



# Detroit Water and Sewerage Department

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## Legislation Text

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**File #:** 17-0086, **Version:** 1

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The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **secure the Purchase of “MRO (Material, Repair, and Operations) and Janitorial Supplies” with MSC Industrial Supply at a cost of \$443,283.42 for a duration of two (2) years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

**Agenda of May 17, 2017**

**Item No. 17-0086**

**RFB No. 60005**

**Contract No. 6000688**

**Amount: \$443,283.42**

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

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

**RE: Proposed DWSD RFB No. 60005  
MRO (Material, Repair, and Operation) and Janitorial Supplies**

### MOTION

Upon recommendation of Palencia Mobley, Deputy Director, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorized the Director to **secure a contract with MSC Industrial Supply Co. for MRO (Material, Repair, and Operation) and Janitorial Supplies for a total amount of \$443,283.42 for a duration of two (2) years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### BACKGROUND

In previous years MRO items were stocked in the warehouse encumbering thousands of dollars in inventory. In 2014, DWSD explored Just-In-Time (J.I.Ts.) ordering for many common and frequently used items. MRO and janitorial items were commodities purchased via Just-In-Time. The first MRO contract was issued to Grainger Industrial Supply, PO 2896154. This enabled the warehouse to provide these types of items efficiently without shelf inventory. Although, JIT buying was ideal, the charges associated with the buys were not economical. Instead of renewing the contract with Grainger, Purchasing solicited bids for MRO and janitorial items.

### JUSTIFICATION

When doing a total cost comparison between the incumbent supplier Grainger and the lowest bidder MSC (MSC Industrial Supply Company), MSC prices were 40 percent lower on the MRO items needed by DWSD

and 35 percent lower on janitorial. That is a total cost savings in the amount of \$59,329.25 annually. MSC is capable of providing us the same level of online ordering and delivering service levels as the current supplier.

This contract will serve to replenish stock levels, at our service warehouses preventing emergency spot buys and possible work stoppage. This MRO (Material, Repair, and Operation) Contract includes janitorial supplies, industrial equipment and supplies such as compressors, pumps, valves, gaskets, lubricants, and repair tools which will help ensure our day to day operations run efficiently and customer needs are met in a timely manner.

The bids are as follows (per year):

BIDDER	MRO BID PRICE	JANITORIAL BID PRICE
MSC	\$181,733.61	\$39,908.10
Kamar Office	\$215,313.44	\$46,732.48
Audio Visual Equipment	\$458,718.62	\$85,578.00

## PROCUREMENT METHOD

This was an open competitively bid contract. The Request for Bid (RFB) was advertised during the week of February 24, 2017, on the Michigan Inter-Governmental Trade Network (MITN) website. This requirement was solicited from over seventy five (75) companies in MITN on RFB 60005, which yielded three (3) responsive, responsible bidders.

Purchasing recommends awarding a two (2) year contract to the lowest responsive, responsible bidder, MSC Industrial Supply Co. and request approval for the contract amount of \$443,283.42. MRO (Material, Repair, and Operation) supplies are essential for the maintenance and upkeep of DWSD and in the service of our customers.

## DETAILS

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|---------------------------|---|
| • Funding Source          | Operation & Maintenance                           |
| • GL String               | 5720-20276-487611-624115-001688-10732-0000-000000 |
| • Unit price              | Contract covers numerous items                    |
| • Quantity                | Contract covers numerous items                    |
| • Total Price             | <b>\$443,283.42</b>                               |
| • Estimated Lead time     | 1-2 day(s)  |
| • Estimated delivery date | 1 day after receipt of Purchase Order             |

RFB No. 60005 was presented to the Finance Committee on May 3, 2017 and is an Operations and Maintenance (O&M) funded project.