

STAFF REPORT



ITEM NO. 6 CITY OF OCEANSIDE

DATE: August 15, 2007
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	Requested Purchase Order Total
Abcana Industries	Sodium hypochlorite	131,558.24
Ashland Specialty Chemical	Polymer digester, sludge dewatering	67,500.00
Aqua Metric Sales Co.	Water meters & parts	325,000.00
Basic Chemical Solutions, LLC	Sodium hypochlorite & hydroxide	52,297.54

Vendor	Supplies/Services	Requested Purchase Order Total
Chem-Tech	Wet well deodorizer	84,484.62
Chem-Tech	Lift station odor control	77,230.89
HD Supply Waterworks, Inc.	Miscellaneous water fittings & parts	250,000
Integrity Municipal Services	Odor scrubbers, acid washes, & maintenance	76,368.00
Miles Chemical Company	Ferric chloride	204,455.63
Polydyne, Inc	Polymers	268,653.08
Siemens Water Technologies	Bioxide	391,752.52
T.S. Industrial	Miscellaneous water equipment & parts	70,000.00
US Peroxide, LLC	Ferrous chloride	123,740.10
US Peroxide, LLC	Hydrogen peroxide	465,929.86
	TOTAL:	2,588,970.48

FISCAL IMPACT

In the adopted budget for FY 2007-2008, City Council approved \$8,011,339 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.

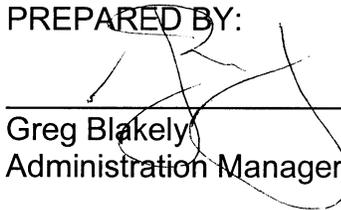
CITY ATTORNEY'S ANALYSIS

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

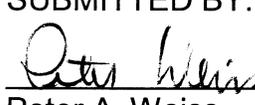
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