

# STAFF REPORT



# ITEM NO. 5 CITY OF OCEANSIDE

DATE: August 21, 2013  
TO: Honorable Mayor and City Councilmembers  
FROM: Water Utilities Department  
SUBJECT: **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**

On June 5, 2013, Council approved annual purchase orders for the Water Utilities Department. Subsequently, staff requested additional goods and services, or increased amounts to the approved purchase orders. 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 issued Requests for Proposals (RFPs) for these items to ensure the widest possible vendor audience was reached. Proposals were reviewed and a vendor or supplier selected on the criteria of best product or service provided for the needed purpose at the lowest price. Past performance and vendor reference checks were also considered in the case of items with multiple proposals at approximately the same overall cost.

## **ANALYSIS**

Staff is requesting approval of open purchase orders based on the 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, staff believes 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 as outlined in Table 1 below.

Table 1

Vendor	Supplies/Services	Procurement Method	Account Number	Requested P.O. Total
Ayala Engineering	I&I Pressure Grouting and Epoxy Coating Services, emergency and routine repairs.	Competitive Bid (pricing hold over from FY12-13)	800803721.5320	\$60,000
C.W. Doherty Concrete	As-needed concrete work	Competitive Bid (conducted by Public Works)	800800721.5320 800803721.5320 750756711.5320	\$90,000
Electrical Sales, Inc.	Electrical Panels and supplies	Cooperative Purchase (City of Escondido)	800800721.5320 800804721.5320 800805721.5320 750754721.5320 750755721.5320	\$120,000
TS Industrial	Tools & Supplies	Competitive Bid	800803721.5355 800800721.5320 800800721.5355	\$30,000 \$22,000
			<b>TOTAL:</b>	<b>\$322,000</b>

As noted above, Requests for Proposals were issued for the materials and services indicated. Proposals were received and reviewed by staff, and the proposals which best met the Department's needs for the items indicated are being recommended for purchase orders. Additionally, Electrical Sales, Inc. has a purchase agreement with the City of Escondido, as well as several school districts and Cal State San Marcos, and staff is recommending using the Escondido agreement under the provisions of 28A.24(b) of the Oceanside City Code, allowing cooperative purchasing.

The services provided by Ayala Engineering and C.W. Doherty Concrete will be performed within City properties, and therefore require a professional services agreement (PSA). No work will be performed under these purchase orders until a properly executed PSA is signed by both the Contractor and the City.

**FISCAL IMPACT**

The net impact of encumbering these funds in FY 2013-14 will be \$322,000. The Department has budgeted sufficient funds to cover these purchases in the accounts listed in Table 1.

**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.

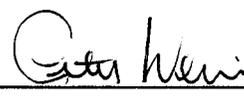
**RECOMMENDATIONS**

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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Water Utilities Division Manager

SUBMITTED BY:

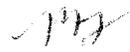
  
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Peter Weiss  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Cari Dale, Water Utilities Director

Michael Blazenski, Interim Financial Services Director

  
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