



CITY COUNCIL AGENDA ITEM

REQUESTED COUNCIL MEETING DATE 11-10-09

SUBJECT: Sole Source Purchase Contract Renewal with Smith - Loveless

DEPARTMENT: PUBLIC UTILITIES

RECOMMENDED MOTION: To approve the Sole Source Purchase and Contract Renewal for an additional five years with Smith Loveless Inc. for pumping stations and to authorize the Mayor and City Manager to sign all required contract documents.

SUMMARY: Smith & Loveless, Inc. has been providing our wastewater pump station needs successfully for over thirty years. Currently the City owns and successfully maintains approximately one hundred and ten of these pumping stations within our vast wastewater collection network.

We have been purchasing replacement lift stations under a long term pricing agreement with them for over ten years now. We have just completed the negotiation of an addendum to this existing long-term agreement with Smith & Loveless, Inc. for an additional five years. Public Utilities Department Engineering, Maintenance, and Field Operations Staff have met with them to review their cost proposal, and agree with the specific pumping equipment features to be included in our future pump station orders. They are again offering us a similar five-year agreement which includes all of the requested design upgrades which have proven to be cost effective over the years and which best suit our needs and desires for long term low maintenance operations.

The proposed agreement establishes a base price through June 2010 on all of the typical pumping station equipment sizes that we anticipate needing within the next five years. This pricing agreement also has a future price adjustment factor built-in which will again be based on a Producer Price Index as reported and established by the U.S. Dept of Labor. The Producer Price Index for this industry has been increasing at an average rate of approximately 3.0 – 4% per year over the past five years. In order to more fully control any possible future price fluxuations they have also agreed to include a limit on any price changes to 3% either up or down computed annually. We anticipate that through the use of this agreement we will be able to continue to effectively control price escalation on this type of equipment for years to come as well as to provide high quality pumping equipment for continual service to our community. We request your approval at this time. The proposed purchase agreement has been attached for your review and approval.

ATTACHMENTS: Ordinance Resolution Budget Resolution

Other Support Documents/Contracts Available for Review in Public Utilities Office

DEPARTMENT HEAD

Fred W. Griffith, P.E.

Date 10-26-09

FINANCE DEPARTMENT

Approved as to Budget Requirements

Date 10/28/09

CITY ATTORNEY

Approved as to Form and Legality

Date

CITY MANAGER

Approved Agenda Item For:

11/10/09

COUNCIL ACTION: Approved as Recommended Disapproved Tabled Indefinitely
 Continued to Date Certain Approved with Modification:

Smith & Loveless, Inc.

Municipal Products & Systems Division



14040 Santa Fe Trail Drive
Lenexa, Kansas 66215-1284
United States of America
Phone: (913) 888-5201
Fax: (913) 888-6503

RECEIVED

OCT 23 2009

**CITY OF PORT ORANGE
PUBLIC UTILITIES**

October 21, 2009

Mr. Fred Griffith, P.E.
Public Utilities Engineer
City of Port Orange
1000 City Center Circle
Port Orange, FL 32129

Subject: Port Orange, FL
Purchase Agreement

Dear Mr. Griffith:

Enclosed please find the Purchase Agreement, and attachments, between the City of Port Orange, Florida, and Smith & Loveless, Inc. for above grade Wet Well Mounted Pump Stations. If you find addendum #1 to be in order we request that you execute your portion of the agreement and mail it back to us.

Thank you for your continued support of S&L products; it is truly appreciated.

If we can assist you in any way, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Durdee', followed by a horizontal line extending to the right.

Bob Durdee
Manager, Pumping Systems

BD/cm

Enclosure

cc: Hugh Duncan/Sanders Company
Chris Feagan/Sanders Company
David Sanders/Sanders Company
Chuck Miller, Vice President, Municipal Sales & Marketing



Solutions for a World of Water Problems

Exhibit #1

Pump	HP	RPM	Piping	Total Sale Price
4B2B ,4B2D	3	1170	4"	\$ 32,192
4B2B ,4B2D	5	1170	4"	\$ 33,060
4B2B ,4B2D	7.5	1170	4"	\$ 34,268
4B2B ,4B2D	5	1760	4"	\$ 31,965
4B2B ,4B2D	7.5	1760	4"	\$ 32,752
4B2B ,4B2D	10	1760	4"	\$ 33,812
4B2B ,4B2D	15	1760	4"	\$ 34,563
4C2B, 4C2D	20	1760	4"	\$ 38,309
4B2B ,4B2D	3	1170	6"	\$ 35,693
4B2B ,4B2D	5	1170	6"	\$ 36,562
4B2B ,4B2D	7.5	1170	6"	\$ 37,769
4B2B ,4B2D	5	1760	6"	\$ 35,466
4B2B ,4B2D	7.5	1760	6"	\$ 36,252
4B2B ,4B2D	10	1760	6"	\$ 37,314
4B2B ,4B2D	15	1760	6"	\$ 38,065
4C2B, 4C2D	20	1760	6"	\$ 41,776
4B3B	3	1170	4"	\$ 34,623
4B3B	5	1170	4"	\$ 35,491
4B3B	7.5	1170	4"	\$ 36,700
4B3B	10	1170	4"	\$ 38,076
4B3B	10	1760	4"	\$ 36,244
4B3B	15	1760	4"	\$ 36,995
4C3B	20	1760	4"	\$ 40,824
4C3B	25	1760	4"	\$ 42,117
4B3B	3	1170	6"	\$ 38,986
4B3B	5	1170	6"	\$ 39,854
4B3B	7.5	1170	6"	\$ 41,062
4B3B	10	1170	6"	\$ 42,439
4C3B	15	1170	6"	\$ 44,219
4B3B	10	1760	6"	\$ 40,606
4B3B	15	1760	6"	\$ 41,358
4C3B	20	1760	6"	\$ 45,260
4C3B	25	1760	6"	\$ 46,554
4C3B	30	1760	6"	\$ 47,051
6B3B	7.5	1170	6"	\$ 43,464
6B3B	10	1170	6"	\$ 44,840
6C3B	15	1170	6"	\$ 46,623
6C3B	20	1760	6"	\$ 47,601
6C3B	25	1760	6"	\$ 50,317
6C3B	30	1760	6"	\$ 49,238
6B3B	7.5	1170	8" x6"x8"	\$ 45,949
6B3B	10	1170	8" x6"x8"	\$ 47,325
6C3B	15	1170	8" x6"x8"	\$ 49,108
6C3B	20	1760	8" x6"x8"	\$ 50,085
6C3B	25	1760	8" x6"x8"	\$ 51,380
6C3B	30	1760	8" x6"x8"	\$ 51,187

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Data extracted on: September 28, 2009 (4:35:17 PM)

Producer Price Index Industry Data

Series Id: PCU3339113339112
 Industry: Pump and pumping equipment manufacturing
 Product: Industrial pumps, except hydraulic fluid power pumps
 Base Date: 198312

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
1999	163.8	163.1	163.9	164.1	163.2	163.9	164.6	164.2	164.0	166.0	164.4	164.7	164.2
2000	164.7	165.2	167.0	166.4	167.6	166.1	166.5	166.8	167.5	166.6	167.7	167.4	166.6
2001	168.3	167.6	168.3	168.3	169.1	168.5	173.4	173.4	173.8	173.9	174.4	174.3	171.1
2002	174.8	175.2	175.1	175.6	175.4	175.2	175.4	175.0	175.9	175.6	175.7	175.1	175.3
2003	176.3	176.3	177.0	177.6	176.9	176.9	177.5	177.3	177.3	177.9	178.0	177.4	177.2
2004	179.4	179.0	179.6	180.8	181.9	181.8	182.7	183.5	184.0	184.6	185.5	185.1	182.3
2005	188.4	188.7	190.7	192.0	192.0	191.7	191.7	191.5	193.0	193.1	193.3	194.0	191.7
2006	195.2	196.7	198.4	198.3	199.8	200.4	201.1	201.3	201.3	201.6	203.7	204.6	200.2
2007	205.9	208.6	210.4	212.2	213.2	213.2	213.4	214.0	214.0	215.8	216.0	215.4	212.7
2008	218.2	218.8	220.5	220.2	222.8	224.4	225.6	225.7	227.9	228.5	228.1	227.9	224.1
2009	230.3	229.6	230.3	230.3	230.5(P)	231.2(P)	231.0(P)	230.3(P)					

P : Preliminary. All indexes are subject to revision four months after original publication.

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