



CITY OF MARSHALL

COMMISSION AGENDA INFORMATION SHEET:

MEETING DATE: December 08, 2016

PROJECT: Consider approval of an extension of the current Annual Water System Supplies Agreement. (Public Services Director)

DESCRIPTION:

In December 2014, bids were opened and awarded for our annual water system supplies for Calendar 2015; contracts were awarded to Southwest Meter & Supply of Marshall, Texas and HD Supply of Bossier City, Louisiana. Our bid package allows for an extension of the bid awards if the suppliers do not increase their prices as follows:

The City of Marshall reserves the right to extend the contract(s) for a second and third annual period provided both parties agree to such extension in writing no less than thirty (30) days prior to the end of each annual period and is also conditioned that any annual increase is not higher than the CONSUMER PRICE INDEX for the previous twelve (12) month period.

In December 2015, the City Commission approved a one year extension of the annual supply agreement because the two bidders proposed to extend the agreement with no increase. Both bidders are offering to extend the agreement for a second and final extension period, also at no increase, meaning prices will stay unchanged from the initial period January 2015 through December 2017.

The Annual CPI as of October 2016 stands at 1.6% and as previously stated, both low bidders have agreed to extend their current pricing for another twelve month period, from January 1, 2017 until December 31, 2017. Attached is a copy of the bid award from December 18, 2014, wherein the following were awarded:

Southwest Meter – Items A, B, C, E, F, H, and K at approximately \$143,465.58

HD Supply – Items D, G, I, J, and L at approximately \$57,191.13

COST:

Estimated annual supply cost - \$200,656.71

FUNDING:

Water Utilities

Acct. Name & No

Various Accounts

Original Budget

RECOMMENDED

ACTION: Approve a staff recommendation to extend the current Annual Water System agreement for calendar year 2017.

CITY CONTACT: J. C. Hughes, Public Services Director 903-503-4503

ATTACHMENTS:

2015 Annual Water Supply Contact – Agenda Item Bid Award (December 2014)

cc: File

Memo

To: Kenneth Snyder, Acting City Manager and City Commissioners

From: Lisa Agnor, City Secretary/Finance Director

Date: 12/11/2014

Re: Bid No. 2014 WU/SUPPLIES

Five (5) vendors received bid packets and three (3) responded. Bids were opened at 10:00 am on Tuesday, December 2, 2014 in the second floor conference room of the City Hall building.

Bid proposals were received from Southwest Meter & Supply of Marshall, Texas, HD Supply Waterworks of Bossier City, Louisiana, and Underground Utility Supply of Longview, Texas. There were twelve (12) sections, A through L, and each could be awarded individually as lowest bidder.

Below lists an outline of the qualified bid proposals by sections:

<u>Section</u>	<u>Southwest Meter</u>	<u>Underground Utility</u>	<u>HD Supply Waterworks</u>
A) Brass Goods	(1)*55,863.74	55,155.80	55,641.91
B) Meter Boxes	*7,231.00	10,100.00	9,356.00
C) Valve Boxes	(1) *1,912.20	1,897.80	1,926.00
D) PVC Cleaner/Cement	1,301.60	1,200.00	*975.20
E) Manhole Rings/Lids	(1)*30,099.24	29,109.48	36,629.73
F) Clamps/Couplings	(1)*34,641.48	34,176.20	36,031.08
G) Tees/Sleeves/Lugs	16,249.40	14,928.30	*14,656.00
H) Saddles/Couplings	(1) *7,522.82	7,326.50	7,825.30
I) Hy-Max Couplings	3,822.28	3,714.85	*3,572.83
J) PVC Tubing	5,250.00	6,480.00	*4,800.00
K) Sewer Pipe Fittings	(1) *6,195.10	6,192.20	7,093.40
L) Gate Valves/Hydrants	42,107.01	No Bid	*33,187.10
TOTAL	212,195.87	Missing "L"	211,694.55

* Recommended Supplier for 2015

- (1) Southwest Meter & Supply of Marshall, Texas is lowest and best bidder on items A, C, E, F, H, and K when you consider a 5% local bidder allowance; they are low on Item B. The 5% allowance is considered as part of the lowest and best bid evaluations because a local vendor provides 1) the ability to open the warehouse and provide supplies on an emergency call basis, and 2) being local, it allows our staff to visit their location on West Travis and pick up needed supplies, as they are needed for repairs, rather than requiring the City of Marshall to stock a huge volume of supplies. Utilizing just lowest bidder, with no evaluation allowance for local access and nor not stocking most of the supplies items ourselves, would result in an estimated cost of \$198,280.11 (\$2,376.60 or 1.2% less than the staff recommendation of \$200,656.71 using the lowest and best evaluation allowance)

Award Recommendation:

The following awards are recommended:

Southwest Meter – Items A, B, C, E, F, H, and K (\$143,465.58)

HD Supply – Items D, G, I, J, and L (\$57,191.13)

*Utilizing the individual lowest and best bidder evaluation for each supply section, including the 5% local bid allowance on Items A, C, E, F, H, and K, results in an "estimated" annual supply cost \$200,656.71.

If you have any questions and/or concerns, we will try to answer them.