



# Detroit Water and Sewerage Department

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## Legislation Text

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**File #: 18-0024, Version: 1**

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The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **execute a change order for an emergency contract increase in the amount of \$618,768.50 to the existing contract with EJ USA, INC. located in East Jordan, MI 49727 for conversion hydrants**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

**Agenda of February 21, 2018**

**Item No. 18-0024**

**Proposed: Change Order for Contract Increase of \$618,768.50 for procurement of hydrants to support current operations work load to Blanket Purchase Agreement 2906292.**

**Supplier: EJ USA, INC. (Sole Source)**

**Updated Contract Amount: \$3,948,222.09**

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

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

**RE: Proposed Contract Increase of \$618,768.50 for Conversion Hydrants**

### **MOTION**

Upon recommendation of Palencia Mobley, Deputy Director for DWSD, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **execute a change order for an emergency contract increase in the amount of \$618,768.50 to the existing contract with EJ USA, INC. located in East Jordan, MI 49727 for conversion hydrants**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

The Stores Operations function is to secure, store and issue materials to support various DWSD operations from its inventory, or through special request. We most frequently use two types of hydrants: East Jordan Breakaway 5'6" Conversion (517088), and East Jordan Breakaway with the shoe (516193). These hydrants are used by Field Operations for routine replacement, and Water Main Replacement CIP projects. When hydrants are replaced in our distribution system, it is considered a capital investment and until installation, will remain on the Stores inventory books.

### **ESTIMATED USAGE**

- Quantity for #516193 100

- Quantity for #517088 350

## JUSTIFICATION

DWSD's Field Operations team is in need of an increase in our contract funds for the East Jordan Blanket Purchase Order (BPO) No. 2906292 which is currently open until March 2018. The team has an aggressive plan to replace or repair the hydrants that have been identified as being inoperable during inspections as per customer requests.

East Jordan has been a long standing supplier and owns the engineering drawings and specifications for the hydrants used by DWSD and for this reason, this is a sole source contract. This contract increase will allow the warehouses to stock inventory levels needed by Field Operations and will also allow Purchasing time to create, evaluate, and negotiate better pricing for a new contract. BOWC, City Council, and FRC approvals are expected by April 1, 2018.

## PROCUREMENT METHOD

BPO No. 2906292 with EJ USA Inc. was originally approved for two years in the amount of \$1,366,855.04 by the BOWC for period beginning March 23, 2015 and ending March 22, 2017, with two (2) - one (1) year renewal options. There was a previous change order to add \$1,245,000 prior to the first renewal. This is change order number two (2) We are currently on the first renewal year, ending March 22, 2018. This contract has an annual estimated spend of \$683,427.52.

## DETAILS

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|--------------------------|---|
| • Next Steps             | Procurement to negotiate contract and approval by April 1, 2018 |
| • Funding Source         | Operation & Maintenance (O&M) Funded                            |
| • GL String              | 5720-20276-487611-624115-001688-10732-0000-000000               |
| • Unit price for #517088 | \$1,741.88  |
| • Unit price for #516193 | \$1,270.23  |
| • Total Price            | <b>\$618,768.50</b>   |