



Legislation Details (With Text)

File #: 20-504 **Version:** 1 **Name:**
Type: Consent Item **Status:** Passed
File created: 9/1/2020 **In control:** City Council/Public Finance and Economic Development Authority/Parking Authority
On agenda: 9/21/2020 **Final action:** 9/21/2020

Title: SUBJECT: Award Bid to PACE Supply Corp. and Approval of a Contract for the Supply of Waterworks Parts and Materials for a Term of Two (2) Years with up to Two (2) One Year Extensions

REPORT IN BRIEF

Considers awarding the Bid to PACE Supply Corp. and approving a multi-year supply and service contract for water works parts and materials.

RECOMMENDATION

City Council - Adopt a motion:

- A. Awarding the bid for the supply of water works parts and materials to PACE Supply Corp.; and,
- B. Authorizing the City Manager or the Assistant City Manager to execute a contract for a term of two (2) years with up to two (2) one-year optional renewals thereafter based on the bid pricing submitted by PACE Supply.

Sponsors:

Indexes:

Code sections:

Attachments: 1. PACE Contract, Exhibits A & B

Date	Ver.	Action By	Action	Result
9/21/2020	1	City Council/Public Finance and Economic Development Authority/Parking Authority	approved	Pass

Report Prepared by: Julio C. Márquez, Purchasing Supervisor, Finance Department.

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ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Article XI, Section 1111-Competitive bidding, and Merced Municipal Code Chapter 3.04, Article III - the purchase of materials, supplies, equipment, and contractual services of an estimated value greater than thirty-three thousand dollars (\$33,000.00), the "contract threshold," shall be made by the purchasing supervisor by written contract with the lowest responsible bidder.

CITY COUNCIL PRIORITIES

As provided for in the 2020-2021 Adopted Budget.

DISCUSSION

The contract consists, in general, of the ongoing purchase of water works parts and materials as listed and priced in Exhibit B of the Invitation for Bids (IFB). The Purchasing Division assists the Water Division with procuring water works and material inventory for their warehouse. It is part of the overall inventory under the purview of the Purchasing Division's Central Stores.

Staff prepared bid specifications, and the invitation for bids was advertised both in the Merced County Times newspaper and the City's website. Bids were publicly opened on August 11, 2020, with the following results:

1. PACE Supply Corp. (Stockton, CA)	\$ 33,232.44
2. Ferguson Enterprise (Modesto, CA)	\$ 35,043.70
3. American AVK Co. (Minden, NV)	\$ 10,442.66

Bids were evaluated based on the following criteria: vendor capabilities, staff qualifications, prior performance, pricing and other criteria as specified on page number 6 of Exhibit A.

Bid number three (3) was deemed nonresponsive as it did not include required documentation, offered pricing on a few parts only, and offered only alternative parts.

DICUSSION

History and Past Actions

The City has met its past needs for water works parts and materials by requesting three (3) quotes before placing an order. While this practice complies with the City's minimum competitive bid

requirements, establishing a contract will bring several benefits. It will save Purchasing staff the time and effort required to request, receive and evaluate quotes. It will expedite delivery timeframes and standardize pricing. Furthermore, the annual spend on these parts and materials warrants the need to establish a contract based on formal bid pricing.

The table below shows the calculated yearly average spend based on purchase records for the past three years:

Fiscal Year	Total/Year
2019-20	236,220.00
2018-19	230,648.00
2017-18	153,956.00
Yearly Average	206,941.33

IMPACT ON CITY RESOURCES

Purchases for inventory are backed by the stores revolving fund as specified in the Merced Municipal Code Chapter 3.04, Article IV, Section 360. Items are expensed when Purchasing issues them to departments. Funding is available within the departments adopted budget.

ATTACHMENTS

1. Contract, Exhibits A & B