



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: September 10, 2007

Approved

Date

9/12/07

**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2007-2008 #2**

RECOMMENDATION

Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2007-2008 #2 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 2007-2008.

Pursuant to Sections 4.12.210 of the Municipal Code, competitive quotes, bids or proposals are obtained whenever practicable on all items or services with a payment amount exceeding Ten Thousand Dollars (\$10,000).

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 \$250,000 for services and \$1,000,000 for material, supplies, and equipment during the term of the purchase order, 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 materials, supplies, equipment and services.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST



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)**

This item meets Criteria 1 and will be posted on the City's website for the October 2, 2007 Council Agenda. All purchase order requests, which require soliciting proposals or bids, are advertised on the City's Internet site.

COORDINATION

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

HONORABLE MAYOR AND CITY COUNCIL

September 10, 2007

Subject: Report on Open Purchase Orders for Supplies, Materials, Equipment and Services for FY 2007-08

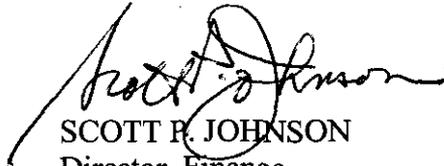
Page 3

FISCAL/POLICY ALIGNMENT

This section is detailed in the attached Open Purchase Orders.

CEQA

See attachment for CEQA determinations.



SCOTT R. 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 |
|---|---------------------------------|--------------------|------------------|---|
| Electrical Maintenance and Repair Services General Services | Cupertino Electric | \$300,000 | \$0 | General Services 2007/2008 Proposed Operating Budget Operating Fund 001, APPN 0592, RC# 000043 & 000543, General Services, Non- personal/Equipment, Amt; \$8,895,669, Page VIII-60 |
| | Lopes Electric | \$300,000 | \$0 | |
| | Rosendin Electric | \$300,000 | \$0 | |
| | Ray Scheidts Electric | \$300,000 | \$0 | |

Approve a cumulative amount for Open Purchase Orders for electric services for the vendors listed above with a cumulative not-to-exceed amount \$1,200,000 for the period October 17, 2007 until October 16, 2008. In October 2006, Council approved (Ref. council agenda 10/17/06, It. 2.14) award of four Open Purchase Orders (OPOs) for Contractors to provide citywide Electrical maintenance and Repair services on an "as needed basis" for the Department of General Services. The pricing for new set of OPOs is based on the pricing of the current OPOs plus the current Consumer Price Index of 3.2%. With these OPOs General Services will assign projects by issuing "work orders" on a random basis for projects \$10,000 and under. As required by the Municipal Code, for work orders above \$10,000, General Services will conduct a competitive process between these four Contractors. It is requested that approval of this award of \$1.2 million for these four OPOs, will include authorization for the Director of Finance to adjust the dollar amount among the four vendors, as services are required. Office of Equality Assurance: Prevailing Wage required. CEQA: Not a Project. Cost Implication: General Principles #2, "We must focus on protecting our vital core city services." Contracting-In Review: Staff submitted a request for Contracting-In review. Any issues from the review will be communicated via a supplemental Council Memorandum. Desired Outcome: Maintain Citywide buildings and facilities for the safe use by City of San Jose residents and City employees.