

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: June 3, 2008

Approved

Christine J. Shippey

Date

6-6-08

**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2007-2008 #11**

RECOMMENDATION

Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2007-2008 #11 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.

EVALUATION AND FOLLOW-UP

Any follow-up scheduled will be referenced in the attachment, if applicable.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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 Criterion 1; the memo will be posted on the City's website for the June 24, 2008 Council Agenda. All purchase order requests, which require soliciting proposals or bids, are advertised on the City's Internet site.

COORDINATION

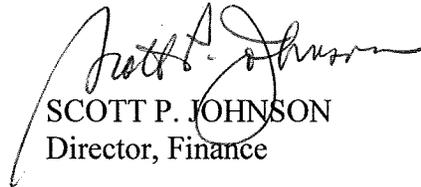
Each purchase order request on the attached list has been coordinated with the City Attorney's Office, City Manager's Budget Office, and the requesting City department.

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
Purchase and application of polymer modified asphalt sealer for the Department of Transportation's Street Maintenance Program	VSS Emultech West Sacramento, CA	\$1,579,200.00	\$0	Fund – 465 Adopted 2007-2010 Capital Improvement Program Appropriation 6174; Proposition 1B Pavement Maintenance 10/16/07 Ord. No. 28143
<p>Establish an open service order for the term June 25, 2008 through June 24, 2009 in the amount of \$1,579,200 for the purchase and application of polymer modified asphalt sealer for the Department of Transportation with the option to renew the Open Purchase Order for two additional 12 month periods. This requirement was competitively bid: VSS Emultech provided the lowest responsive bid. Office of Equality Assurance: Prevailing Wage. CEQA Exemption: #PP04-02-41 Fiscal/Policy Alignment: We must focus on protecting our vital core City services. Desired Outcome: Support Transportation City Service Area goal to preserve and improve transportation assets by maintaining city roadways.</p>				
Fuel for the Department of General Services/Fleet Division	Western States Oil (San Jose, Ca) Valley Oil Co. (Mtn. View, CA)	\$500,000 \$250,000	\$2,630,000 \$2,070,000	Various Funds 2007-2008 Adopted Operating Budget
<p>Encumber additional amounts of \$500,000 and \$250,000 to the existing purchase orders with Western States Oil Co. and Valley Oil Co., respectively. The original purchase orders were approved for the period of July 1, 2007 until June 30, 2008. These purchase orders are for fuel and petroleum products. Additional funds are required due to the unanticipated increase in the cost of fuel from when the purchase order was originally established. CEQA: Not a project. Cost Implication: General Principles #2, "We must focus on protecting our vital core City services." Desired Outcome: Safe and functional public infrastructure, facilities materials and equipment.</p>				