

SPECIAL TOWN COUNCIL MEETING

JULY 11, 1990

7:15 P.M.

A special meeting of the Wallingford Town Council was held in Council Chambers on Wednesday, July 11, 1990 at 7:15 p.m. Albert E. Killen, Chairman, called the meeting to order at 7:23 p.m. Answering present to the Roll called by Town Clerk, Kathryn J. Wall were Council Members Bradley, Duryea, Gouveia, Killen, Papale and Zandri. Councilman Holmes arrived at 7:33 p.m. Councilman Solinsky was absent. Mayor Dickinson, Assistant Town Attorney Small and Deputy Comptroller Eva Lamoth were also present.

The Pledge of Allegiance was given to the flag.

ITEM #1 Consider and Accept the Waiver of Bid List.

Motion was made by Mr. Bradley to Accept the Waiver of Bid with regards to the Employee Assistance Program through Meriden-Wallingford Hospital for the next fiscal year (F.Y. 1990-91), seconded by Ms. Papale.

Mr. Thomas Sharkey, Assistant Personnel Director explained that the Personnel Department has utilized the services of this program for the past two years, as well as the Water & Sewer Division. The Electric Division has been involved with the program for more than 5 years. It proves to be very effective, it has been utilized extensively, no figures for the final quarter of the fiscal year have been compiled as of yet. Use of this program saves the Town added cost for sick time, insurance premiums and loss of productivity. We pay approximately \$15.00 per person for the program. Mr. Sharkey feels that it would be non-productive to go out to bid on this service due to the fact that a bid could be awarded to a hospital that would warrant a considerable commute for the employee to avail themselves of those services. With 2 years of favorable service and being conveniently located, Meriden-Wallingford is a prime candidate for the service.

Mr. Gouveia asked how Meriden-Wallingford's fees compared to other organizations providing the same service?

Mr. Sharkey checked with the statewide personnel organization to find that \$15.00 per person is the average price.

VOTE: Holmes & Solinsky were absent; all others, aye. Motion duly carried.

Mr. Holmes arrived at 7:33 p.m.

Mr. Bradley made a motion to Accept the Bid List as Presented and/or Modified, seconded by Ms. Papale (for waiving purposes).

Mayor Dickinson explained that much of the list is set out by department. In general, there are three categories, 1) daily operations need, mundane purchase, 2) proprietary item and 3) operational in nature (one business provides a given service, and there is an interest in a given department to continue with that service provided by that particular company). He asked the Council to keep in mind these 3 broad reasons for a request for a bid waiver.

July 11, 1990

He went on to say that the letter that indicated the \$100.00 only applies to the daily, mundane purchases. This is to avoid having equipment purchased with no record of inventory performed. This figure was chosen arbitrarily so that no single item would be over \$100.00. The \$100.00 limit does not effect proprietary items or items such as consulting services. Keep in mind that not everything is on a list for the same reason.

Mr. Bradley asked the Mayor to kindly give a clear example of the third category mentioned earlier (operational).

Mayor Dickinson explained that a good example would be the Electric Division and their need to do business with companies such as Environmental Risk Limited, Northeast Testing, Occupational Health, Inc., etc.

Mr. Donald Dunleavy, Purchasing Agent distributed purchase order forms to all council members and gave a brief description of the procedures of the system. He explained that, in order to have most of our departments operate on a day-by-day basis, it is necessary that they be in a position to pick up, rapidly, very small items for certain situations, (i.e., paint, hardware, lumber, etc.). He explained that there are 3 Town vehicles that are "down", inoperable, due to the fact that their respective department must go through the normal procedure of going out to purchase a single filter. For the past 19 years the process has been the same. Purchase orders have been requested, typed, funds encumbered and files ready to begin business as usual for July 2, 1990 the beginning of the new fiscal year. This process begins weeks, if not months in advance of the new fiscal year and is very time-consuming. This year when it was decided not to go forward with the Waiver of Bid List, all of those purchase orders processed had to be reversed through the cycle. As a result, on July 2, 1990 it was not possible for any of our divisions to pick up those mundane, everyday items they need in order to assure a smooth flow of daily operations. He explained the impact this decision has on the Town, itself. In a normal year, the Purchasing Department will handle between 5-6,000 requisitions. He calculated that in the next year approximately 20-24,000 requisitions will be processed if the Waiver of Bid List is not in effect. The reason; every gallon of paint, every pound of nails, every 2"x4" will require an individual purchase order for each individual purchase. In a normal situation, the following is an example of tracking a simple requisition. A need first needs to be determined by someone after which a purchase requisition needs to be typed and prepared for Purchasing. A department head has to sign to authorize the expenditure of those funds prior to it being sent to Purchasing. A courier brings it to the mailroom where it is sorted and carried to the Purchasing Department for the Chief Clerk to log it in. Next stop is Mr. Dunleavy's desk for him to determine whether or not further action needs to be taken (i.e, biddable item or not?). From there it goes back to the Chief Clerk for disposition amongst the staff in Purchasing, back to the mailroom, upstairs to the Comptroller's Office for encumbrance involving approximately 3 people in that particular office. It then is returned to Purchasing to the Chief Clerk, back to Mr. Dunleavy prior to its being mailed out. Timeframe involved,

it could take anywhere from 2 days to 2 weeks. If we have to wait to buy that gallon of paint or pound of nails, it interrupts the smooth flow of daily operations without a doubt. His best guess at the cost of creating a purchase order was approximately \$65.00 the last time Mr. Dunleavy appeared before the Council. Today, that cost has risen to approximately \$100.00 for the 14 or more steps that were outlined above that constitutes the process of creating a purchase order. With the list growing the way it has over the past 19 years, so will the number of potential purchase requisitions without the Waiver of Bid List. It would be met with much dismay by Mr. Dunleavy had the bid list gotten shorter. There is no doubt about it, the \$2,000.00 limit is a detriment to the Town. This limit is what we have, we are living with and are going to live with. As long as it exists we have no other choice but to bring before the Council a list of those items which we feel are necessary for our ongoing working basis. It is proper and correct for department heads at that same time to bring to the Council those things which are proprietary in nature and/or operational itself because it is a one-choice situation. This is where your judgement comes in. If you, the Council, decide to do nothing else at least give the Town the waiver of those mundane items which we call the generic list, the ones that are not under the department head consideration but rather a general list for supplies to all the divisions of the Town. All 33 using agencies use it. This is the one that Mr. Dunleavy would be concerned with. Those using departments that have special needs for special waivers. He asked the Council to listen to those departments individually before deciding the outcome of the list. He felt that government would come to a halt until such time as the Town can attract outside bidders for this. He reminded the Council that if the Town goes out to bid for lumber, hardware or paint, the successful bidder may not be in Akron, Ohio, or Boston, Mass., etc.

Mr. Holmes asked Mr. Dunleavy if approximately 16,000 purchase orders were bypassing his office due to the bid list?

Mr. Dunleavy: The flood of paper would be astronomical that would come through my office without the bid list.

Mr. Holmes asked if approximately 50-60 transactions took place during the course of 1 day?

Mr. Dunleavy responded that it was considerably more than that.

Mr. Holmes asked if each department had yearly figures on certain items of frequent use, such as nails, filters, lumber, etc?

Mr. Dunleavy stated that he did not have any figures such as Mr. Holmes mentioned, and reminded him that there are a total of 33 using departments.

July 10, 1990

Mr. Holmes pointed out that, when talking about mundane, minute items, last year the bid list totalled over \$300,000.00 for these same items.

Mr. Dunleavy felt that the Council should not get caught up with the dollar amount as to the operational portion of it. The dollar amount is nowhere near as important as supplying the service in a timely basis (to the taxpayer).

Mr. Holmes inquired as to whether or not the Town receives discounts from any of the vendors on this list?

Mr. Dunleavy answered, no.

Mr. Holmes asked if it was a good idea to solicit proposals from 3 or 4 vendors supplying the same product, therefore possibly negotiating some sort of discount?

Mr. Dunleavy stated that under the present Charter of the Town of Wallingford, he did not have the prerogative of negotiating. If this goes out to public bid, it may not be restricted to a specific geographical area, it is not in the Charter ordinance to allow him to do so.

Mr. Holmes: When you go out to bid now, you don't bid to a company in Taiwan or California?

Mr. Dunleavy: It goes into 2 national publications which goes throughout the entire country.

Mr. Holmes: Everytime something is bid, it is bid nationally?

Mr. Dunleavy: Recently we just had a floor installed by a company located in Phoenix, Arizona.

Mr. Holmes: Is every bid now in the national system?

Mr. Dunleavy: It is and always has been.

Mr. Holmes: If you are not authorized by Charter to restrict bids to a geographical area, that is what we are doing this evening with this vendor list.

Mr. Dunleavy: That is correct. You are restricting the business to a local area to assure a quick solution to an emergency situation. There is absolutely no item in the world that cannot be bid.

Mr. Parisi: Does everyone in Town, in their particular line of service receive the invitation to bid?

Mr. Dunleavy: No, if they are not on our bid list, they would not receive an invitation to bid. That is why it is published in the press.

Mr. Parisi: Suppose the vehicles that are presently inoperable needed engine overhauls, or some other work comparable in price, would the department or division have the prerogative to go out to a vendor and have the work done without anyone ever knowing, in fact, that it was done?

Mr. Dunleavy: No. By the Town Purchasing Ordinance, every department has the prerogative of declaring an emergency situation in his/her department. There are very definite rules that he/she has to proceed with. The keynote one, he/she must be funded for it. I have never known a situation where a department head has acted that way that you have referred to. That department head would discuss it in my office, the Mayor's Office or, indeed, at this table asking for a waiver of bid for a specific problem or vehicle. Ordinance does provide, that if it is funded, yes, they could definitely proceed with very definite reporting responsibilities.

Mr. Parisi: How would it be reported?

Mr. Dunleavy: It would come through as a confirming requisition attached to it a letter explaining why they declare it an emergency.

Mr. Parisi: I had concern with the record keeping being as accurate as it should be had it gone through the system properly. Should the Town dispose of a vehicle, how would the record show that a new engine was installed?

Mr. Dunleavy: I would not think that anyone would be clever enough, other than the person who is actually doing the work. In my 19 years in this position I don't recall when Wallingford has ended up with a deficit. The department heads are doing a great job for you.

Mr. Zandri: Are there currently any rules in place that determine the number of vendors that the invitation to bid must reach?

Mr. Dunleavy: There is no response minimum.

Mr. Zandri: Could you legally solicit bids from only 3 vendors?

Mr. Dunleavy: Yes. The only time I have witnessed this, however, is when we are talking about very unique pieces of apparatus that may very well be at a location such as Pierce Plant, for instance. The only three vendors that they can identify that would do that specific work and they come up with a bid list of the 3 people, I have to rely on the fact that, as engineers, they best know that that indeed is what it is. I will check with my register to see if this is the case in fact. Most generally, a small bid list such as that is very infrequent.

Mr. Zandri: Certain industries have certain rules that they must follow. For example, Wallingford has a rule that if any item cost exceeds \$2,000. we must go out to bid. My employer is covered by the State on items as long as we go out to at least 3 vendors for a bid. If there are 10 vendors that supply a particular part, the State feels that we have done our job as long as we solicit prices from at least 3 vendors.

July 11, 1990

Mr. Dunleavy: My personal position on that matter is that I want as much competition as I could find. When I started our vendor list consisted of 300 vendors. Today it is in the neighborhood of 4,000.

Mr. Zandri: To use the excuse that you do not have a waiver of bid for the 3 automobiles to remain inoperable is nonsense when I have the authority to purchase 3 filters for those vehicles to restore them to service.

Mr. Dunleavy: Would you like to guess at how many filters we use during the course of 1 year?

Mr. Zandri: I don't care how many filters are used. The department head need only pick up the 3 filters and fill out the paperwork and send it in for processing.

Mr. Dunleavy: He has just violated one of the basic laws of our Town. That no one has the right to buy except me. I am the Purchasing Agent of our Town. I am the only person with the authority to buy. The only way this is done during the course of the year is when an open purchase order exists and the vendor has a copy of it on file.

Mr. Zandri: You can still maintain an open purchase order and not have to waive the bid for it.

Mr. Dunleavy: We know it will exceed \$2,000.00, it is a continuous on-going order.

Mr. Zandri: I disagree.

Mayor Dickinson: I believe that is one of the reasons that this list has grown so long. A couple of years ago the auditors indicated that each department does not have a \$2,000.00 limit. It is a \$2,000.00 limit for the Town of Wallingford. If Public Works, the Board of Education and the Utilities all happen to use a given account at a given place of business, and it goes over \$2,000.00 combined, then there is a violation unless there is a bid waiver. Previously, it was often looked at by department. We need this list for all of the departments to function and avoid the Town as a whole going over the \$2,000.00.

Mr. Zandri: Isn't it per item?

Mayor Dickinson: No.

Mr. Zandri: I don't see it.

Mr. Dunleavy: I'm sure it can be solved by soliciting an opinion from the Town Attorney, but this is the way it has always been done. What you are saying, Geno, is, if a department has 40 accounts, they could conceivably spend \$79,999.98. This is an exercise in futility, we don't need it, we don't need your bid waiver list, we can do it item by item, account number by account number, and not even bother. We will not have any control at all.

Mr. Zandri: You have all of the control.

Mr. Dunleavy: I disagree with you. I suggest you obtain a legal opinion. If that is the case, we have been operating incorrectly for a number of years.

Mr. Zandri: That happens.

Mr. Bradley: Is it your consensus that we are in compliance with the Town Charter and Purchasing Ordinance currently? There are checks and balances in place? How is this list controlled? If a department wants a vendor's name added, is there some sort of justification for it to be placed on there?

Mr. Dunleavy: Yes, we are in compliance in my opinion, and yes, there are checks and balances in place. Whether or not a vendor's name is added to the list is discussed in our meetings at length.

Mr. Bradley: Who is involved in those meetings?

Mr. Dunleavy: The department head(s) making the request(s), the Mayor, I have been involved, this year the Comptroller.

Mr. Gouveia: Personally, I don't have a problem with an open purchase order, my problem is, I am looking at a list with 12 businesses that offer the exact same service. We used \$6,000. in that service which only 2 vendors received. The 10 remaining vendors received no business from the Town whatsoever. I would like to see an open purchase order up to \$2,000.00. This way I think that everyone has a fair and equal chance of providing service to the Town.

Mr. Dunleavy: The actual use of the particular vendor does not come under my realm.

Mr. Gouveia: Can an open purchase order be prepared not to exceed \$2,000.00?

Mr. Dunleavy: That is the way that most of them are.

Mr. Gouveia: Then if the department head feels that they still require the services of that vendor, all they have to do is come before the Council for an additional purchase order for an additional \$2,000. I do believe that you need the ability to purchase miscellaneous items on an everyday basis. My problem goes back to the fact that only 2 out of 12 are receiving the lion's share of the business. They do not offer us a discount either.

Mr. Dunleavy: We do not have a negotiated contract with them. The department head makes the decision as to which vendor to use.

July 11, 1990

Mr. Gouveia: I, personally, would like to see a \$2,000.00 limit on all of these, and if there is anyone in particular that, for some reason, we have to deal with separately because the \$2,000.00 is not reasonable for whatever reason, then we should do that separately.

Mr. Dunleavy: Are you talking \$2,000.00 per department, per account, or per vendor?

Mr. Gouveia: Per vendor.

Mr. Dunleavy: If we stay under the \$2,000 per vendor for the entire Town, then this negates the entire reason for having it. Remember, it is \$2,000 spread out over the entire 33 using departments of the Town. We are in all probability coming very close to expending \$2,000 with some of these vendors now.

Mr. Gouveia: In one month?

Mr. Dunleavy: In ten days.

Ms. Papale: I believe that Mr. Dunleavy has certainly explained his role in what we have in front of us and as far as the generic list, I do agree with you, I think maybe later on there will be situations with different departments and I really think that maybe we could get on with it. Each department has different reasons for going with the companies that they do. Sometimes it may be necessary, sometimes we may feel it was not. I think that this is what we should start to go on and discuss with each department. I am referring to the large items.

Mr. Gouveia: I want to clarify that I mean \$2,000.00 per vendor per department.

Ms. Papale: That is not what they are doing, however.

Mr. Dunleavy: Obviously it is your choice, Mr. Gouveia, I have given you what I think to be the best situation for the Town as I understand it.

Mr. Gouveia: Do you have any major problems with having open purchase orders for \$2,000.00 per vendor, per department?

Mr. Dunleavy: There is no reason to waive it under those conditions because the Charter is very specific, that if it exceeds \$2,000.00. Town-wide, now you are setting up a different scenario. Some departments have 40-50 accounts and they could all take \$2,000.00 for each of those particular categories so that a vendor could ultimately have \$80,000.

Mr. Gouveia: For instance, Public Works - one vendor, \$2,000.00, the Electric Division, the same vendor, \$2,000.00. I said per department, not per account in that department.

Mr. Dunleavy: It would not function. In speaking with some of the departments later on you will see that this is not nearly enough. Some of these activities are far in excess of that dollar amount.

Mr. Gouveia: Then it is not miscellaneous if it exceeds \$2,000.



Mr. Gouveia: My idea of miscellaneous is plywood, lumber, nails, etc., if it exceeds \$2,000. then I do not consider it miscellaneous.

Mr. Parisi: We have a stockroom in the P.U.C. don't we? Mr. Deak , don't you have a stockroom over in your garage?

Mr. Deak : Yes.

Mr. Parisi: No matter how many vehicles you have, 100, 200, etc., the point is that they all use filters, spark plugs, etc., why not order perhaps, 800 spark plugs and keep them on hand?

Mr. Dunleavy: You need to ask the department heads that question.

Mr. Killen: Is anyone bothered by going through the departments to find out how many times the same type of item has been purchased, not necessarily the same number?

Mr. Dunleavy: No, but I am certain that my replacement will because I'm sure that you will give him/her electronic equipment so that he/she will be able to track equipment such as that.

Mr. Killen: No I'm sure we will not. If I were sitting in your office and I wanted that information I would tell the department heads that I would like a breakdown of this particular information. We would not have to issue as many purchase orders if you were to issue one purchase order for finding out if we were going to be using 100 items of any one particular one you would issue a purchase order covering that one particular item.

Mr. Dunleavy: We have had similar types of dicussions over the years and we decided that it did not behoove the Town of Wallingford to have large stock departments on any given item for very valid reasons. Perhaps I can equate it to my own department. We have always found it easiest to keep 6 rolls of scotch tape on hand instead of 12 for we have found that 12 rolls seem to be used up twice as fast as 6. It is the same situation as having 12 cans of paint, as opposed to 2, since the 12 seems to be used up much quicker than if only 2 existed. We have never been able to figure out why, but it does happen.

Mr. Killen: I said that you could issue a purchase requisition strictly for oil filters if there were enough, I'm not saying that you should buy them now, it is strictly an open order for oil filters so that when an employee purchases one it is charged to the appropriate account.

Mr. Dunleavy: As I stated before, you can bid any item whatsoever but I cannot guarantee you what the responses are from the locale from which it will come.

Mr. Killen: It becomes our problem then, we can't guarantee with this open bid issue that we are following any letters of the law. I would rather make it more cumbersome, I don't care who it falls on, I took an oath of office that we would uphold the law and I am not going to say that, simply because people don't want to take care of the books that we are going to say, go ahead and do it anyway that you want, its that simple.

July 11, 1990

Mr. Holmes: In the absence of a stockroom, we are utilizing the various vendors in Town as our stockroom.

Mayor Dickinson: I think that one issue here is, for us to have the time to find out what items are similar and could be bid across departmental lines would take some effort. I'm not sure how many items would fall under that category. I suspect even air filters would vary depending upon the types of vehicles by department, I don't know that for certain but it would be interesting to know. It's going to take some time and effort to find this out.

Mr. Killen: We have lost control of the situation since so many little things are mixed in with larger quantity items that we don't know whether it is important that we have a breakdown or not. We have lost the initiative to seek a discount for the items that we continuously purchase during the year.

Mayor Dickinson: We can look into how to create that kind of record but I don't think that we can do it quickly enough to deal with this year's needs. We can get together with the departments to figure something out.

Mr. Killen: That is the part that disappoints me the most. I said that we have not had that type of information or even a suggestion. A group of lay people sitting up here should not have to make suggestions.

Jack Mcelfish, Fire Chief: All departments totally agree that they want to do the best for the Town. I think that we do an extremely good job. What happens in many cases, you come in Monday morning, you have 4 vehicles that have safety defects "written up" because another shift is going off. Do we take it out for bid or do we deem this an emergency? It is a judgement call. Do we take it to Waltsco? Half the time he doesn't even bill us. Sometimes he does. Fazzino's does give us 30-35% discount. G.C. Moore, which is a very convenient company, have good industrial cleaning supplies, they give us the 30% discount. There are discounts out there. Moran's develops our film approximately 30% cheaper than Colonial Photo. We have these problems that hit us everyday. How do you get a bid on a warranty item? For example, Waterbury, a very tragic accident three months ago. Two firefighters killed because they had a "very unsafe vehicle" according to the news media. Our department was subject to a great deal of ridicule when I first started working here. The equipment was in very poor condition. The Council and the Mayor has given us a good fleet of equipment and it is appreciated. It has to be maintained. We use Vin's Vehicle Service. A retired person who has his own business, does a tremendous job, charges \$40.00/hr. is certified by the A.S.E., he has taken a fire apparatus certification. He picks up the apparatus, does the work in the station, he is tremendous. We have 58 union career firefighters who do not have one complaint about the service he provides. A total of approximately \$28,000 - \$30,000.00 was spent with him over time. It is less than if we employed one full-time mechanic who would not know how to do it. He helps us write specifications, he gives us discounts on the truck parts and everything. How much is that worth?

How much is it worth when at 2:00 a.m. with 2 ambulances out of service we call him up on a Thursday morning at 2:00 a.m., he comes out of bed to service the vehicle to have in back in service by 4:00 a.m. and at 4:30 a.m. the vehicle is dispatched for a heart attack victim. We can always get a lower price but, again, we buy what we feel is the best quality for our people. You have to give us that flexibility to operate. We are not going to rip you off. You have got to trust us just a little bit and we are going to be very honest with you. Sure, there may be someone who will rip you off, if they are then go after them. But don't crucify all of us just because maybe 1 or 2 will do it.

Mr. Killen: You must realize that we are being asked to waive the bid on a list that resembles the yellow pages. You have to come down and say, this one will provide this service, and this one will provide that service, and so forth and so on. This is the purpose for waiving bids. When you come in and say this is the only outfit that will provide this service, then the bid is waived and we have no problem with that. If you have 5 vendors and you can say the same great things about all 5 of them, then why bother with it? Everyone then wants to get on the list. They feel left out if not on the list. We are not doing business in the nature which we are supposed to be doing business.

Chief Mcelfish: As experienced department heads we are asking you to trust us. Yes, we are asking for the waiver so that we can expedite and keep the units serviced.

Mr. Killen: Again, we are charged with, is it in the best interest to the Town of Wallingford? There is no way that I can look at a list such as this one and say all these people can have a waiver of bid, that is not in the best interest of the Town of Wallingford.

Mr. Parisi: It is not a question of trust. You have this fellow that is doing such a fantastic job and he drops dead tomorrow, what do you do, shut down the fire department tomorrow? You better know what you are going to do. You would not know who is good and who is bad out there. When does a new vendor get the opportunity to show you what he has. Under your system, no new vendor gets the chance to do so.

Chief Mcelfish: He charges \$10/hr. less than other mechanics do.

Mr. Parisi: How do you know that there is not a new vendor in business that will do the same for you? We are dealing with public funds, not private sector. You people want to run it like it is private sector, but it isn't. That is what our concern is. As long as we don't keep looking for vendors, and weed out the good from the bad then we are not doing our jobs right. That is what concerns me. Rules and regulations are designed to protect the company and in this case the company is the Town of Wallingford. Right now I don't know if the rules and regulations are protecting the company. I'm not sure. My boss does not doubt me nor think that I am cheating him, yet he still makes me fill out a purchase order to follow the rules and regulations. I don't know if we are here if we waive so many bids.

Mr. Zandri: I think that your situation is unique since you are dealing with emergency vehicles in the Town, but I don't see anything wrong with you coming before the Council and convincing us on that particular item

July 11, 1990

and us waiving the bid on an item like that. I think that can be accomplished. I have a problem with a list, and I would much rather take these things on an individual basis and then I would feel comfortable if you have convinced me that this particular item is in the best interest of the department and the Town as well.

Ms. Papale: I really think that we are discussing 2 different situations here. We are discussing items such as spark plugs, to me that is one situation. What Chief Mcelfish was talking of, that is another situation. We are talking a few dollars up to thousands of dollars. I think that we should start on these lists and decide on the generic waivers, that is one thing. I really think that we should go one by one and if the Council goes through individual cases either tonight or when the issue arrives we will decide at that time. Let's get going on this.

Mayor Dickinson: I also feel that we should start going through department by department and have them justify what is on there. I don't think you want the fire department every time they want to use their mechanic to come in, we will have meetings constantly.

Mr. Bradley: I would make a suggestion that we break it down into generics and then go department by department.

Mr. Killen: I feel that people have lost track of the fact that this list does not necessarily reflect those people who are available who give the best price or the best service. In some instances, it reflects people who have requested that their name be put on the list. And for that reason, we are waiving the bid for anything purchased from those particular people. That is not the intent of this particular waiving of the bid.

Mayor Dickinson: I think that the nature of the generic list is, that for the most part, for instance, hardware and maybe the auto repair, covers just about everyone in town. The reason for the generic is to allow a department to go to the closest business in theory to where they have the problem and not have to drive all over town. Rather than pick and choose who should be on it, everyone of a given type is on here.

Mr. Killen: Then we are substituting their judgement for ours. It may allow them to go to this outfit here, but if he can get over to here, then he's allowed to go over there. We have in essence said to them, go ahead, you have our blessing. We are leaving ourselves wide open to any kind of skulduggery that is going on.

Mayor Dickinson: Other than a service, typically you would go to the closest vendor to the site of the work so as to prevent anymore of a loss of time than is necessary. That is the real reason for this. Auto repair may be different, but a hardware store or lumber yard applies.

Mr. Killen: If we can't keep track of how much hardware was bought, how are we supposed to know that on June 6, he was working on the east side of town and bought the hardware on the west side of town. We have no audits with this system. That is the part that is so disturbing to me.

Mayor Dickinson: We don't but at some point we have to trust that the department is looking to get the work done. I think that you should hear from each of the departments and hear why they want certain vendors on here.

Mr. William Barry approached the Council stand next.

Mr. Barry stated that the department heads present this evening come here tonight with what they believe to be the best list they could put together to be as productive and as efficient as they can.

Mr. Bradley had a question surrounding the Electric Division's list under item C, proprietary services, Unisys supplies and maintenance. He asked if maintenance relates to their maintenance contracts and/or agreements that they have with Unisys, and what constitutes supplies in this list?

Trudy Brady, Electric Division, Data Processing Manager: Unisys is on the list because we have bills for licensing fees, maintenance of the equipment, we buy ribbons, etc., but mainly it is for the licensing and maintenance fees of the equipment itself. On the supply side it basically is just ribbons. Mag tape and paper are bid.

Mr. Bradley: Do you feel that you are receiving a fair price for what you are purchasing?

Ms. Brady: It is not a discounted price, but the quality of the ribbon that we do business with that vendor. It saves on repair costs that can result from buying a ribbon of lesser quality.

Mr. Parisi: How old is that system? You have maintenance costs?

Ms. Brady: We are still installing it now, it was delivered in February. On the computer itself, there were no maintenance fees for the first year, but we did not buy everything new, we have printers and tape drives that were old and we still have the old machine in the building and continue to pay maintenance on that. It is a maintenance contract that has been ongoing for the past 4 years.

Mr. Parisi: What maintenance costs do you have if you have a maintenance contract?

Ms. Brady: We have a contract of over \$2,000 per month. We pay it yearly.

Mr. Parisi: How many ribbons per year do you buy from them?

Ms. Brady: Not a great number. Approximately 75-100.

July 11, 1990

Mr. Parisi: Why couldn't we buy 110 of them? One bid, one price and that is the end of it.

Ms. Brady: If we went out to bid on it we would end up with a low quality product.

Mr. Parisi: Why couldn't you specify the ribbon that you want?

Ms. Brady: You can but we have purchased ones of a lesser price and have found that it didn't work out.

Mr. Bradley: There are too many variables, a lot of it is trial and error.

Mr. Parisi: My point is that you do not have to have an open order on that item.

Mr. Zandri: You can specify brand name and still go out to bid. I have purchased Hewlett-Packard equipment cheaper from someone who is not a Hewlett-Packard salesman. I could not buy it from the manufacturer cheaper.

Mr. Barry: We do not ever specify brand names, and if we did Mr. Dunleavy would not be happy. He would not allow the bid to go out if we did.

Mr. Zandri: Why not?

Mr. Barry: I don't know.

Mr. Zandri: I disagree, if you can prove that a certain quality is justifiable because of maintenance problems then that is a justification for specifying a brand name.

Ms. Brady: I think that we are getting away from the point. The maintenance is the largest portion of our Unisys bill. Supplies are a very small portion and I don't believe that goes over \$2,000 a year. We do find that we get what we pay for here. We have vendors calling all the time sending us samples which we test, and find many times that they are not exceptable. You cannot write a specification that tight.

Mr. Parisi: Why do you have to have an open order for only 100 ribbons?

Ms. Brady: I don't think that we do, Unisys is on here for maintenance. I have approximately \$15,000. in bills due to Unisys for maintenance as of July 1st. We have a licensing fee that is due every year, we have maintenance fees that come up every month. These must be paid. We cannot run the machine without having licensing or maintenance on it.

Mr. Parisi: That is like paying your electric bill every month. You have to do it. That is what should be requested for a waiver. Supplies and maintenance are useables as a service, not a licensing fee.

Ms. Brady: But maintenance is provided only by Unisys for their machine.

Mr. Killen: We are trying to get the point across that we have a mechanism here where things have to go out to bid. If they are not going to go out to bid this group then has the authority to waive the bid. We have to know that it is in the best interest of the Town. We can do in on a one for one basis. When we get a catch-all, which is what a Unisys would be. In other words, if the Unisys were going to be strictly for the ribbons, we could say fine, if you have to have the ribbons from Unisys there is no problem at all. When you mix the service and the supplies, you have to say, now wait a minute, now we are giving you an open order to get anything you want from Unisys, services, supplies and anything that Unisys happens to sell. We waive the authority to bid that thing.

Ms. Brady: I am only requesting authority to pay our licensing fees and for our maintenance. Supplies, if it is over \$2,000. we would be happy to go out to bid on them.

Mr. Killen: The trouble is, once we do that we have found out from many inquiries that it has gone beyond us. A lot of departments cannot supply me with the information that I am seeking. So now I don't know who did what and who didn't. I am not accusing anyone of being a crook, I'm just saying that we have a mechanism so that no one is tempted. Now we are saying with that mechanism, let's tempt them a little bit, life is getting dull.

Mr. Barry: I am very happy to know that you don't think that we are crooks. Last year we had a waiver of bid on the Unisys Corp. similar to the one that we are asking you for tonight. During the year, we received an unsolicited proposal from Unisys to purchase a new system. We came before this Council and we had 2 or 3 meetings with lengthy discussion about the purchase of a new system and you, in fact, did waive the bid. There are firms on our list that we need to have at our disposal to do work but whom will also be included on a bid list to provide a variety of things other than that. If we ask you to waive a bid on a firm it is for very specific work that we expect may go over the \$2,000. figure during the year. That is not to say that that firm could not bid other projects during the year.

Mr. Killen: When we waive the bidding with Unisys, we waive you buying anything from them, anything. That is not the intent of the Charter or the Purchasing Ordinance or this particular group. It is that you get just that particular item that is something that you specifically need.

Mr. Barry: If we were going to buy a new computer this year, we are not, but if we were, we would either come to you for a waiver of bid similar to what we did last year or we would go out to bid through the appropriate, legal channels prescribed by the Town Charter. That is exactly my point. There are other firms on here, Northeast Testing, Inc., if we have a substation failure and we need Northeast Testing at 3:00 a.m. to come in and do some work, we are asking you tonight for the latitude for us to do that. Please understand, however, that if we undertake a general maintenance program of our substations, Northeast Testing and several other firms will be asked to bid on that project. We are asking you for the simple little things that we need to get the job done, not carte blanche across the table.

July 11, 1990

I see your point, I hope you see mine.

Mr. Killen: So long as Unisys is supplying a particular service there should be no problem. When it comes to the materials that could go out to bid, that becomes a separate entity in itself. Those are two separate items.

Ms. Papale: Can't we just go down the list to find out what everything is?

Mr. Zandri: In order to waive the bid, it should be presented to us exactly the way this was just discussed. We are going out for a service contract which should cost \$15,000.00 and that is why a waiver of bid is being sought for that item. Then you would be approving a waiver of bid for a specific thing only.

Ms. Papele: That is why we should go down the list.

Mr. Bradley: Some departments have taken each line item and placed a dollar amount next to them, could you do this for next year, I would like to see everyone have a dollar amount next to each item there, to see exactly what it is that we are expending.

Mr. Barry: We could give you historical data that would not be in any way a prediction on our part of what we may incur during the future year.

Ms. Papale: Public Works and the Fire Department were the only two departments that did that for us.

Mr. Barry: Mr. Lee and myself, quickly tried to estimate how much this waiver of bid list would effect our budget this year. It came out to approximately 6/10 of 1% of our budget for the fiscal year we are currently working in. I am asking you to give us the latitude for less than 1% of the dollars that we are going to spend.

Mr. Killen: Does anyone have a suggestion as to how we are going to resolve this particular thing, because I am getting absolutely nowhere to be perfectly honest.

Mr. Holmes: We don't have a better system at this time obviously. I would think that it would take some mind-melding between some Council Members and the Purchasing Agent and maybe some department heads to see where we can standardize across the board to see what can be done in the way of bulk purchasing to make life a little easier. In the absence of a master plan, although our intentions are good, I think that we are grasping at straws.

Mr. Bradley: Mr. Gouveia had one idea as far as tracking, and I think that Mr. Dunleavy made a good point also. His office is not automated and it is hard to track. That has to be looked at. Whatever we decide for the future has to be taken into consideration this evening and hopefully can be implemented next year.



Mayor Dickinson: Perhaps if a committee or commission is set up and use some local businessmen to review all of the purchasing procedure and make some recommendations to help us with this issue.

Mr. Bradley: I don't know where an auditing function fall in on this, I envision that it would somehow. An auditor's expertise, an internal auditor, can we utilize their expertise to come up with a meaningful way of tracking this?

Mayor Dickinson: Certainly they can be consulted. I don't know if an answer would be found there. I think that we really need to get an idea as to how other businesses handle their purchases, major businesses. Right now we don't know what others do, and I think that that could help us in making improvements in what we do.

Mr. Parisi: Perhaps it is a time to take an overall view of the entire situation. It is obvious that the department heads have one viewpoint and we have another. I don't think that anyone would be ill-served if the opinions of some outside experts were sought to review the procedure and make recommendatons. Certainly it would not be anything that would have to be followed or perhaps there may be an easy solution that they would identify. I don't think that we want to go through this every year and I think that is where we are headed for.

Mr. Bradley: I agree, this is my 3rd time through it and it keeps getting worse and worse.

Mr. Stephen Hacku, Assistant Fire Chief stated that when his department receives an invoice for services rendered, the invoice is attached to a purchase order and forwarded for direct payment. He felt that this constitutes the tracking of an expense.

Mr. Killen pointed out that, in looking at the past two years in which Chick's Auto Repair was included on the list, in neither case during those years was there an indication that the bid had to be waived since the department never came close to the \$2,000.00 limit. He again, reminded Mr. Hacku of the Council's charges in this matter as outlined in the Charter. These things get out of hand because they start with a premise that if we do it this way, it will eliminate this step. It doesn't end up that way. There would be no problem determining what company should be on this list if the department heads had compiled the necessary information showing the amount of funds expended each year to these particular vendors.

Mr. Parisi asked what the generic items for the Fire Department are (since the Electric Division personnel were still seated at the table Mr. Parisi directed the question to them).

Mr. Barry explained that all the firms listed on their (Electric Division's list) supplied generic supplies for the mundane, day to day requirements. He stressed how the list as a whole was just as important to the division as well as the generic list.

July 11, 1990

Ms. Papale asked if any other vendor works along the premise as Northeast Testing, for instance, will come out in the middle of the night if the situation warrants it.

Mr. Barry explained that there are a large number of firms that work along that same line. Another perspective of the list is that it has the firms the Electric Division is accustomed to working with and built a relationship of experience and have invested a great deal of time in doing so.

Mr. Parisi asked Mr. Killen that the Council vote in favor of the list as presented tonight with the understanding that the Mayor appoint a blue ribbon commission of civic leaders and businessman to study this issue and make a formal presentation to the Council with some concrete recommendations.

Mr. Killen accepted it as a recommendation until such time, the Council will vote on Mr. Parisi's suggestion as a formal motion.

Mr. Paris called the question (to accept the bid list as presented or as modified).

VOTE: Solinsky was absent; all others, aye. Motion duly carried.

The motion to accept the bid list as presented or as modified was voted on next.

VOTE: Solinsky was absent; Bradley, Gouveia, Holmes, Parisi, Zandri & Killen, no; all others, aye. Motion failed.

Mr. Parisi made a motion to support the request for the waiver of bid list this year with the understanding that the Mayor appoint a commission (blue ribbon) to study the purchasing bidding procedures and make a formal recommendation to this Council, seconded by Mr. Bradley.

Mr. Gouveia pointed out that the members of the commission should be well versed in the purchasing ordinance and the Charter.

Mr. Gouveia's suggestion was accepted as a friendly amendment to Mr. Parisi's motion.

Mr. Parisi stated that the commission should consist of members who are from the business community, removed from the political arena.

Mr. Nunn pointed out that Mr. Dunleavy is associated with a statewide purchasing agent association of some sort and that his expertise be utilized in this area. Municipal governments are different than the private industry sector and we should keep this in mind when organizing the commission.

Mr. Bradley asked the Mayor if he envisioned someone from the Purchasing Department as well as the Finance Department on this commission?

Mayor Dickinson answered that the Purchasing Agent should be included in this commission. He also felt that it was pertinent to have a good business mix as well, someone with a good inventory review background and the paperwork that accompanies it. There should also be some governmental tie to the group.

Mr. Parisi designated the number of members to the commission be 5.

Mr. Zandri asked for a time frame for this commission.

Mr. Parisi suggested 6 months as a time frame.

Mr. Gouveia explained that he was not against community representation on the commission, he was concerned that those individuals may not be sensitive to the constraints placed on Council. He once again, emphasized that they should be well versed in our purchasing ordinances and Charter.

Asst. Town Attorney Janice Small pointed out that the Purchasing Ordinance will need reworking.

VOTE: Solinsky was absent; Zandri & Killen, no; all others, aye. Motion duly carried.

Mr. Bradley made a motion to consider a bid waiver for C-Med Services requested by the Town Fire Department, seconded by Mr. Holmes.

Mr. Wayne LeFebvre, Assistant Fire Chief explained that C-Med stands for Central Emergency Medical Dispatch which is a communications system located in New Haven that controls the medical traffic and to the hospitals in 21 communities that participate in it. Communities are assessed for the medical traffic coming out of their community. Every community pays no matter if they have a commercial company or one such as Wallingford has in the Fire Department. The price has risen this year due to labor contracts and equipment purchases affecting C-Med's prices to us. This company is the only communications system in the area.

Mr. Zandri was very impressed with the presentation made on this particular vendor and stated that this is how each department head should present their requests so that the Council has the information available that enables them to waive the bid.

VOTE: Parisi & Solinsky were absent; all others, aye; motion duly carried.

Motion was made by Mr. Bradley to adjourn the meeting, seconded by Ms. Papale.

VOTE: Parisi & Solinsky were absent; all others, aye. Motion duly carried.

There being no further business, the meeting adjourned at 9:34 p.m.

July 11, 1990

Meeting recorded and transcribed by:

Kathryn F. Milano  
Town Council Secretary

Approved by:

Albert E. Killen, Chairman

Date

Kathryn J. Wall, Town Clerk

Date

RECEIVED FOR RECORD 7/16/90  
AT 3:00 P M AND RECORDED BY  
Kathryn J. Wall TOWN CLERK