



Detroit Water and Sewerage Department

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Legislation Text

File #: 21-0383, **Version:** 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **approve DWSD Contract 6003145 H2bid Inc., for Electronic Online Material Standards Manuals for a term of 3 years with a total not-to-exceed amount of \$27,000.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of February 17, 2021

Item No. 21-0383

Contract No. 6003145

Contractor: H2bid Inc., 7710 Hazard Center Dr., San Diego, CA 92108

Total Contract Amount: \$27,000

Term: 3/1/2021 - 2/29/2024

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed DWSD Contract 6003145
Electronic Online Material Standards Manuals

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 Contract 6003145 with H2bid Inc., for Electronic Online Material Standards Manuals for a term of 3 years with a total not-to-exceed amount of \$27,000.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

H2bid approached Director Brown who then requested DWSD Procurement review the unsolicited proposal for relevance and applicability within our organization. Mr. Oliver, CEO of H2bid, served on the Detroit BOWC from 1998 - 2002 and it is from this experience that lead him to create H2bid to assist connecting water utilities to applicable vendors. Currently, the platform has a total of 107 entities, of which there are 26 Water &/

Sewerage entities.

Per the Procurement Policy, (item 5F - Unsolicited Proposals on Page 6), this unsolicited Proposal meets all of the criteria:

- (a) The proposal was independently originated and developed by the offerer.
- (b) The proposal was prepared without DWSD's active input or supervision.
- (c) The proposal presents an innovative concept, idea, or process.

Per the policy, a Waiver of Competitive Bidding is not Required.

To support water and sewer maintenance operations, DWSD inventories over 4,000 water and sewer items across its three warehouses, many of which are considered critical and high volume in their usage.

DWSD Materials Management has been seeking a means to establish a database of specification sheets corresponding with inventoried warehouse items. This would support our need for continued supply and optimize our competitive solicitation for long term contracts. This would, in turn, ensure our operations teams have appropriate levels of stock to complete their maintenance and repair work.

At this time, our stock items in WAM have not had their descriptions reviewed and we do not have specifications nor viable alternates identified nor updated since the inception of WAM.

In compliance to the policy, the DWSD Materials Management team has verified that the services offered by H2bid can benefit DWSD's mission, through operations and allow it to better meet its responsibilities to its customers.

Capabilities of the desired software that benefit DWSD:

- H2bid specializes in Electronic Online Material Standards Manuals that provide instant and accurate updates of CAD drawings and part specification sheets.
- H2bid Parts provides a virtual community platform, where subscribers can communicate with other utilities, engineers, and vendors.
- H2bid provides a bidding platform specifically targeted for water and wastewater utilities

How DWSD intends to use the software:

The services of H2bid would potentially increase the efficiency of the internal relationships across multiple departments within DWSD in the following ways:

- Increase the ability of the Engineering Department to collect and archive CAD drawings and part specifications for all items inventoried by the warehouses.
- The Procurement Department will utilize specification sheets and CAD drawings in the publication of RFBs, thus increasing the level of detail and information provided to prospective bidders.

Advantages for DWSD:

DWSD Materials Management group has determined that the proposed product, services or work could benefit DWSD's mission, operations or allows it to better meet its responsibilities to its customers.

DWSD Materials Management team expects that H2bid could potentially enhance both internal & outward facing DWSD service levels in the following ways:

- The first year is free for DWSD to trial, without limit to number of users.
- This allows DWSD to explore and evaluate opportunities for collaboration with other water entities in the H2bid Database.

Current water & sewerage utilities are:

1. City of Dover, DE
 2. City of Lewes BPW, DE
 3. Town of Middletown, DE
 4. Town of Smyrna, DE
 5. City of Alachua, FL
 6. City of Bartow, FL
 7. City of Bushnell, FL
 8. City of Clewiston, FL
 9. City of Lake Worth, FL
 10. City of Leesburg, FL
 11. City of Mt Dora, FL
 12. City of Newberry, FL
 13. City of Starke, FL
 14. City of Vero Beach, FL
 15. City of Winter Park, FL
 16. Ft Pierce Utilities Authority, FL
 17. Homestead, FL
 18. JEA, FL
 19. Ocala Utility Services, FL
 20. Orlando Utilities Commission, FL
 21. TOHO Water Authority, FL
 22. Lafayette Utilities, LA
 23. City of Morganton, NC
 24. City of New Bern, NC
 25. City of Washington, NC
 26. Town of Apex, NC
- Materials spec sheets will improve our internal database of part specifications and potentially improve available alternates and increasing the range and quality of stock items available to purchase by DWSD.
 - We can reduce transactional and operating costs overall for DWSD by increasing the number of long-term blanket part agreements for the warehouses
 - This improves readiness to service our internal customers (Meter Operations, Fleet & Maintenance & Repair teams)

- Having longer term contracts for a larger array of stocked parts, improves the Procurement team's responsiveness to other internal procurement needs.
- The common platform could potentially improve competitive pricing and reach more bidders responding to RFBs.
- The Engineering Department will gain an increased ability to qualify the reliability of possible substitute inventoried items for operational use.

Ultimately, this option has the potential to enhance our service levels to our DWSD customers - at this time, there are no apparent adverse outcomes to this option.

Below is the list of the additional 81 non-water utilities who are also participating on this platform:

1. Golden Valley Electric Assoc., AK
2. Baldwin EMC, AL
3. Joe Wheeler EMC - Electric Cooperative, AL
4. Riviera Electric Utilities, AL
5. City of Dover Electric, DE
6. City of Lewes BPW - Power, DE
7. City of Milford, DE
8. City of New Castle, DE
9. City of Newark, DE
10. City of Seaford Electric, DE
11. City of New Castle, DE
12. DEMEC (9 Utilities Cooperative), DE
13. Town of Middletown, DE
14. Town of Middletown Electric, DE
15. Town of Clayton Electric, DE
16. Town of Smyrna Electric, DE
17. Beaches Energy, FL
18. CHELCO, FL
19. City of Alachua Electric, FL
20. City of Bartow Electric, FL
21. City of Bushnell Electric, FL
22. City of Clewiston Electric, FL
23. City of Lake Worth Admin, FL
24. City of Lake Worth Electric, FL
25. City of Lake Worth Power Plant, FL
26. City of Leesburg Electric, FL
27. City of Mt Dora Electric, FL
28. City of Newberry Electric, FL
29. City of Starke Electric, FL
30. City of Starke Fleet, FL
31. City of Starke PPE, FL
32. City of Tallahassee, FL
33. City of Vero Beach Electric, FL

34. City of Vero Beach Office Supplies, FL
35. City of Winter Park Electric, FL
36. Clay Electric Coop, FL
37. Florida Keys Coop, FL
38. Florida Municipal Power Agency (29 Electric Utilities), FL
39. Ft. Pierce Utilities Authority - Electric, FL
40. Ft. Pierce Utilities Authority - Gas, FL
41. Homestead - Electric, FL
42. JEA - Jacksonville Electric, FL
43. Keys Energy Services, FL
44. KUA - Kissimmee Utility Authority, FL
45. Lakeland Electric, FL
46. Lee County Electric Cooperative, FL
47. Ocala Utility Services - Electric, FL
48. Ocala Utility Services - Fiber Optic, FL
49. Orlando Utilities Commission - Electric, FL
50. Peace River Electric Cooperative, FL
51. Sumter Electric Coop, FL
52. Talquin Electric Coop, FL
53. Withlacoochee River Electric Coop, FL
54. Flint Energies, GA
55. Okefenoke Rural Electric Cooperative, GA
56. Lafayette Utilities Electric, LA
57. Dakota Electric Association, MN
58. Coast Electric Power, MS
59. City of Morganton CATV, NC
60. City of Morganton Electric, NC
61. City of New Bern Electric, NC
62. City of Statesville, NC
63. City of Washington Electric, NC
64. ElectriCities of NC (13 Cities Electric), NC
65. Fayetteville PWC, NC
66. Granite Falls Electric, NC
67. Town of Apex Electric, NC
68. Village of Bath, NY
69. Village of Arcade, NY
70. Village of Boonville, NY
71. Village of Little Valley, NY
72. Village of Springville, NY
73. South Central Power, OH
74. Adams Cooperative, PA
75. Valley Power, PA
76. City of Garland Electric, TX
77. Magic Valley Electric Cooperative, TX
78. Texas Electric Cooperative, TX
79. Central Virginia Electric Cooperative, VA
80. City of Danville, VA
81. Mecklenburg Electric Cooperative, VA

PROCUREMENT METHOD

As a requirement of the Procurement Policy, DWSD Materials Management group has determined that the proposed product, services or work could benefit DWSD's mission, operations or allows it to better meet its responsibilities to its customers.

This Unsolicited Proposal is not an advance proposal for a known or anticipated DWSD purchase requirement that can be procured by competitive methods.

The unsolicited proposal and quote is attached as required by the Procurement Policy.

The final requirement of the Procurement Policy is that any contract resulting from an Unsolicited Proposal must be approved by no fewer than 5 members of the Board.

Requisition # 486270 to initiate a new contract with H2bid Inc. was approved on 1/26/21. H2bid's clearances expire on 11/3/21 and they have signed the formal contract document.

SUMMARY

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|----|--------------------------------|---|
| A. | Contract No.: | 6003145 |
| B. | Contractor: | H2bid Inc. |
| C. | Contract Amount: | \$27,000 |
| D. | Contract Term: | 3/1/2021 - 2/29/2024 |
| E. | Funding Source: | O&M Funds |
| F. | Anticipated Fiscal Year Spend: | |
| | | FY 21-22: No Charge |
| | | FY 22-23: \$13,500 |
| | | FY 23-24: \$13,500 |
| G. | GL Strings(s): | |
| | | 5720-20169-484121-617200-000207-10790-0000-000000 - 50% Water |
| | | 5820-20180-494121-617200-000228-15805-0000-000000 - 50% Sewer |

This proposed contract was presented to the DWSD Finance Committee on February 3, 2021, but this letter has since been revised to remove incorrect information and to incorporate information requested by the BOWC. Per DWSD procurement protocol, this will also be sent for Post-FRC review.