

Item 24-0065: Approve the 2024 Sole Source Purchase Request related to Various Traffic Equipment and Technologies

Municipal Services Committee

Mon, Jan 22, 2024 4:30PM

Aldersperson Katie Van Zeeland (District 5) 05:48

Our next action item is 24-0065 to approve the 2024 sole source purchase requests related to various traffic equipment and technologies. Do we have a motion?

Aldersperson Vered Meltzer (District 2) 06:02

Move to approve.

Aldersperson Kristin Alfheim (District 11) 06:03

Second.

Aldersperson Katie Van Zeeland (District 5) 06:04

We have a motion to approve and a second. Any discussion? Yes. Alder Doran.

Aldersperson Chad Doran (District 15) 06:10

I guess first off, I would just like to see if maybe staff could explain kind of the reasoning here, why we're doing this. But also, because it's just little confusing in the memo. We're talking about a lot of changes to the software and the and the providers and stuff, just making—help make sense of all of what that change is.

Aldersperson Katie Van Zeeland (District 5) 06:28

Traffic Engineer Lom, did you want to take this one?

Eric Lom (City Traffic Engineer) 06:31

Director 2. So, for those of you that have been around for a little while, this is something we've been bringing to this committee, I think, for well over five years at this point, as a way of trying to just be a little bit more efficient in how we handle these types of issues. So in some cases, in our world, where we're procuring street lighting and electrical components, a lot of what I'll call little black boxes that need to all work together in a complete system—in some cases, what we're doing here is we're looking to go sole source on let's say streetlight poles so that we can keep the aesthetic look that we've established in the downtown, rather than just picking out whatever the low price pole is each time we go out for, for quotes. In other cases, it has a lot more to do with software and IT related issues where the controllers that we have out in the field need to be able to interoperate with the centralized control software that we use, and so we can't just go kind of pick ala carte, here, there and everywhere; we have to have things that are interoperable. So, we do you—you kind of buy into a system when you do that. As far as your specific question, I'm scanning the—

Aldersperson Chad Doran (District 15) 07:08

Well, more like I guess the last paragraph at the end of the first page of the memo. We talked about number of changes to the to the companies and things like that. And in the past, I know we've used TAPCO for a lot of our things including the maintenance that you talked about. Is that changing under this sole source contract, or—because now we have different companies for different things, can they do the work that we're talking about?

Eric Lom (City Traffic Engineer) 08:22

In the world of corporate takeovers and hedge funds and all kinds of things like that, there's a lot of change going on in these companies. They're buying each other, they're merging, and so we're constantly trying to stay on top of that. We just had two of our engineers down in Chicago last week to try and get up to speed on a lot of what's going on there.

Eric Lom (City Traffic Engineer) 08:48

We have in fact gone somewhat exclusively through TAPCO as the distributor for a lot of these various electronics and signal control equipment over the years. We are in the process of evaluating a switch over. The Finance Committee and the Council approved a grant application a number—two to three months ago—that would be the leading edge of a technology transition away from the providers that we've been using for 30 years who has been bought and sold about three or four times (our experience has continued to degrade with them), toward a—the same technology that the Wisconsin DOT has transitioned to and a number of other large communities in Wisconsin. So, we're, I guess, kind of going with the flow and trying to stay ahead of the technology as best we can on that, and that may lead us away from TAPCO.

Alderman Chad Doran (District 15) 09:57

Okay. And that's part of what I was wondering about, 'cause I know we do work for other communities also with streetlights and for the state as well—right?—so we like to have the same sort of continuity as far as maintenance goes?

Eric Lom (City Traffic Engineer) 10:08

There's a definite benefit, particularly—well, it really in any of these things. For example, for our non-decorative streetlights, we buy off the state contract. The state goes out and negotiates those prices with the distributors, and we're able to leverage those relationships. So, for us to standardize on the same thing that the DOT standardizing—it benefits us. Same thing goes with our traffic signal controllers and the centralized control software. If we're using the same thing they are, there's a lot of interoperability that we can leverage with them. If we need a controller and we don't have any because something crazy happened, we can get one from them or they can get one from us, and we can play all play nice in the sandbox. So, there's a lot of intangible benefits to standardizing on the same thing that they are.

Alderman Chad Doran (District 15) 11:00

And so, this this sole source request for today, for this year, kind of keeps sort of status quo while we are researching and making that switch for the future?

Eric Lom (City Traffic Engineer) 11:12

Generally speaking—so I'll assume that when you say that we're referring really to the traffic signal control software and so forth. We are, if you look at the very first item on the last page under traffic signal control, signal controller and control software, we're actually opening that up. Unix, which used to be called Siemens, which used to be called Eagle, is what we have used for since the early 90s, since we transitioned from mechanical controllers. The Econolite is where we're headed probably.

Eric Lom (City Traffic Engineer) 11:53

So, you're going to—there's going to be another—we're going to be coming back through. We did get that grant from the state for the what would be the first phase of that transition, and we're gonna be coming back through Finance Committee sometime in the near future I believe to accept that grant. And then, yeah, tonight will—there will be discussion about accepting an ARPA grant for what would be the remainder of that technology

transition. So, I guess more directly to your question, we, we're allow—we're asking to allow both of those manufacturers in this year's list.

Aldersperson Chad Doran (District 15) 12:32

Okay.

Aldersperson Katie Van Zeeland (District 5) 12:33

If I could just ask under the LED street lighting section, it says that if we were going to ask for bids on Cooper and Philips as preferred fixtures, it would appear as if there's competitive bidding, but it would mark up the product. Could you explain that just a little bit more?

Eric Lom (City Traffic Engineer) 12:53

I will do my best. Mike Hardy is the expert at this, and if he were in the room, I would turn to him. The—in the electrical distribution world, it is extremely complicated, and what can happen is there can be a particular product that is manufactured but then is distributed by different companies. And so, we could go out and say, "Aha, we're getting two prices for this widget for this particular streetlight," but we're not really because they're both in direct competition. It basically ends up funneling all back to a middleman that we can't get rid of, and so we're just sort of acknowledging that reality and calling it what it is.

Aldersperson Katie Van Zeeland (District 5) 13:50

I'm gonna follow up because I'm not sure that I am grasping it exactly. So, the distributor is actually providing both options—the same distributor? Or the distributor—different distributors often offer different pricing on these items? So, it would be easy for you to say, "Well, this distributor sells it more expensive, and we could say that we bid, but this one is actually cheaper"?

Eric Lom (City Traffic Engineer) 14:20

My understanding (again, acknowledging that I am not directly involved in this on a day-to-day basis, and I may have not done a good job of explaining this the first time) is that the manufacturer sells this—or on paper at least—sells this to a middleman. The middleman then has distributors that are beneath him. If we go to Distributor 1 and Distributor 2, they both call the middleman and get a price, and they will get the same price from that middleman.

Aldersperson Katie Van Zeeland (District 5) 14:51

I see, as opposed to directly through the manufacturer.

Eric Lom (City Traffic Engineer) 14:55

Right, and they will not allow us to buy from the middleman or from the manufacturer. It's a scam basically, but it's the way the entire industry is set up.

Aldersperson Katie Van Zeeland (District 5) 15:04

Okay. It doesn't make sense, but it makes sense. Alder Hartzheim.

Aldersperson Sheri Hartzheim (District 13) 15:10

Thank you, chair. As you know, I'm not super fond of sole sourcing for any reason.

Aldersperson Katie Van Zeeland (District 5) 15:16

I've heard that about you. [note: she said that jokingly]

Alderson Sheri Hartzheim (District 13) 15:18

It's a rumor. No, it's really true, actually. But I understand, especially based on the two sentences here, the traffic control industry has proprietary functionality and the number of vendors available for that are very limited. But in instances such as this, for example, Director, Gazza has often said to us, "Yeah, furniture is grossly overpriced, and we use a government oversight." I'm wondering if there's something like that available for this particular type of product, because that helps us feel better about sole sourcing without— **[crosstalk]**

Alderson Katie Van Zeeland (District 5) 15:59

You touched on that briefly, but could you just expand on that, please?

Eric Lom (City Traffic Engineer) 16:02

Yeah, so the State of Wisconsin has a procurement program that we leverage whenever we can because we definitely are able to get better pricing in that case. For example, the red, yellow, and green LED modules that you see in the traffic signals, those are bought off the state contract. And in some cases, because those are interoperable (which is kind of the exception in our world), we might get a Leotek unit that is the low-price state—on the state contract one year, and the next year, it might be GE. And as long as we've had good luck with both of those, you know, we're gonna go ahead and leverage that. The one—one really nice thing too about the state is, is that they have very stringent requirements of who can be on the—you know, who can who can be on those lists. And so, it's not just anybody can show up with some relatively poor equipment, and, you know, we're comparing apples and oranges. But yeah, I mean, we leverage that whenever we can, for sure.

Alderson Sheri Hartzheim (District 13) 17:13

But not all things are purchased through that, am I correct?

Eric Lom (City Traffic Engineer) 17:17

Correct. There's a there's a multitude of examples. And the easiest one is—let me think of a good one. So, for our pedestrian accessible push buttons, you'll see those listed there under, I think about two thirds of the way down in the left column, we are specifying Polara. If we can find those on the state contract, we will buy them off of the state contract. But what we can't really do and still continue to be efficient, is go out and buy Polara one day and then go out and buy Bulldog the next day and whatever these brands are, because it all has to interoperate. It all has to feed back into our control system. So, we have to be cautious about that, too.

Alderson Katie Van Zeeland (District 5) 17:30

So just to clarify, the items that are not brand specific, you are looking to see if those are available on the government website, except for this situation with the manufacturer.

Eric Lom (City Traffic Engineer) 18:27

Always. I mean, as much as—you know, our budget is modest, and for every dollar that we can save by getting something off the state contract or by being able to do competitive pricing, we're always extremely interested in doing it because it allows us to do more with the same amount of money.

Alderson Katie Van Zeeland (District 5) 18:52

Are there any items on this list where you can choose different brands that you've decided not to look and see if it's on the government contract option?

Eric Lom (City Traffic Engineer) 19:07

We look to the government—we will look to the state procurement contract for everything.

Aldersperson Katie Van Zeeland (District 5) 19:10

Okay. That's what I thought you were saying. But I just wanted to make sure.

Eric Lom (City Traffic Engineer) 19:14

To be clear, they don't have everything.

Aldersperson Katie Van Zeeland (District 5) 19:16

Yes.

Eric Lom (City Traffic Engineer) 19:16

But we all—that is our first order of business is to make sure, because it's actually easier for us—

Aldersperson Katie Van Zeeland (District 5) 19:22

When you didn't say "Yes," I had—felt like I had to ask a follow up.

Eric Lom (City Traffic Engineer) 19:26

Because that's considered a competitive bid process at that point. So, it saves us a lot of staff time having to go out and do that all ourselves.

Aldersperson Katie Van Zeeland (District 5) 19:33

Okay, great. Does that answer your question?

Aldersperson Sheri Hartzheim (District 13) 19:35

Yes. Thank you.

Aldersperson Katie Van Zeeland (District 5) 19:36

Great. Anyone else? Hearing none, we'll vote. All those in favor say aye.

Alderspersons Siebers, Meltzer, Van Zeeland, Alfheim, and Doran 19:42

Aye.

Aldersperson Katie Van Zeeland (District 5) 19:43

Any opposed? That motion passes five zero.