ITEM NO. 9

STAFF REPORT

CITY OF OCEANSIDE

DATE: August 19, 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 Purchase Order Total
Ashland Water Technologies	Polymer for sludge dewatering	Competitive Bid	800804721.5355. 100440	74,764.49
Aqua-Metric Sales Co.	Water meters & parts	Competitive Bid	1711.1300.0001	325,000.00
Brenntag Pacific	Calcium hypochlorite	Competitive Bid	800804721.5355. 100440	76,864.50
Brenntag Pacific	Sodium hypochlorite	Competitive Bid	800803721.5355. 100440	116,041.00
Brenntag Pacific	Sodium hypochlorite, hydrochloric acid, & sodium hydroxide	Competitive Bid	750755711.5355. 100440	$184,000.00
Brenntag Pacific	Sodium hypochlorite, sulfuric acid, & sodium hydroxide	Competitive Bid	750754711.5355. 100400	306,000
Chem-Tech Corporation	Wet well degreaser	Competitive Bid	800803721.5355. 100440	76,610.25
JCI Jones Chemicals	Chlorine	Competitive Bid	750754711.5355. 100400	70,000.00
Miles Chemical Company	Ferric chloride	Competitive Bid	800805721.5355. 100440	244,884.00
Olin Chlor Alkali Products	Sodium hypochlorite	Competitive Bid	800805721.5355. 100440 & 800804721.5335. 100440	136,307.00
Polydyne Inc.	Polymer	Competitive Bid	800805721.5355. 100440	261,379.95
Sancon Engineering	Slip-line sewerlines	Competitive Bid	909978000722. 5703	350,000.00
Siemens Water Technologies	Bioxide	Sole Source	800805721.5355. 100440 & 800803721.5355. 100440	326,417.85
US Peroxide	Hydrogen peroxide	Competitive Bid	800805721.5355. 100440 & 800804721.5355. 100440	385,497.18
US Peroxide	Ferrous chloride	Competitive Bid	800803721.5355. 100440	85,503.60
	TOTAL:			$3,019,269.82

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:

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