

# STAFF REPORT



ITEM NO. 6  
CITY OF OCEANSIDE

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DATE: September 10, 2008  
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 Specialty Chemical	Polymer for sludge dewatering	Competitive Bid	666930.5223	74,616.60
Aqua-Metric Sales Co.	Water meters & parts	Competitive Bid	666740.5214 & 711.1200.12501	375,000.00
Basic Chemical Solutions	Sodium hypochlorite & sodium hydroxide	Competitive Bid	666910.5223	78,052.55
Bay City Electric Works	Generator maintenance	Competitive Bid	666910.5214	52,892.55
Brenntag Pacific	Aluminum sulfate, sodium hypochlorite, sodium hydroxide	Competitive Bid	6666720.5223	335,000.00
Brenntag Pacific	Hydrochloric acid, sodium hypochlorite, sodium hydroxide	Competitive Bid	666725.5223	204,900.00
Chem-Tech Corporation	Wet well degreaser	Competitive Bid	666910.5223	77,230.89
Chem-Tech Corporation	Wet well deodorizer	Competitive Bid	666910.5223	84,484.62
Chem-Tech Corporation	Calcium hypochlorite, muriatic acid, degreasers, deodorants	Sole source	666930.5223	24,000.00
Chem-Tech Corporation	Odor scrubber equipment	Sole source	666930.5223	45,000.00
Integrity Municipal Services	Odor scrubber maintenance	Competitive Bid	666910.5214	73,800.00
Miles Chemical Company	Ferric chloride	Competitive Bid	666940.5223	219,024.00
Olin Chlor Alkali Products	Sodium hypochlorite	Competitive Bid	666930.5223 & 666940.5223	171,944.69
Polydyne Inc.	Polymer	Competitive Bid	666940.5223	240,040.06
Siemens Water Technologies	Bioxide	Sole Source	666940.5223 & 666910.5223	381,311.00
US Peroxide	Hydrogen peroxide	Competitive Bid	666930.5223 & 666940.5223	414,481.93
US Peroxide	Ferrous chloride	Competitive Bid	666910.5223	84,476.00
TOTAL:				\$2,936,254.89

### **FISCAL IMPACT**

In the adopted budget for FY 2008-2009, City Council approved an amount of \$8,874,841 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.

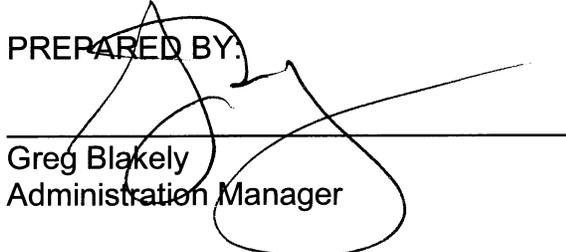
**CITY ATTORNEY'S ANALYSIS**

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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Greg Blakely  
Administration Manager

SUBMITTED BY:

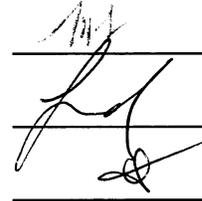
  
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Peter A. Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Lonnie Thibodeaux, Water Utilities Director

Teri Ferro, Financial Services Director

  
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