

August 30, 2006

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Services
Jeanette Bennett, Purchasing Director
Timothy L. Richnak, Public Works Director

SUBJECT: **Agenda Item:** Sole Source – East Jordan Iron Works –
Complete Hydrant and Valve Repair Parts

RECOMMENDATION

On March 15, 2004, City Council approved a contract with East Jordan Iron Works for East Jordan complete hydrants; as well as hydrant and valve repair parts at a discount off list prices (CC resolution #2002-08-459-E5, and #2004-03-144-E10). Since the City has standardized on East Jordan hydrants and valves, City management recommends an ongoing contract be established with East Jordan Iron Works to provide the needed hydrants and repair parts at list prices, with various discount structures currently established as follows:

Discount %	Hydrants: <u>46%</u>
	Valves: <u>49%</u>
Current Complete Hydrant Cost w/46% Discount	5BR250 <u>\$ 969.30</u>

SOLE SOURCE EXPLANATION

The City of Troy standardized all fire hydrants in the City to those manufactured by East Jordan Iron Works many years ago. Standardization has alleviated many problems with employee training, inventory and maintenance issues. By purchasing directly from the manufacturer, the City is receiving a greater discount than a distributor.

MARKET SURVEY

A market survey was not deemed necessary, as the City has standardized on the East Jordan hydrants and valve parts, and the City is purchasing directly from the manufacturer.

BUDGET

Funds are available in the Water Division Operating Budget.



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July 12, 2006

Area code (248)

Assessing
524-3311

Bldg. Inspections
524-3344

Bldg. Maintenance
524-3368

City Clerk
524-3316

City Manager
524-3330

Community Affairs
524-1147

Engineering
524-3383

Finance
524-3411

Fire-Administration
524-3419

Human Resources
524-3339

Information Services
619-7279

Law
524-3320

Library
524-3545

Parks & Recreation
524-3484

Planning
524-3364

Police-Administration
524-3443

Public Works
524-3370

Purchasing
524-3338

Real Estate & Development
524-3498

Treasurer
524-3334

General Information
524-3300

East Jordan Iron Works
 13001 Northend
 Oak Park, MI 48237

The City of Troy entered into contract #20200168-OB with East Jordan Iron Works to provide two additional year requirements of complete hydrants, and valve and hydrant repair parts, which is due to expire October 31, 2006, at discounts of 48% and 45% off list prices respectively.

Please fax this letter back indicating if East Jordan Iron Works wishes to continue with the above contract and indicate the term and discount structure below. Our fax number is 248-524-3520.

Thank you,
 Emily Frontera
 Administrative Aide
 Department of Public Works

X 
 Stephen E Terry
 Company Representative

East Jordan DOES wish to enter into the above contract.

Term of contract October 1, 2007

% Discount – Hydrants: 46 %
 Valves: 49 %

Cost for complete hydrant – 6BR \$ NOT AVAILABLE
 5BR250 \$ 969.30

X _____ East Jordan does not wish to enter into the above contract.
 Stephen E Terry
 Company Representative

Date _____