



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: July 19, 2006

Approved

Date

7/20/06

**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2006-2007 #3**

RECOMMENDATION

Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2006-2007 #3 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.

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Subject: Open Purchase Orders Report #3

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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 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
Sanitary Sewer Line Cleaning for the Department of Transportation.	JF Pacific Liners Inc Vacaville, CA	\$100,000	\$100,000	Sewer Service & Use Charge Fund 541 Appn 0512 2006-2007 Operating Budget, Page XI-72
<p>The approval of an additional encumbrance of \$100,000 to the existing purchase order # OP 37736 which provides all labor, material and equipment necessary for large sanitary and storm drain cleaning at various locations throughout the City. Due to a clerical error the Open Purchase Order was submitted to Council for approval on 6/27/06, Item 2.29 (c), for \$100,000 instead of \$200,000. This encumbrance adjustment will correct this error. Office of Equality Assurance: Prevailing Wage where Prevailing Wage higher. CEQA: Exempt PP05-008. Fiscal/Policy Alignment: We must focus on protecting our vital core City services. Desired Outcome: To ensure proper drainage, protect our watershed and prevent blockages that could cause localized flooding when it rains and/ or sanitary sewage spills.</p>				
Sidewalk Repair for the Department of Transportation	Valley Concrete & Redwood San Jose, CA	\$50,000	\$100,000	General Fund 001 Appn 3121 2006-2007 Operating Budget, Page IX-13
<p>The approval of an additional encumbrance of \$50,000 to the existing purchase order # OP 37731 which provides all labor, material and equipment necessary for sidewalk removal and replacement of privately maintained sidewalks. Due to a clerical error the OPO was submitted to Council for approval on 6/27/06, Item 2.29 (c), for \$100,000 instead of \$150,000. This encumbrance adjustment will correct this error. Office of Equality Assurance: Prevailing Wage and Living Wage do not apply, since this open purchase order is for privately maintained sidewalks. CEQA: Exempt PP 03-04-139. Fiscal/Policy Alignment: We must focus on protecting our vital core City services. Desired Outcome: These services are provided to property owners participating in the City-wide Sidewalk Repair Program.</p>				

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Laboratory Services CSJ/ESD Municipal Water	Scientific Environmental Laboratories, Inc. Palo Alto, CA	\$150,000	\$0	CSJ/ESD/Municipal Water 2006/2007 Operating Budget Operating Fund 515, APPN 0762, Page XI-82, RC#600640

Approve an amount of \$150,000 for the purchase of Supplier Services and establish an Open Purchase Order for water analysis for the CSJ/ESD/Municipal water department during the period of 8/9/06 – 8/8/07. Scientific Environmental Laboratories, Inc. is the awarded Supplier via competitive RFQ #RQ00725, and will be awarded the initial year of a purchase order agreement, plus the City will retain the right to two (2) one year options to renew. Office of Equality Assurance: Not required. CEQA: N/A. Fiscal/Policy Alignment: General Principles #2, “We must focus on protecting our vital core city services.” Desired Outcome: Maintain water quality for the Municipal Water District and for City residents.

For the purchase of tools and related supplies for stock at the Central Service Warehouse for all City Departments on an as-needed basis	S & S Supplies and Solutions	\$200,000	\$0	FY 2006-07 Proposed Operating Budget page XI-75
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Approve an amount of \$200,000 for the purchase of various tools in stock at the Central Warehouse and establish an Open Purchase Order during the period of August 8, 2006 to August 7, 2007. OEA: Not Required. CEQA: Not Required. Fiscal/Policy Alignment: General Principles #2, “We must focus on protecting our vital core city services.” Desired Outcome: For the Central Warehouse to continue purchasing tools and related supplies for FY 06-07.

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Fencing services for the Department of General Services	Interstate Fence Co. San Jose, CA	\$150,000	\$0	Various Funds 2006-2007 Proposed Operating Budgets Page VIII-60
<p>Establish an open service order for period August 8, 2006 through August 7, 2007 for labor, equipment and material for miscellaneous repair and installation of chain link fence, steel/iron fence and trash enclosures. This requirement was competitively quoted; Interstate Fence was awarded the quote. OEA: #8550, Living Wage and Prevailing Wage where Prevailing Wage is Higher. CEQA: Exempt, PP04-03-080. Cost Implication: General Principles #2, "We must focus on protecting our vital core city services." Desired Outcome: To maintain the City fence infrastructure for community livability and safety.</p>				