



MEMORANDUM

REGULAR CITY COUNCIL MEETING

January 17, 2023, at 7:00 PM

TO: City Council

FROM: Rich LaBombard, City Manager

DATE: January 17, 2023

SUBJECT: Water Service Replacement Vendor

On occasion, municipalities encounter projects that aren't good candidates for following the purchasing policy. Tree removal for example is one of those types of projects. The quantity varies, the location varies, the size and complexity of removal varies, and the timing of removal varies. By using a sole source vendor, the City can get a responsive vendor, typically can get the best price, good response time, and high quality of work. Because of these factors, the City has utilized one vendor for tree removal services for some time. Occasionally, we check the vendors pricing to ensure that they are still cost competitive.

Much like tree removal, we've run into a situation with lead water service line replacement which is driving this request to move to a single source preferred vendor for select water service line replacements. Like tree removal, lead water service replacement work varies in complexity, location, and skill level required to replace each service. 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 select lead service line replacements for the remainder of this fiscal year 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.

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

Example #3 — Main Street Service Replacement — New construction connected to an old lead low flow service

- Unema Plumbing \$4,700 — No additional quotes needed when under \$5,000.

Example #4 — Center Street Service Replacement — New construction connected to an old lead low flow service

- Unema Plumbing \$2,800 — No additional quotes needed when under \$5,000.

The City has budgeted \$100,000 in FY 22-23 for lead service line replacements in the 450-000-974 Water & Sewer Fund - Construction Account. Of the budgeted amount, \$92,500 is still available for the City to complete lead service line replacements until the end of the fiscal year.

I recommend City Council consider approving Unema Plumbing of Holland, Michigan as a preferred sole source vendor for lead service line replacements for the remainder of the fiscal year.