



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: June 1, 2010

Approved 

Date 6/8/10

**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2010-2011 #1**

RECOMMENDATION

Approve the award of an open purchase orders for supplies, materials, equipment and services for FY 2010-2011 #1 and authorize the Director of Finance to execute the purchase orders, subject to the appropriation of funds.

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 2010-2011.

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

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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)**

Although this item does not meet Criterion 1, it will be posted on the City's website for the June 22, 2010 Council Agenda. All purchase order requests, which require soliciting proposals or bids, are advertised on the City's Internet site.

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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.

/S/
SCOTT P. JOHNSON
Director, Finance

For questions please contact Mark Giovannetti, Purchasing Officer at (408) 535-7052.

Attachment

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Fuel for the Department of General Services	1) Western States Oil Company, San Jose, CA 2) Coast Oil Company, San Jose, CA 3) Valley Oil Company, Mountain View, CA	\$2,700,000 \$2,300,000 \$1,000,000	\$0	Fund 552, Appn 0083, 2010-2011 Proposed Operating Budget, Page XI-86
Establish an open service order for the period July 1, 2010 to June 30, 2011 for the purchase of fuel and petroleum products, subject to the appropriation of funds. This requirement is competitively quoted on a weekly basis pursuant to Council Resolution #67770. The requested amount associated with each petroleum and fuel provider is based on historical purchase patterns amongst the three suppliers. Office of Equality Assurance: Prevailing and Living Wage do not apply. CEQA: Not a project, File No. PP10-066(a) Agreements and Contracts. 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.				

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Retro Commissioning of the Schneider Invenstys Control System for the Department of General Services	Schneider Electric Buildings, Burlingame, CA	\$722,949	\$0	Fund 001, Appn 3810 2010-2011 Proposed Operating Budget, Page IX-42
Establish an Open Purchase Order for the period July 1, 2010 through December 30, 2012, with total compensation not to exceed \$722,949, subject to the appropriation of funds. This purchase order will provide the software reconfiguration and controller replacement for approximately thirty projects that use the Schneider Invenstys HVAC Control System that provides remote HVAC controllability for the mechanical cooling and heating systems at 23 City facilities. This purchase has been approved as a "Unique Service" pursuant to Municipal code Section 4.12.235. Due to the proprietary nature of this control system, software updates and controller upgrades (if required) can only be provided by Schneider. This project is funded by the Energy Efficiency Conservation Block Grant (EECBG) through the American Recovery and Reinvestment Act. Prevailing and Living Wage do not apply. CEQA: Not a Project, File No. PP10-066(a) Agreements and Contracts. Cost Implications: General Principles #2 "We must focus on protecting our vital core City services". Desired Outcome: City facilities that are more energy efficient.				

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Technology Stores City Wide	1) CDWG, Vernon Hills, IL 2) Computerland of Silicon Valley, San Jose, CA 3) Technology Integration Group, Los Alamitos, CA	\$750,000 \$500,000 \$250,000	\$0 \$0 \$0	Various Funds 2010-2011 Proposed Operating Budget

Establish city-wide unencumbered Open Purchase Orders for the period July 1, 2010 through June 30, 2011 for the purchase of miscellaneous technology products and software, subject to the appropriation of funds. These purchase orders facilitate the efficient acquisition of lower value items under \$20,000 in support of city-wide requirements for computer equipment, peripherals, supplies and software. Each department is responsible for complying with exception approval requirements prior to placing an order. The pool of vendors will provide on-line technical assistance and price quotes, ordering, direct delivery, and individual department billing. The vendors were selected through a competitive Request for Proposal process and are the three highest scoring proposals out of ten proposals received. Prevailing and Living Wage do not apply. CEQA: Not a project, File No. PP10-066(a) Agreements and Contracts. General Principles #2, "We must focus on protecting our vital core City Services." Desired Outcome: Support Citywide requirements for the purchase of technology products and services.

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Landscape Management District 15 (Silver Creek Valley) For DOT	Valley Crest Landscape Maintenance San Jose, CA	\$600,000	\$0	Landscaping Services Maintenance District 15 (Silver Creek Valley) Fund 368, Appn 0512, 2010-2011 Proposed Operating Budget, Page XI-60

Establish an open service order for the term of July 1, 2010 through June 30, 2011 in the amount not to exceed \$600,000, subject to the appropriation of funds, to provide all labor, materials and equipment necessary for landscape management and maintenance services as required by the Department of Transportation for Special Assessment District #15 (Silver Creek Valley). This requirement was competed with Valley Crest submitting the most advantageous of the five proposals received. Exercising the first of four one-year options to renew. All pricing is reduced by 2.3% as a result of negotiated price concessions. Office of Equality Assurance: Prevailing Wage applies. CEQA: Not a project, File No. PP10-066(a) Agreements and Contracts. Cost Implication: General Principles #2, "We must focus on protecting our vital core City services." Desired Outcome: To provide for the ongoing maintenance to Special Assessment District #15.