



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: January 24, 2007

Approved

Ray Wines

Date

1/25/07

**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2006-2007 #16**

RECOMMENDATION

Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2006-2007 #16 and authorization for the Director of Finance to execute the purchase orders.

OUTCOME

To provide goods and services, which support the operational objectives of City Departments, through a competitive process.

BACKGROUND

This standard memorandum is provided as a cover sheet to an attached list of requests received by the Purchasing Division for open purchase orders. This list indicates the most current requests submitted by various City departments for the establishment of open purchase orders or an increase in the amount of an existing open purchase order for supplies, materials, equipment and services for Fiscal Year 2006-2007. Open purchase orders are used when the amount or nature of the items or services is estimated or when it is necessary that the place from which the items or services are purchased is strategically located.

Pursuant to Sections 4.12.135, 4.12.146 and 4.13.040 of the Municipal Code, competitive quotes or proposals are obtained whenever practicable on all items or services with a payment amount exceeding Five Thousand Dollars (\$5,000). Unless otherwise noted, most advantageous price quotations were used to establish all open purchase orders on the attached list. Formal bidding is not required to establish open purchase orders regardless of the total dollar amount; however, Purchasing does bid some items when feasible. Formal bids are noted on the attachment when applicable.

The attachment may also include open purchase orders for contracts subject to the Living Wage Policy adopted by the Council on November 17, 1998 and prevailing wage requirements. The Living Wage policy pertains to contracts exceeding \$20,000 and for designated service categories. The Policy also requires a review of the employee work environment (Third Tier Review). The attachment will indicate each purchase that is subject to the Living Wage and any additional information used by staff in making the recommendation.

ANALYSIS

All open purchase orders, which are expected to have a cumulative total of purchases exceeding \$100,000 during the fiscal year, are presented for Council approval. A list of the new or increased open purchase orders is attached. The attached list includes brief explanatory comments on the items and services.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

All purchase order requests, which require soliciting quotes or bids, are advertised on the City's Internet site.

This item does not meet any of the criteria listed below.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

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COORDINATION

Each purchase order request on the attached list has been coordinated with the City Attorney's Office and the requesting City department.

FISCAL/POLICY ALIGNMENT

This section is detailed in the attached Open Purchase Orders.

CEQA

See attachment for CEQA determinations.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.

Attachment

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Temporary Personnel Services of Call Center Specialists for the Department of Environmental Services	Trendtec San Jose, CA	\$400,000	\$0	2006-2007 Adopted Operating Budget Fund 423 (Integrated Waste Management) and Fund 515 (Water Utility Fund) Page VIII-38

This requirement has been coordinated with the Contracting-In office. The City currently contracts 9 temporary Call Center Specialists to accommodate higher than anticipated call volume due to the consolidation of the City's Call Centers through the implementation of the Integrated Billing System (IBS). The scope of work at the City's Call Center requires special skills and experience which is not currently available through the existing City Temp Pool. The prior Purchase Order, which was approved by Council on 8/29/06, item 2.8, is due to expire on 2/18/07. The new purchase order will cover services through September 30, 2007 for anticipated call volume increases associated with liens placed on properties because of unpaid utility bills (the liens will be processed with IBS for the first time), the Annexation Project, and Recycle Plus hauler transition. This need has been identified as a priority by the City Manager and is part of a larger initiative to reduce call wait times and abandoned calls due to long wait time. Office of Equality Assurance: Prevailing Wage and Living Wage do not apply. CEQA: N/A. Fiscal/Policy Alignment: We must focus on protecting our vital core City services. Desired Outcome: To continue to provide excellent customer service to our City residents.