Stock and authorized release of a new bid, due to a significant number of items omitted from the released invitation to bid. The Board also authorized an extension to the award of the previous bid (2014010) until a new bid is awarded.

BID RESULTS:

Bid Opening Date:	January 2, 2017
Advertising Date:	December 11, 2016
Demandstar Broadcast to:	516 Subscribers
Specifications/Plans Downloaded by:	33 Vendors
Replies:	2 Vendors

The bid requested pricing for 1,144 individual items which may or not be required during the period of award. Bidders were not required to bid on every item. The summary below reflects the sum of the pricing for all items quoted per vendor. The extreme variance in totals between the two vendors can be attributed to 84 items on Ferguson’s bid priced more than 50 percent higher than HD Supply, with 53 of those at least 100 percent higher.

Ferguson’s prices on some items are comparable or lower than HD Supply’s, and therefore the Department requests award be made to both vendors, in the event one vendor cannot supply the required material. At the time of order, when exact items and quantity are known, the lowest cost and availability will be used to determine vendor.

Bidder	Location	Total Annual Bid Amount
HD Supply Waterworks	Fort Pierce	\$648,811.65
Ferguson Enterprises	Fort Pierce	\$1,720,050.66

ANALYSIS:

Materials are purchased on an as needed basis for day to day renewal and replacement of the utility systems. Last fiscal year, expenditures for warehouse stock were \$40,115 for Wastewater Collection and \$489,045 for Water Distribution. The Department anticipates expenditures to be comparable this fiscal year, with \$182,685 spent thus far this fiscal year. Several R&R projects are scheduled for the second half of this fiscal year, and expenditures are expected to increase over the first half of the year.

SOURCE OF FUNDS:

Estimated expenditures for the remaining FY of 16/17 total \$346,475 and are anticipated to be:

Account Number	Account Description	Projected 16/17 Budget
47126836-044699	R&R – Wastewater Collection	\$18,070
47126936-044699	R&R – Wastewater Distribution	\$328,405

The Department of Utility Services anticipates a Budget Amendment will be required to cover the anticipated Wastewater Distribution expenses.

RECOMMENDATION:

Staff recommends the Board:

- Award to HD Waterworks and Ferguson Waterworks as the two lowest, responsive and responsible bidders meeting the specifications as set forth in the Invitation to Bid.
- Authorize the Purchasing Division to issue blanket purchase orders for the period of April 4, 2017 through March 31, 2018 with the recommended bidders.
- 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.