



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 20, 2006

Approved

Ray Winter

Date

11/25/06

**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2006-2007 #12**

RECOMMENDATION

Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2006-2007 #12 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
For the purchase of veterinary supplies to the City of San Jose Animal and Care Center	The Butler Company Chicago, IL	\$30,000	\$90,000	VIII-86 of the 2006-2007 Operating Budget. The appropriation number if needed is 0642.

The approval of an additional encumbrance of \$30,000 to the existing purchase order # OP 37483, for the purchase of veterinary supplies to the City of San Jose Animal and Care Center. The purchase order was competitively quoted in January 2006 and awarded to Butler Company for \$90,000 as the primary vendor and NLS Animal Health for \$50,000 as the secondary vendor. NLS Animal Health was bought out by Henry Schein. Since its acquisition, the new company was not able to set up an account for the San Jose Animal and Care Center. Therefore, staff requests increasing the award to Butler Company to ensure adequate supply of veterinary supplies. Office of Equality Assurance: Not Required. CEQA: Not Required. Cost Implication: General Principles #2, "We must focus on protecting our vital core city services." Desired Outcome: For the City of San Jose Animal and Care Center to continue purchasing veterinary and related supplies for FY 06-07.

Police Protective Body Armor SJPD	Summit Uniforms San Jose, CA	\$60,111	\$75,000	2006/2007 Operating Budget Appn: 0502, Fund No. 001, General Fund, RC50-000250-4030 Page No. VIII-100
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Approve an additional encumbrance of \$60,111 to the existing amount of \$75,000 for a total of \$135,111 on open purchase order OP37933 for the Police department to continue the purchase and repair of body armor during the period of 7/1/06 – 6/30/07. This increase is needed to cover purchases made in the previous fiscal year, which were not properly accrued prior to Fiscal Year closing. Therefore, to pay the vendor, the current year Purchase Order requires additional funds. Summit Uniform of San Jose was awarded an initial first year of this agreement, with the City retaining the right to two (2) one year options to renew. Office of Equality Assurance: Not required. CEQA: Not a Project, Cost Implication: General Principles #2, "We must focus on protecting our vital core city services." Desired Outcome: Provide protective equipment as a safety precaution for Police department officers to effectively provide services for City residents.