



# Detroit Water and Sewerage Department

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## Legislation Text

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The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Emergency Purchase Order Nos. 3002797 and 234, for Eight-Inch (8") Ductile Pipe at a cost not-to-exceed a total \$400,800.00 from McWane Ductile (Manufacturer), per the DWSD Procurement Policy (date: Nov 2, 2011) pertaining to Emergency Procurements**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### Agenda of August 3, 2016

#### Item No. 16-0122

#### Emergency POs - PO3002797 and 234

**Total Amount: \$400,800.00**

**TO:** The Honorable  
Board of Water Commissioners  
City of Detroit, Michigan

**FROM:** Gary Brown, Director  
Water and Sewerage Department

**RE:** **DWSD Emergency Purchase Order Nos. 3002797 and 234, for 8" Ductile Pipe Used for Water Main Repairs Manufacturer: McWane Ductile (formerly known as Clow Water Systems)**  
**Designer: DWSD**

### MOTION

Upon recommendation of Marcus Hudson, Chief Financial Officer, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve Emergency Purchase Order Nos. 3002797 and 234, for Eight-Inch (8") Ductile Pipe at a cost not-to-exceed a total \$400,800.00 from McWane Ductile (Manufacturer), per the DWSD Procurement Policy (date: Nov 2, 2011) pertaining to Emergency Procurements**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### JUSTIFICATION

These emergency purchase orders were necessitated to replenish depleted levels of 8" Ductile Iron at the Central Services Facility. Stock levels for this requirement were critically low due to the fluctuating usage of the four ongoing projects, which pull from the DWSD ductile pipe inventory as well as due to system issues with implementation of Fusion. Long lead time of the contracted vendor resulting in high risk of work stoppage made it necessary to order directly from the manufacturer who agreed to expedite delivery and piece price lower than our contracted vendor.

### BACKGROUND

DWSD's Central Service Facility warehouse currently stocks ductile iron pipe for ongoing distribution piping

system water main replacement program. The work consists of replacing pipelines that have a history of frequent breaks and high maintenance cost. The size most in demand for water main repairs is, by far, eight inch. DWSD does have a contract Motor City Pipe for various size of ductile pipe. Although, they have proven to have prompt deliveries in the past, emergency delivery was not an available option. Slow deliveries, high demand and the inability of our assets maintenance system to allocated inventory between contract groups has made it very difficult to forecast requirement need with sufficient lead time. DWSD Procurement group has researched the market and is working to re-bid our ductile iron requirements for a permanent contractual solution that can respond to fluctuating demands while realizing a substantial cost savings.

ORDER	QTY ORDERED	PRICE PER PIECE	TOTAL PRICE
PO #234	480 pcs	\$467.50	\$224,400.00
PO #3002797	400 pcs	\$441.00	\$176,400.00