



DATE: October 14, 2009
TO: Honorable Mayor and City Councilmembers
FROM: Water Utilities Department
SUBJECT: **ANNUAL PURCHASE ORDERS OVER \$50,000**

SYNOPSIS

Staff recommends that the City Council approve annual purchase orders for the purchase of equipment, supplies, materials and services in amounts over \$50,000 from various Water Utilities Department funds; and authorize the Financial Services Director, or designee, to execute the annual purchase orders.

BACKGROUND

Each fiscal year, the City's Water Utilities staff estimates the quantity of special equipment, supplies and materials that will be needed for water and sewer systems maintenance and operation during the next twelve months and submits requisitions for purchase orders for the required supplies. Staff obtains three bids, unless the purchase is a sole-source item. The vendor or supplier is selected on the criteria of best product for the needed purpose at the lowest price. The process is the same for single-item purchases.

ANALYSIS

Staff is requesting approval of open purchase orders based on our estimate of annual purchases and inventory replenishment for the fiscal year. The commodity nature of the supplies, materials and services purchased result in homogenous pricing across vendors. The requested vendors provide reliable service and a delivery schedule that is compatible with our requirements. Due to the number of purchases made throughout the year, we feel that open purchase orders will allow us the flexibility to more efficiently maintain the high rate of service we provide. Staff is requesting approval for the following purchase orders:

Vendor	Supplies/Services	Sole Source/ Competitive Bid	Account Number	Requested P.O.Total
Bay City Electric	Generator inspection & planned maintenance	Competitive Bid	800803721.5320 & 750756711.5320	75,673.00
El Camino Rental	Rental of Bobcat skidsteer, dump truck, roller, trailer, etc.	Competitive Bid	750751711.5335	65,000.00
Ferguson*	PVC pipe, specialty fire hydrants & equipment	Competitive Bid	1711.1300.0001	75,000.00
HD Supply	Fire hydrants, gate valves & service line materials	Competitive Bid	1711.1300.0001	250,000.00
T.S. Industrial Supply	Socket & pipe wrenches, shut-off tools, etc.	Competitive Bid	750756711.5320	70,000.00
			TOTAL:	\$535,673.00

Bid Item	Vendors	Bid
Generator inspection & planned maintenance	Bay City Electric	\$75,673.00
	Hawthorne Power Systems	\$83,960.00

Two bids were obtained for the above item because only two companies in the area provide this service for the type of generators used by Water Utilities.

Bid item	Vendors		
	El Camino Rental	Gorilla Equipment Rentals	No other local rental company
Bobcat skidsteer	\$148.50/day	No bid	
Bobcat sweeper attachment	\$112.50/day	No bid	
Dump truck	\$202.50/day	\$210/day	
3-5 ton roller	\$153/day	\$140/day	
Trailer	\$31.50/day	\$35/day	

Bid item	HD Supply Water Works	Ferguson*	Pacific Pipeline Supply
Fire hydrant	\$1,233	\$1,324	Did not respond
¾-inch ball valve	\$36.20	\$54.25	
6-inch Romac dresser	\$279.17	\$179.28	
20 ft PVC pipe	Did not bid	\$5.50/foot	
6-inch gate valve	\$478.19	\$521.53	
1-inch JE-1500 Corp	\$16.81	\$33.75	
¾-inch anglestop	\$20.17	\$26.50	
8-inch tee flange	\$219.23	\$243.59	

Bid item	Vendors		
	T.S. Industrial Supply	Grainger	Tifco Industries
¾-inch socket	\$310.05	No bid	Did not respond
½-inch impact wrench	\$141.70	\$252.45	
½-inch shut-off tool	\$253.25	No bid	

*An annual purchase order for Ferguson is being requested although the company was not the low bidder on the requested items because Ferguson provides specialty fire hydrant and other equipment not available from other vendors.

FISCAL IMPACT

In the adopted budget for FY 2009-2010, City Council approved an amount of \$7,562,199 for water and wastewater expenditures for inventory replenishment, chemicals, equipment, small tools, machinery, uniforms, supplies, and services. There are budgeted funds for the requested purchases.

COMMISSION OR COMMITTEE REPORT

Does not apply.

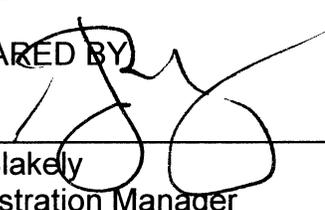
CITY ATTORNEY'S ANALYSIS

Purchases must comply with bid requirements set forth in Chapter 28A of the City Code. Professional service agreements must be reviewed by the City Attorney and approved as to form.

RECOMMENDATIONS

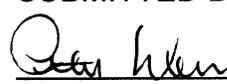
Staff recommends that the City Council approve annual purchase orders for the purchase of equipment, supplies, materials and services in amounts over \$50,000 from various Water Utilities Department funds; and authorize the Financial Services Director, or designee, to execute the annual purchase orders.

PREPARED BY:



 Greg Blakely
 Administration Manager

SUBMITTED BY:



 Peter A. Weiss
 City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Lonnie Thibodeaux, Water Utilities Director

Teri Ferro, Financial Services Director

