


Memo

To: The Common Council Committee on Finance & Personnel
From: David Schroeder, DCD Finance & Administration Manager 
Date: 9/13/2017
Re: Finance & Personnel Committee Approval Required
For Single Source Contract
Contract# D21611

The Department of City Development (DCD) is seeking the approval of a change order to extend the current one-year Purchase Order with ABC Lock & Key, Inc., a Milwaukee small business, for up to an additional two years at current pricing. The second year of the extension will be contingent upon mutual agreement between DCD and ABC Lock & Key, Inc. The original amount of the Purchase Order is \$45,000 and with this change order for two additional years the total value of purchase order is not to exceed \$145,000. The current amount of expenditures to date is \$37,035.70.

Background

In 2010, DCD entered into purchase order U00069 for locksmith services at tax-foreclosed properties for three years with ABC Lock & Key. The vendor was selected on the basis of an informal Request for Service Pricing. When the purchase order expired in 2013, DCD sought informal bids for locksmith services. One bid was received from another vendor, and it was deemed too costly. ABC Lock & Key did not bid. DCD was advised of two options by the City Attorney's office: accept the bid and do a new purchase order with the more expensive vendor, or reject the bid and extend the current purchase order with ABC Lock & Key. Upon determining that ABC Lock & Key was willing to continue its work under the original terms, DCD opted to extend the contract until the end of 2013.

In January 2014, DCD received approval for an Exception to Bid to allow the department to continue to receive locksmith services from ABC Lock & Key. No bids were received in response to our most recent informal bid process in 2016, so we have continued to work with ABC Lock & Key.

In late 2016, DCD contacted Affordable Lock Systems, LLC (Oak Creek, WI) for comparative pricing, and learned that its prices are nearly double those charged by ABC Lock & Key. DCD seeks authorization to issue a single source purchase order to ABC Lock & Key for one additional year. We further seek authorization to enter into a second one-year extension, should both DCD and ABC Lock & Key agree to an extension. The purchase order will specify an annual not-to-exceed amount of \$50,000, and a total not-to-exceed amount of \$145,000 for the three-year engagement (current purchase order plus two one-year extensions).

ABC Lock & Key, Inc. is an owner-operated small business located in the 6th aldermanic district on N. Dr. Martin Luther King Drive. The company has been in operation since 1946, and offers the most affordable pricing we have found. The company has provided outstanding, reliable service to DCD's Real Estate Division. The company prioritizes City of Milwaukee work over work for bank-owned foreclosed properties which has proved invaluable since the department takes in significant numbers of properties at certain points of the year.