



DATE: June 24, 2015
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 for FY 2015-16 from various Water Utilities Department funds for a total of \$2,600,000; 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 12 months and submits requisitions for purchase orders for the required supplies. Cooperative Purchasing (Piggy Backing) was used to the maximum extent possible. In some cases, 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 quality of service we provide. Staff is requesting approval for the following purchase orders as outlined in Exhibit A.

The majority of the items above that were bid by Water Utilities were bid for the 2013-2014 fiscal year, and allowed for a second and/or third year with the same terms and conditions. Generator maintenance will be provided by Bay City Electric Works, using a competitively bid agreement from the City of Vista; Uniform and Mat Service through Cintas Corporation is a US Communities Contract; Grainger has an existing competitively bid purchase agreement through the Western States Contracting Alliance (WSCA) (JPA); HACH Company has a Federal GSA contract; One Source Distributors was competitively bid by the Imperial Irrigation District; and Oceanside Public Works; and HD Supply Water Works was competitively bid by the City of Corona. Staff is recommending using these agreements under the provisions of 28A.24 (b) of the Oceanside City Code, allowing cooperative purchasing.

The services provided by Ayala Engineering, Rancho Del Oro Landscape, Cintas Corporation, Doherty Concrete, Golden State Industrial Coatings, Hidden Valley Pump Systems, and Bay City Electric Works 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.

Annual Purchases for chemicals will come forward for Council consideration under a separate action.

FISCAL IMPACT

The net impact of encumbering these funds in FY 15-16 will be \$2,600,000. In anticipation of these purchases, the Department has budgeted sufficient funds to cover these purchases in the budget approved by Council on June 3, 2015.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission received an update at its regularly scheduled meeting on June 16, 2015.

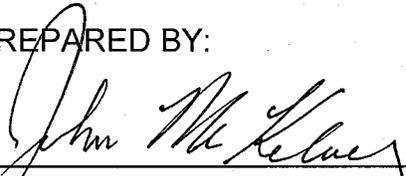
CITY ATTORNEY'S ANALYSIS

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

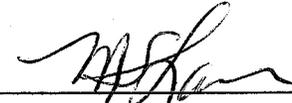
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PREPARED BY:



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SUBMITTED BY:



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Interim City Manager

REVIEWED BY:

Peter Weiss, Assistant City Manager



Jason Dafforn, Interim Water Utilities Director



Jane M. McPherson, Interim Financial Services Director



Exhibit A: Summary of Requested Annual Purchase Orders

Exhibit A

Vendor	Supplies/Services	Procurement Method	Program	Requested P.O. Total
Aqua-Metric	Water Meters	Competitive Bid	Meter Services	\$400,000
Armorcast Products	Water Meter Boxes	Sole Source ⁱ	Meter Services	\$60,000
Ayala Engineering	Infiltration & Intrusion Pressure Grouting and Epoxy Coating Services	Competitive Bid	Miscellaneous Sewer Projects Sewer Collections	\$130,000
Bay City Electric Works	Generator Maintenance	Cooperative Purchase (City of Vista)	Water and Sewer Facilities Maintenance	\$65,000
Cintas Corporation	Uniform & Towel Service	Cooperative Purchase (US Communities)	All programs except clean water and solid waste admin	\$75,000
Doherty Concrete	As-needed Concrete Repairs	Competitive Bid (Public Works)	Water Maintenance Sewer Collections Misc Water and Sewer Projects	\$150,000
Downstream Services	Flow meter maintenance	Sole Source ⁱⁱ	San Luis Rey WWTP	\$25,000
El Camino Rentals	Equipment Rental	Sole Source ⁱⁱⁱ	Water Treatment Plants Wastewater Treatment Plants Water Maintenance Facilities Maintenance	\$125,000
One Source	Electrical Parts and Supplies	Cooperative Purchase (Imperial Irrigation District; Oceanside Public Works)	Water and Sewer Facilities Maintenance	\$155,000
Golden State Industrial Coatings	Facilities and Appurtenance Painting Services	Competitive Bid	Misc Sewer Projects	\$150,000
Grainger	Facility Maintenance, Repair and Operations	Cooperative Purchase (WSCA)	Water Treatment Plants Sewer Treatment Plants Water Maintenance Sewer Collections Water and Sewer Facilities Maintenance	\$275,000

Vendor	Supplies/Services	Procurement Method	Program	Requested P.O. Total
Hach Company	Scientific and Telemetry Equipment and Supplies	Cooperative Purchase (Federal GSA)	All programs except sewer collections, water and sewer admin and solid waste	\$75,000
HD Supply Waterworks	Fire hydrants, gate valves & service line materials, spare parts for meter services Water Distribution Hardware and Fixtures	Cooperative Purchase (City of Corona)	Water Distribution Water Maintenance Meter Services	\$230,000
Hidden Valley Pump Systems, Inc.	Subterranean Pump and Motor Repair	Sole Source ^{iv}	Mission Basin Desalting Facility	\$50,000
Latest Concepts and Design	Specialty Fabrication and Supplies	Sole Source ^v	Water and Sewer Facilities Maintenance	\$110,000
Rancho Del Oro Landscape	Facility Landscape Services	Competitive Bid (Public Works)	Water Treatment Plants Wastewater Treatment Plants Water Distribution Sewer Collections	\$175,000
Sloan Electromechanical Service and Repair	Pump and Motor Repair Services	Competitive Bid	Sewer Facilities Maintenance Water Facilities Maintenance	\$300,000
Viking Electric	As needed electrical repair services	Competitive Bid	Misc. Water and Sewer Projects	\$50,000
			TOTAL:	\$2,600,000

ⁱ Armorcast is the only manufacturer of meter boxes/lids specified by the Department. Purchasing direct from manufacturer lowers cost to Department.

ⁱⁱ Downstream is the only company who was willing to bid on this job, due to the specialized nature of the work. The cumulative amount spent by Department with this vendor necessitates Council approval.

ⁱⁱⁱ EL Camino Rentals is the only local yard that is able to provide the wide variety of equipment needed by the Department on short notice, and is also the only local yard that will provide after hours access to staff, which is imperative during a water main break or sanitary sewer spill.

^{iv} Hidden Valley Pump Systems is the only local vendor able and willing to work on subterranean pumps and motors, as exist at the Mission Basin Desalting Facility. When these units go out of service due to a malfunction, the Department must purchase additional water from the County Water Authority, at a cost of approximately \$25,000 a month over the cost of pumping and treating groundwater locally.

^v Custom fabrication of parts, screws, impellers and other items vital to maintenance of Department assets. Allows for repair, rather than replacement in some cases when custom fabrication is available.