

STAFF REPORT



ITEM NO. 6
CITY OF OCEANSIDE

DATE: August 1, 2007

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 2007-08**

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 2007-08 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 business unit/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 2006-07, 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 2007-08 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:



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SUBMITTED BY:



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REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Paul Bussey, Interim Financial Services Director



Exhibit A

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

Vendor	Program	Supplies/Services	Program Expenditure
Dapper Tire San Diego	Fleet Program	Tires	\$80,000
Plavan Petroleum, Inc Escondido	Fleet Program	Bulk fuel / Petroleum Products	\$1,025,000
Plavan Fleet Escondido			\$72,555
John Weber Construction Landscape, Inc (A subsidiary of California Tree Service) San Marcos	Street & Median Maintenance Program	Tree Trimming/ Removal/Stump Grinding	\$108,000
Hydro Scape Products Carlsbad	Parks Maintenance	Irrigation Supplies/Controllers	\$60,000
Air Petro Corp Lancaster	Airport	Fuel	\$150,000
California Commercial Asphalt San Marcos	Street & Median Maintenance	Asphalt & Paving Products	\$225,000
TruGreen Landcare	Parks Maintenance	Supplemental landscaping – trimming, weeding, irrigation repair	\$60,000
Rancho Del Oro Landscape Oceanside	Parks Maintenance,	Supplemental Landscaping – trimming, weeding, irrigation repair	\$130,000

Exhibit A

Rancho Del Oro Landscape Oceanside	Airport, Silica Sand facility	Landscaping – trimming, weeding, irrigation repair	\$62,000
Jani-Tech San Diego	All Maint. Programs	Janitorial Work	\$75,000
Ken Grody Carlsbad	Fleet Program	Supplies auto parts and contracts for repairs that are not done in house.	\$117,500
C.W. Doherty Concrete	Street & Median Maintenance; Flood Control; Solid Waste	Construction company available for emergency work.	\$65,000
BMW Motorcycles of North County Oceanside	Fleet Program	Motorcycle repairs for Police Department	\$66,000
Napa Auto Parts Oceanside	Fleet Program	Auto parts	\$55,000
Executive Landscape	LMADs	Extra Landscape Work	\$237,643

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

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

Amount of Purchase Order: Combined purchases not to exceed \$1,097,555

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: John Weber Construction Landscape, Inc

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

Amount of Purchase Order: \$108,000

Program: Street and Median Maintenance

Selection Process/Reason for Selection: One of several companies used for tree removals, stump grinding, and emergency services related to landscaping. The parent company is California Tree Services which was recently awarded a two year, \$143,487 contract for tree trimming.

Exhibit A

Vendor: HydroScape Products

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

Amount of Purchase Order: \$60,000

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 \$1,150.

Vendor: Air Petro Corp

Materials and/or Supplies to be Purchased: Aviation fuel

Amount of Purchase Order: \$150,000

Program: Airport

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

Vendor: California Commercial Asphalt

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

Amount of Purchase Order: \$225,000

Program: Street & Median Maintenance

Selection Process/Reason for Selection: Sole source.

Vendor: TruGreen Landcare

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

Amount of Purchase Order: \$60,000

Programs: Parks Maintenance

Selection Process/Reason for Selection: Awarded the maintenance contract for Parks Maintenance through 4/30/09. This extra purchase order will be used for supplemental work and emergency work.

Exhibit A

Vendor: Rancho Del Oro Landscape

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

Amount of Purchase Order: \$130,000

Programs: Parks Maintenance

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

Vendor: Rancho Del Oro Landscape

Materials and/or Supplies to be Purchased: Landscape Services

Amount of Purchase Order: \$62,000

Program: Airport; Silica Sand CIP Project

Selection Process/Reason for Selection: Oceanside company providing excellent services at competitive prices for all programs.

Vendor: Jani-Tech

Materials and/or Supplies to be Purchased: Janitorial Support

Amount of Purchase Order: \$75,000

Program: Maintenance Programs

Selection Process/Reason for Selection: Supplemental janitorial services.

Vendor: Ken Grody of Carlsbad

Materials and/or Supplies to be Purchased: Vehicle parts and repairs

Amount of Purchase Order: \$117,500

Program: Fleet Program

Selection Process/Reason for Selection: Local vendor with inventory and repair expertise for fleet vehicles that cannot be repaired in-house.