



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: March 7, 2007

Approved

Ray Winer

Date

3/9/07

**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2006-2007 #19**

RECOMMENDATION

Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2006-2007 #19 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)**

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 Network Engineers, Network Technicians, Programmers and Senior Programmers for the Information Technology Department	Auriga Corporation, Milpitas, CA Kelly Services, San Jose, CA	\$122,700 \$39,300	\$0 \$0	2006-2007 Appropriation Ordinance General Fund Appropriation 0432 Page 1

Establish two open purchase orders for the temporary personnel services of Network Engineers, Network Technicians, Programmers and Senior Programmers for the City of San Jose IT Department. This requirement was competitively quoted with the goal of having a primary and a secondary vendor to fill all positions. The above vendors submitted the lowest quotes of eight received. On 12/12/2006, Council approved funding for four critical technology needs as identified by the interim Chief Information Officer (Item 3.6) to ensure enhanced citywide system functionality. The Council action included appropriation for personnel services to provide for temporary staffing to assist with the completion of these critical projects. Specifically, funding was approved for the stabilization of day to day operations totaling an estimated \$300,000 which includes the use of one-time contractual services as an interim solution. Currently, temporary agencies do not offer a variety of qualified temporary IT personnel. To ensure that the identified resources do not accept positions with other agencies or businesses, Finance issued purchase orders with both vendors within the City Manager's Contract Approval authority. Through the issuance of these purchase orders, temporary staffing is hired immediately to ensure that operational issues will not develop into major service delays, achieve implementation deadlines, and ensure completion of critical tasks. This item has been coordinated with the Contracting-In Committee. Office of Equality Assurance: Prevailing Wage and Living Wage do not apply. CEQA: Not a Project. 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.

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Reconfigurations and modifications of City Hall Furniture for the Department of General Services	Contract Office Group Milpitas, CA	\$90,000.00	\$90,000.00	Various Funds 2006-2007 Adopted Operating Budget
<p>Approve an additional amount of \$90,000.00 to the existing purchase order of \$90,000.00 for the design, purchase and delivery of Hayworth Modular Furniture for modifications, reconfigurations, and new furniture requests for City Hall. General Services facilitates the reconfiguration of furniture at City Hall and had expected the space reconfigurations to slow down following an initial adjustment period. However, over the last six months, City Hall tenants requested additional modifications to existing furniture configurations as departments adjust to existing space and modify operations. Significant examples include the PBCE move of their Call Center to the 2nd floor, modifications on the 17th and 18th floor for the Mayor's Office, and multiple modifications on the 4th and 13th floor for Finance. General Services anticipates the reconfiguration/modification service request levels to continue at this rate for the next 12 - 18 months as departments continue to look for ways to streamline operations to increase efficiency. This solicitation was awarded in August of 2006 as the result of a competitive solicitation process, Contract Office Group submitted the most advantageous quote which met or exceeded all specifications. This item has been coordinated with the Contracting-In office. OEA: Prevailing wage applies. CEQA: Not a project. Cost Implication: General Principles #2, "We must focus on protecting our vital core city services." Desired Outcome: Ongoing support of furniture request to City Hall tenants.</p>				
Food and Cooking Supplies for the Department of Recreation and Neighborhood Services	Sysco Food Services of San Francisco, Inc. Union City, CA	\$200,000	\$50,000	2006-2007 Operating Budget, Fund Appropriation Page
<p>Approve and encumbrance adjustment to the open purchase order # 37745 for the purchase of food, freezer items and cooking supplies for the Senior Nutrition Program. The encumbrance adjustment is required due to the increase in the number of meals being served in the City's nutrition sites and the increase in food costs and decrease in use of petty cash and procurement cards for such purchases. The pricing for this purchase order was obtained through a cooperative agreement with the County of Santa Clara Social Services Agency. Office of Equality Assurance: Prevailing Wage and Living Wage do not apply. CEQA: Not a Project. Fiscal/Policy Alignment: We must focus on protecting our vital core City services. Desired Outcome: To maintain the health of our elderly citizens by providing a hot meal program this neighborhood senior centers.</p>				