

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal
Dept: City Manager
Subject: INCREASE EXISTING OPEN PURCHASE ORDER FOR WATER SUPPLIES

From: Keith G. Jones
Dept: Public Works
Date: April 8, 2008

OBJECTIVE

To request City Council approval to increase an existing open purchase order for plumbing parts, pipes, and appurtenances to the lowest bidder: C. Wells Pipeline.

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.

In order to avoid delays in purchase and delivery of needed parts, it is essential that there be latitude so that the Public Works Department will have the ability to purchase these items from more than one vendor, if necessary. Having this capability will greatly add to the Department's ability to meet the community need in a timely manner.

ANALYSIS

Specifications were prepared and sent to prospective bidders. The process involves providing each vendor identical lists of supply items upon which to bid. These items are generally indicative of the types of items that will be purchased under the ongoing purchase order. However, the variety and quantity of pipe and appurtenances was limited to simplify the bidding process. Actual purchases will be based upon the operational needs as they occur.

In response to the prescribed bidding procedures, the following bids were received:

C. Wells Pipeline	\$3,683.97
H.D. Supply	\$3,779.22
Ferguson	\$3,860.18

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Wells Supply

\$5,693.08

FINANCIAL IMPACT

The four purchase order totaling \$150,000.00 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 blanket purchase order to C. Wells as the City's primary parts and supply vendor in an amount not to exceed \$150,000.00 per year, for a period of five (5) years; and,
- Approve H.D. Supply, Ferguson Waterworks, and Wells Supply as alternate vendors in descending order in the event that the primary vendor cannot provide needed parts in a timely manner.

KEITH G. JONES

Public Works Director

By: Brent Hayes

Public Works Supervisor