

## EXECUTIVE SUMMARY

### Recommendation for Additional Spending Authority 17-148R – Plumbing Supplies

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#### Introduction

##### Responsible: Procurement & Warehousing Services (PWS)

This request is to approve additional spending authority for Invitation to Bid (ITB) 17-148R – Plumbing Supplies. ITB 17-148R was approved by the School Board on December 20, 2016, as part of Agenda Item EE-6 for a term of three (3) years from December 21, 2016 through December 31, 2019, with an authorized spending authority of \$2,500,000. The first renewal and a reduction of Spending Authority \$220,000, bringing the spending authority to \$2,280,000, was approved at the School Board Operational Meeting on October 2, 2019.

The additional spending authority being requested is \$555,000. The new spending authority will be \$2,835,000.

#### Goods/Services Description

##### Responsible: Physical Plant Operations (PPO)

This catalog discount bid enables the stockroom to have a ready source to purchase plumbing supplies, parts, fixtures, pipes, tubing, and related items at firm price discounts in support of the Physical Plant Operations (PPO) staff. This Bid enables PPO staff to have the supplies, parts, and fixtures needed in order to repair and maintain, in continuously good working order, all plumbing and mechanical systems throughout the District.

#### Procurement Method

##### Responsible: PWS

ITB 17-148R was approved on December 20, 2016, with an initial three (3) year contract, through December 31, 2019, with an option for two (2) additional one (1) year renewal periods. The recommended vendors include Apple Specialties Inc., Best Plumbing Specialties, Inc., Fortiline, Inc., Lehman Pipe, Plumbing Supply, Inc., and Palm Beach Plumbing Parts, Inc. The first renewal and a reduction of Spending Authority of \$220,000, bringing the spending authority to \$2,280,000, was approved at the School Board Operational Meeting of October 2, 2019.

#### Financial Impact

##### Responsible: PWS and PPO

The District is requesting an additional \$555,000 to cover the remaining months of the term, as demonstrated in the breakdown below:

Average monthly expenditure		\$ 57,843
Number of months left in current contract	x	12
Forecasted spending	=	\$694,116
(-) Unused authorized spending		\$139,816
Additional spending authority for current term		\$554,300
<b>Recommended additional spending authority (rounded)</b>		<b>\$555,000</b>

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**Financial Impact Table:**

Action	Date	Term (years)	Amount
Original spending authority request	12/21/2016	3	\$2,500,000
1 <sup>st</sup> renewal + spending authority reduction	10/2/2019	1	\$(220,000)
Additional spending authority	2/4/2020		\$555,000
New total contract amount		4	\$2,835,000

PWS had a technical issue with one (1) of the reports, which provided incorrect figures for ITB 17-148R spending when the item was prepared for its first renewal at October 2, 2019, School Board Operational Meeting (See Attached). Instead of requesting a reduction in the spending authority when the item was presented, the additional spending authority of \$375,000 should have been requested to cover the remaining period, including the renewal period. PWS continues to audit all District active contracts to ensure no other contract was affected.

The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.