



Detroit Water and Sewerage Department

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Legislation Text

File #: 20-0108, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve **DWSD to utilize a State of Michigan MiDeal cooperative contract #071B7700090 with AIS Construction Equipment for as-needed construction equipment rental services through DWSD Contract 6002724 for a total amount not-to-exceed \$1,600,000 and a term of up to 2.75 years (includes two 1-year renewal options exercisable by the DWSD Director).** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of April 15, 2020

Item No.: 20-0108

Contract No: 6002724

Contractor: AIS Construction Equipment, 56555 Pontiac Trail, New Hudson, MI 48165

Total Contract Amount: \$1,600,000 (includes funds for renewal options)

Contract Term: 4/12/20 - 1/12/23, with two 1-year renewal options exercisable by the DWSD Director as per MiDeals's extension to cooperative contract #071B7700090 (up to 2.75 years)

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed DWSD Contract No. 6002724
Construction equipment rental services t
AIS Construction

MOTION

Upon recommendation of Mamata Burgi, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve **DWSD to utilize a State of Michigan MiDeal cooperative contract #071B7700090 with AIS Construction Equipment for as-needed construction equipment rental services through DWSD Contract 6002724 for a total amount not-to-exceed \$1,600,000 and a term of up to 2.75 years (includes two 1-year renewal options exercisable by the DWSD Director).** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

The DWSD Meter Operations and Maintenance & Repairs Divisions uses equipment such as backhoes, excavators, mini-excavators, trailers, compressors, generators, towable light towers, dewatering pumps, trench shoring equipment, trailer mounted vacuum excavators (excluding Vactors), and other equipment on a regular basis to assist in the repair and maintenance of underground water and sewer assets.

Due to equipment failures and repair times of DWSD owned equipment, there may be an extended period when the

ability to have construction equipment rented and delivered to DWSD in a timely manner is critical to maintain daily operations in order to meet customer service levels and avoid health and safety issues. Therefore, Meter Operations and the Maintenance & Repairs Division is requesting to utilize the State of Michigan MiDeal cooperative arrangement #071B7700090 to rent construction equipment on an as-needed basis.

The total not-to-exceed contract amount includes funds for the two one-year renewal options for the potential full term of up to 2.75 years.

PROCUREMENT METHOD

The DWSD Procurement Policy allows for participation in cooperative purchasing agreements from other public purchasing consortiums of competitively solicited contracts. The State of Michigan MiDeal issued a Request for Proposals for construction equipment rental and purchases and awarded based on the highest ranked proposal. The contract term is through January 12, 2021, with two 1-year renewal options and offers a 30% discount off AIS' standard rental rates.

Prior to utilizing a cooperative contract, the DWSD Procurement Policy requires Detroit Based Businesses (DBB) and Detroit Resident Businesses (DRB) be provided an exclusive opportunity to submit a bid that is equal to or less than the price of the cooperative purchase agreement, provided the DBB or DRB will meet or exceed all terms and conditions of the cooperative agreement. To ensure compliance, DWSD Procurement issued an Invitation to Respond (ITR) on the MITN website on February 25, 2020 and required an intent to respond due on March 3, 2020 with bids due on March 10, 2020. The ITR was viewed by 16 companies and yielded four intents to bid. Only two vendors responded, Alta Equipment Company and AIS Construction Equipment, which is the cooperative vendor. Although Alta Equipment Co. is a certified Detroit Based Business, they quoted a different brand of equipment than what was listed in the ITR and was deemed nonresponsive. Therefore, DWSD recommends awarding the contract for rental of construction equipment to AIS Construction Equipment.

SUMMARY

- A. Contract Number: 6002724
- B. Contractor: AIS Construction Equipment
- C. Contract Term: 4/12/20 - 1/12/23, with two 1-year renewal options
- D. Contract Amount: \$1,600,000
- E. Funding Source: O&M Funds
- F. GL Strings:
 - 5720-20167-482431-626435-000209-10680-0000-000000 - 30% Water
 - 5820-20178-492431-626435-000230-15826-0000-000000 - 70% Sewer
- G. Projected Fiscal Year Spend:
 - FY 19-20: \$100,000
 - FY 20-21: \$500,000
 - FY 21-22: \$500,000 (renewal option)
 - FY 22-23: \$500,000 (renewal option)

This contract was presented to the BOWC Finance Committee on April 1, 2020. Per the DWSD Procurement Policy,

Post FRC review is required.