

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal
From: Keith G. Jones
Dept: City Manager
Dept: Public Works
Subject: INCREASE EXISTING OPEN PURCHASE ORDER FOR WATER AND SEWER SUPPLIES
Date: February 26, 2008

OBJECTIVE

To request City Council approval to increase an existing open purchase order for plumbing parts, pipes, and appurtenances.

BACKGROUND

The Water Services Division is responsible for operating and maintaining the City's water and sewer infrastructure. The division performs repairs and, or replacement to these systems on a routine basis. Prior to the adoption of the City's new purchasing manual in 2005, issuing open purchase orders was approved by the Finance Department. The new manual implemented stronger fiscal policies that require City Council approval for open purchase orders that exceed \$24,999.

DISCUSSION

A sewer repair crew has been scheduled to alleviate several sewer capacity deficient areas that were identified in the Sewer System Rehabilitation Plan. The plumbing parts, pipes and appurtenances needed to perform this work are purchased from an existing open purchase order with C. Wells Pipeline Materials Inc. Concurrently, water crews are purchasing similar supplies under the existing open purchase order for performing water repairs and, or replacements. The existing open purchase order amount will not cover the current costs for performing repairs and, or replacement on a routine basis for both systems. Therefore, staff recommends increasing the existing open purchase order in the amount of \$75,001, to meet the necessary financial needs for properly maintaining both systems.

FINANCIAL IMPACT

The existing open purchase order for C. Wells Pipeline Materials Inc. will increase from \$24,999 to \$100,000. The increased amount will be split funded between the Garden Grove Sanitary District and the Water Services Budget for FY 2007/08. There is no impact to the General Fund.

COMMUNITY VISION IMPLEMENTATION

This increase will assist with maintaining and enhancing the Sanitary District's and Water Service's assets, maximizing their value, longevity, and usefulness to the health and safety to the community.

RECOMMENDATION

It is recommended that City Council:

- Authorize the Finance Director to approve the increase on the open purchase order for C. Wells Pipeline Materials Inc. from \$24,999 to \$100,000.

KEITH G. JONES
Public Works Director

By: Brent Hayes
Public Works Supervisor