

# STAFF REPORT



# ITEM NO. 14

## CITY OF OCEANSIDE

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DATE: July 12, 2006

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **APPROVAL OF ANNUAL PURCHASE ORDERS FOR EQUIPMENT, SUPPLIES, MATERIALS AND SERVICES IN AMOUNTS OVER \$50,000 FOR FISCAL YEAR 2006-07**

### **SYNOPSIS**

Staff recommends that the City Council approve the annual purchase orders for equipment, supplies, materials and services in amounts over \$50,000 for FY 2006-07 for routine and recurring maintenance, repairs and operations from various Public Works Department funds, and authorize the Financial Services Director, or designee, to execute the annual purchase orders.

### **BACKGROUND**

Each fiscal year, the Public Works Department estimates the quantity of special equipment, supplies, materials and services that will be needed in the course of implementing its programs. Each program submits its estimated annual requirements and staff combines the lists of requirements in order to monitor the amounts spent with each vendor. As it becomes necessary to purchase material or have outside vendors work on individual projects, staff will procure three verbal quotes on any purchase over \$2,500 and written bids on purchases over \$10,000.

In FY 2005-06, supplies and services were purchased from a total of 600 different vendors, with the Maintenance and General Services Divisions purchasing the largest variety of materials. Over 10,000 individual invoices are processed each year in Public Works. In addition to the purchase orders for goods and services, others are issued on a project-by-project basis for Capital Improvement Projects or on a contractual basis for consultant services.

### **ANALYSIS**

Using historical data and projections, the Public Works Department analyzes the purchasing needs of all of its programs and divides the resulting list into three parts. When the annual expected purchases are less than \$25,000, the Department Director is authorized to approve the purchase orders; when the estimated purchases are between

\$25,000 and \$50,000, the City Manager is authorized to approve the purchase orders. City Council is requested to approve all purchase orders in excess of \$50,000. The attached Exhibit A lists the specific requested purchase orders and provides information as to why these vendors have been chosen.

**FISCAL IMPACT**

The adopted operating budget for each Public Works Department program includes funds for the purchase of equipment, supplies, materials and services to support the day-to-day operations of the department. Purchase orders are not issued for more than the amounts budgeted.

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

City Attorney analysis does not apply.

**RECOMMENDATION**

Staff recommends that the City Council approve the annual purchase orders for equipment, supplies, materials and services in amounts over \$50,000 for FY 2006-07 for routine and recurring maintenance, repairs and operations from various Public Works Department funds, and authorize the Financial Services Director, or designee, to execute the annual purchase orders.

PREPARED BY:



Peter Weiss  
Public Works Director

SUBMITTED BY:



Barry E. Martin  
Interim City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Assistant to the City Manager

Nita McKay, Financial Services Director



Exhibit A

**Exhibit A****Public Works Department  
Summary of Requested Annual Purchase Orders Over \$50,000**

<b>Vendor</b>	<b>Program</b>	<b>Supplies/Services</b>	<b>Program Expenditure</b>
Dapper Tire San Diego	Fleet Program	Tires	\$80,000
Plavan Petroleum, Inc Escondido	Fleet Program	Bulk fuel / Petroleum Products	\$860,000
Plavan Fleet Escondido			\$90,000
Greco-Roman, Inc. Dbn Trinity Oil (was Seller's Petroleum) Yuma			\$65,000
Townsend Lincoln Mercury Carlsbad	Fleet Program	Repairs, Parts & Service, Paint & Body Work	\$90,000
John Weber Construction Landscape, Inc (A subsidiary of California Tree Service) San Marcos	Street & Median Maintenance Program	Tree Trimming/ Removal/Stump Grinding	\$90,000
Hydro Scape Products Carlsbad	Parks Maintenance	Irrigation Supplies/Controllers	\$50,000
York International City of Industry	Maintenance Programs	HVAC Repairs	\$65,000
Air Petro Corp Lancaster	Airport	Fuel	\$125,000
King Masonry Vista	Parks Maintenance; Street & Median Maintenance	Small concrete projects	\$90,000

## Exhibit A

Phillips / Abbey Carpet Oceanside	Maintenance Programs	Carpet Replacement	\$50,000
Target Specialty Products San Marcos	Parks Maintenance; Flood Control; Street & Median Maintenance	Landscape supplies – seed, fertilizer, etc.	\$65,000
California Commercial Asphalt San Marcos	Street & Median Maintenance; Parks Maintenance	Asphalt & Paving Products	\$264,000
Rancho Del Oro Landscape Oceanside	Property Management, Street & Median Maintenance, Flood Control, Parks Maintenance, 2 LMADs	Supplemental Landscaping – trimming, weeding, irrigation repair	\$231,000
Waxie Sanitary Supplies San Diego	All Maint. Programs	Janitorial Supplies	\$75,000

## Exhibit A

### Public Works Purchase Order Details:

**Vendor:** Dapper Tire

**Materials and/or Supplies to be Purchased:** Tires

**Amount of Purchase Order:** \$80,000

**Identified Program:** Fleet

**Selection Process/Reason for Selection:** Goodyear dealer holding the State contract. This vendor specializes in car and light truck tires; tires for large trucks and machinery are purchased from other vendors.

**Vendors:** Plavan Fleet; Plavan Petroleum, Inc; Greco-Roman, Inc.

**Materials and/or Supplies to be Purchased:** Bulk Fuel, Oil and Products

**Amount of Purchase Order:** Combined purchases not to exceed \$1,015,000

**Program:** Fleet

**Selection Process/Reason for Selection:** Due to the volatility of fuel prices, bids are obtained from each vendor prior to orders being placed. Purchases are based on the daily lowest price and best delivery schedule. A recent consolidation in the industry has left the City with few choices of vendors.

**Vendor:** Townsend Lincoln Mercury

**Materials and/or Supplies to be Purchased:** Repairs, parts, body work and service

**Amount of Purchase Order:** \$90,000

**Programs:** Fleet

**Selection Process/Reason for Selection:** One of several suppliers of automotive parts. Best availability, delivery and service on Ford parts. Other supplier, Ken Grody Ford is also used extensively. Vendor is also used for paint and body work.

## Exhibit A

**Vendor:** John Weber Construction Landscape, Inc

**Materials and/or Supplies to be Purchased:** Tree trimming and removal

**Amount of Purchase Order:** \$90,000

**Program:** Street Tree Maintenance and CIP Tree Trimming Program

**Selection Process/Reason for Selection:** Lowest reliable bidder in open bid process. An existing contract for \$67,000 was approved by Council on May 18, 2005 and included a written agreement to perform extra work at contract prices. Extra work - tree removal, stump grinding, emergency services – is projected at \$76,000 across different business units.

**Vendor:** HydroScape Products

**Materials and/or Supplies to be Purchased:** Irrigation supplies and controllers

**Amount of Purchase Order:** \$50,000

**Programs:** Parks Maintenance

**Selection Process/Reason for Selection:** An Oceanside company with exceptional service and a comprehensive inventory. The majority of the purchases are for small, necessary irrigation parts, with an average invoice of \$1,300.

**Vendor:** Target Specialty Products

**Materials and/or Supplies to be Purchased:** Grass seed, fertilizers and soil enhancers to soccer fields.

**Amount of Purchase Order:** \$65,000

**Programs:** Parks Maintenance; Flood Control; Street & Median Maintenance

**Selection Process/Reason for Selection:** Competitive pricing. Excellent service. Price comparisons are obtained before purchases are made.

## Exhibit A

**Vendor:** Rancho Del Oro Landscape

**Materials and/or Supplies to be Purchased:** Supplemental landscape services

**Amount of Purchase Order:** \$231,000

**Programs:** Property Management, Street & Median Maintenance, Parks Maintenance;  
two Landscape Maintenance Districts

**Selection Process/Reason for Selection:** Oceanside company providing excellent service at competitive prices for all programs. This company is used for supplemental work that the regular contractors are unable to perform.

**Vendor:** Waxie Sanitary Supplies

**Materials and/or Supplies to be Purchased:** Janitorial Supplies

**Amount of Purchase Order:** \$75,000

**Program:** Maintenance Programs

**Selection Process/Reason for Selection:** Lowest responsible bidder in open bid process to provide supplies to City.

**Vendor:** York International

**Materials and/or Supplies to be Purchased:** HVAC Repairs

**Amount of Purchase Order:** \$65,000

**Program:** Maintenance Programs

**Selection Process/Reason for Selection:** Lowest responsible bidder in open bid process to provide service to chiller system for Civic Center.

**Vendor:** Air Petro Corp

**Materials and/or Supplies to be Purchased:** Aviation fuel

**Amount of Purchase Order:** \$125,000

**Program:** Airport

**Selection Process/Reason for Selection:** Sole source for aviation fuel.

## Exhibit A

**Vendor:** King Masonry

**Materials and/or Supplies to be Purchased:** Small concrete projects

**Amount of Purchase Order:** \$90,000

**Program:** Parks Maintenance; Street & Median Maintenance

**Selection Process/Reason for Selection:** A local vendor with a history in the City of doing excellent work at competitive prices and within time constraints given. Verbal quotes are received from two other vendors prior to work being assigned to this vendor.

**Vendor:** Phillips/Abbey Carpet

**Materials and/or Supplies to be Purchased:** Carpet

**Amount of Purchase Order:** \$50,000

**Program:** Maintenance Programs

**Selection Process/Reason for Selection:** Competitive prices, good quality work. Vendor supplies the same dye lot as other City-installed carpet.

**Vendor:** California Commercial Asphalt

**Materials and/or Supplies to be Purchased:** Asphalt and paving products

**Amount of Purchase Order:** \$264,000

**Program:** Street & Median Maintenance; Parks Maintenance

**Selection Process/Reason for Selection:** Sole source.