



# MEMORANDUM

## REGULAR CITY COUNCIL MEETING

July 5, 2023, at 7:00 PM

**TO:** City Council

**FROM:** Rich LaBombard, City Manager

**SUBJECT:** Lead Water Service Line Replacement – Sole Source Vendor

On occasion, municipalities encounter projects that make complying with the purchasing policy difficult. With lead service line replacements, the cost varies based on complexity and location, there are numerous locations throughout the City that need replacing, and the coordination of other nearby replacements vary. By using a sole source vendor, the City can rely on one vendor to work with for the duration of the project and receive consistent results, the best price, good response time, and good communication and coordination. Because of these factors, the City Council authorized the use of a sole source vendor for lead service line replacement on January 17, 2023 to expire on June 30, 2023.

We've found through our past quoting process that we have one bidder consistently responding to our request for quotes, providing the best price, and providing quality service. We've also found a number of contractors aren't willing to quote work for various reasons; however, Unema Plumbing of Holland, Michigan has been consistently responsive to the City of Douglas and generally provides a better price than competitors.

With those factors in mind, I'd like to request that the City of Douglas move to a single source vendor for the lead service line replacement project for Fiscal Year 23/24 so we may meet the State of Michigan's Lead and Copper Rule objectives to replace five percent of our lead containing service lines per year with a completion date of 2041. The purchasing policy allows sole source bidding when the unique characteristic of the needs of the City are not susceptible to competitive bidding.

Without revealing the names of the other contractors, examples of Unema's competitive pricing are included in the following examples.

Example #1 - Lakeshore Drive Service Replacement — Lead service serving multiple housing

- Unema Plumbing \$29,250
- Vendor #2 \$33,250
- Vendors #3 through #7 No Quote

Example #2 — Main Street Service Split — Currently a two on one connection

- Unema Plumbing \$11,400
- Vendors #2 through #5 No Quote

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The City has budgeted \$100,000 in FY 23-24 for lead service line replacements in the 450-000-974 Water & Sewer Fund - Construction Account.

**I recommend City Council consider approving Unema Plumbing of Holland, Michigan as a preferred sole source vendor for lead service line replacements for Fiscal Year 23/24 or until the budget is exhausted.**