



City of Keene, N.H.
Transmittal Form

October 13, 2016

TO: Mayor and Keene City Council

FROM: Finance, Organization and Personnel Committee

ITEM: D.8.

SUBJECT: Sole Source Provider - Amer Electric - Police Department

COUNCIL ACTION:

In City Council October 20, 2016.

Voted unanimously to carry out the intent of the report.

RECOMMENDATION:

On 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Council authorize the City Manager to do all things necessary to designate Amer Electric of Keene, NH, as a "sole-source" provider for all work to be performed at the Keene Police Department which requires a licensed electrician.

BACKGROUND:

Captain Russo addressed the Committee again and stated in 2009 staff was before the Committee to recommend Amer Electric be the sole source provider which was approved and the contract was brought back again in 2012 for approval. The last contract expired in August 2015. The advantage of retaining the services of Amer is their members are already cleared to work and they don't have to be escorted around the facility.

Vice-Chair Jacobs asked for clarification of the following sentence from the Background Notes *"This sole source status, does not mean that we are obligated to use Amer Electric exclusively, but it does give us the option if they can provide needed services competitively with other similar companies."*

Captain Russo stated the way he understands this is if you are a sole source contractor you don't have to bid on contracts. He added however, any work the Keene Police Department would hire Amer to do does not come anywhere close to a bid contract. He stated he believes if the facilities staff wanted to do a more expensive project they could put it out to bid. Having a sole source provider also helps with grant purchases without going out to bid.

Mr. Therriault clarified since this is a multi-year rapid reaction kind of contract, there is an explicit labor rate for each year of the contracts and that the contractor is being paid for time and material as they do work. Captain Russo stated there is no contract, they submit an estimate for work which needs to be done and the City can accept it or not. Mr. Therriault stated when this sole source contract is approved Amer Electric would be paid for work regardless of their labor rate. Captain Russo agreed this would be the case. Mr. Therriault felt in order to protect the City a year by year fixed labor rate should be negotiated with the City. He also questioned whether any other vendors were contacted? He added his experience has been multi-year labor and material contracts when competing vendors are brought in you could get a 15% reduction in rate.

Chief Costa stated because the City is asking to have Amer Electric designated to be the sole source provider doesn't bind the City to use them; if the City gets a quote that is not in line it won't be accepted. The fact is the Police Department has been working with Amer Electric since they have been in this building but as administrators it would be up to the Captain in charge to keep track of those charges.

Councilor Powers stated these are small maintenance jobs and felt it was cost effective to go with Amer Electric.

Vice-Chair Jacobs asked what the threshold for a project to go through the bidding process. Captain Russo stated if a project is \$5,000 or above the department is required to get three estimates if it is \$20,000 and above you are required to get three bids.

The City Manager stated the Police Department usually uses Amer Electric for very minimal projects such as installing an electronic monitor, fixing a lock etc. Mr. Therriault asked what the cost to Amer Electric has been for this past year. Captain Russo stated in the last 8-12 months they provided chips for the electronic keys staff uses, which could be approximately \$1,000.

Councilor Clark made the following motion which was seconded by Councilor Powers.

On 4-0 vote, the Finance, Organization and Personnel Committee recommends that the City Council authorize the City Manager to do all things necessary to designate Amer Electric of Keene, NH, as a "sole-source" provider for all work to be performed at the Keene Police Department which requires a licensed electrician.