



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jose Obregon

**SUBJECT:** SEE BELOW

**DATE:** June 7, 2004

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Approved

Date

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**SUBJECT: REPORT ON OPEN PURCHASE ORDERS FOR SUPPLIES,  
MATERIALS, EQUIPMENT AND SERVICES FOR FY 2004-2005 #1**

## **RECOMMENDATION**

Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2004-2005 #1 and authorization for the Director of General Services to execute the purchase orders.

## **BACKGROUND**

This standard memorandum is provided as a cover sheet to an attached list of requests received by the General Services Department/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 2004-2005. Open purchase orders are used when the amount or nature of the items or services cannot be predicted before they are needed, 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, General Services/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. The 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 an accumulative 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.

### **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.

### **PUBLIC OUTREACH**

All purchase order requests, which require solicitation of quotations or bids, are advertised on the City's Internet site.

### **CEQA**

See attachment for CEQA determinations

JOSE OBREGON  
Director of General Services

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Diesel engine parts for the Department of Environmental Services/WPCP	Cooper Energy Services Englewood, CO	\$160,000		SJ-SC Treatment Plant Operating Fund – 513 2004-2005 Proposed Operating Budget, Page VIII-48
<p>Establish an open purchase order in the amount of \$160,000 for the term beginning July 1, 2004 through June 30, 2005. This open purchase order provides for the purchase of original equipment manufactured (OEM) parts, inspection and technical assistance for Cooper Bessemer and Enterprise engines at ESD/WPCP. This requirement is sole source procurement as the required parts are only available from the recommended vendor. OEA: N/A CEQA: Not a project. Cost Implication: General Principles #2, “We must focus on protecting our vital core city services.”</p>				
Fuel and petroleum products for Department of Environmental Services/WPCP	Valley Oil Co. Mt. View, CA	\$140,000		SJ-SC Treatment Plant Operating Fund – 513 2004-2005 Proposed Operating Budget, Page VIII-48
<p>Establish an open purchase order in the amount of \$140,000 for the term beginning July 1, 2004 through June 30, 2005. This open purchase order provides the Water Pollution Control Plant operations fuel and petroleum products not stocked by fleet operations. This requirement is competitively quoted on a weekly basis pursuant to Council Resolution #67770. OEA: N/A CEQA: Not a project. Cost Implication: General Principles #2, “We must focus on protecting our vital core city services”.</p>				
Liquid sodium hypochlorite for the Department of Environmental Services/WPCP	Pioneer Americas Walnut Creek, CA	\$150,000		SJ-SC Treatment Plant Operating Fund – 513 2004-2005 Proposed Operating Budget, Page VIII-48
<p>Establish an open purchase order in the amount of \$150,000 for the term beginning July 1, 2004 through June 30, 2005. This open order provides for the purchase of liquid sodium hypochlorite for the Water Pollution Control Plant operations. This requirement was competitively quoted; Pioneer Americas provided the low quote. OEA: N/A CEQA: Exempt, PP015-31-024. Cost Implication: General Principles #2, “We must focus on protecting our vital core city services”.</p>				

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Sulfur product for the Department of Environmental Services/WPCP	Teck Cominco American, Inc. Spokane, WA	\$250,000		SJ-SC Treatment Plant Operating Fund – 513 2004-2005 Proposed Operating Budget, Page VIII-48
<p>Establish an open purchase order in the amount of \$250,000 for the term beginning July 1, 2004 through June 30, 2005. This open purchase order provides for the purchase and delivery of sulfur dioxide, which is used to remove chlorine before final discharge of plant effluent to the bay. This requirement was competitively quoted; Teck Cominco American provided the low quote. OEA: N/A CEQA: Exempt, PP03-04-111. Cost Implication: General Principles #2, “We must focus on protecting our vital core city services.”</p>				
Purchase and delivery of bed bottom material for the Department of Environmental Services/WPCP	Southbay Transportation, Inc. Alviso, CA	\$338,000		SJ-SC Treatment Plant Capital Fund – 512 2004-2005 Proposed Capital Budget, Page V-223
<p>Establish an open purchase order in the amount of \$338,000 for the term beginning July 1, 2004 through June 30, 2005. This open purchase order provides for the purchase and delivery of bed bottom material for the Water Pollution Control Plant operations. This requirement was competitively quoted; Southbay Transportation, Inc. had the lowest overall cost. OEA: N/A CEQA: Exempt, PP03-04-102. Cost Implication: General Principles #2, “We must focus on protecting our vital core city services.”</p>				
On-site repair, maintenance and calibration for the Environmental Service Department/WPCP	Telstar Instruments, Inc. Concord, CA	\$250,000		SJSC Treatment Plant Operating Fund – 513 2004-2005 Proposed Operating Budget, Page VIII-48
<p>Establish an open service order in the amount of \$250,000 for the term beginning July 1, 2004 through June 30, 2005. This service order provides on site repair, maintenance and calibration of process control instruments and related equipment. Not practicable to quote; this supplier has installed and stocks repair parts for the specialized process control instrumentation. OEA: #7427, Prevailing Wage Policy only. CEQA: Not a project. Cost Implication: General Principles #2, “We must focus on protecting our vital core city services.”</p>				

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Hardware maintenance support for the Environmental Services Department/Water Pollution Control Plant	ABB Automation, Inc. Wicklisse, OH	\$230,000		SJSC Treatment Plant Operating Fund – 513 2004-2005 Proposed Operating Budget, Page VIII-48
<p>Establish an open service order in the amount of \$230,000 for the term beginning July 1, 2004 through June 30, 2005. This order provides for hardware maintenance and repair of specialized ABB Distributed Control System (DCS) equipment, including maintenance and repair of ABB Variable frequency drives. This requirement is not practicable to quote as ABB is the original equipment manufacturer and the only one capable of providing required repair and support for services of various DCS parts and components. OEA: N/A, CEQA: Not a project. Cost Implication: General Principles #2, “We must focus on protecting our vital core city services.”</p>				