



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director
Gwen Eng, General Services Manager

DATE: May 19, 2009

SUBJECT: Consideration of Award of a Three-Year Contract to Aqua-Flo Supply for an Irrigation Parts Supply Contract (Estimated Value of \$156,000)

RECOMMENDATION:

Staff recommends that the City Council award RFP #774-09 to Aqua-Flo Supply for a three-year irrigation parts supply contract (estimated value of \$156,000).

FISCAL IMPLICATION:

Sufficient funds are budgeted in the Public Works Department for on-going irrigation purchases.

DISCUSSION:

The City purchases various irrigation supplies, including PVC pipe, valves, sprinkler units and parts. A small parts inventory is kept primarily for routine maintenance, which is replenished on a regular basis; however, most parts are ordered on an as-need basis. These supplies are used for on-going maintenance and repairs as well as new installations at City parks and school sites. Therefore, parts must be readily available and delivered in a timely manner.

In responding to the Request for Proposal, vendors provided the City with discounts from manufacturers' suggested list prices. The discounts will be firm for the contract life, but the list price may fluctuate based upon market conditions (typically prices change once or twice a year).

Staff solicited proposals and two responses were received. Because this is a service contract, vendor selection is based upon several factors: ability to supply preferred manufacturers' parts, fill rate, ability to meet next day delivery requirement, and pricing. A summary of pricing offered by each vendor is shown below:

<u>Company</u>	<u>Cost</u>
1. Aqua-Flo Supply	\$52,000
2. John Deere Landscape	\$53,560

The estimated expenditure is based on the highest volume that we have historically purchased. The not-to-exceed figure of \$52,000 per year will cover on-contract items as well as infrequently purchased miscellaneous off-contract items not identified through the City's bid process. Aqua-Flo Supply is the incumbent and offered an average of 8.7% greater discount over the existing contract. In addition, they have provided good service throughout the last contract. A third vendor, Ewing Irrigation Products, stated that they could not meet the bid deadline which is the same reason they provided the last time this bid was let.

Based upon these factors, staff recommends that Council award a three-year contract to Aqua-Flo, since they offered the deepest discounts while meeting all other requirements. If approved, the contract will be in the form of a purchase order and the City may cancel the contract at any time without cause if necessary.