

REPORT

To the Honorable Mayor and City Council
From the City Manager

July 10, 2006

Subject

Purchase of Utility Systems Materials

Recommendation

By motion, accept the bid and authorize the purchase of utility systems.

Background

The Water Utility and Wastewater Management Services Divisions of the Public Works Services Department order large quantities of water and sanitary sewer materials for utility system repair and maintenance. (i.e. pipe, valves, fittings, meter and valve boxes). Both divisions developed a list of the most commonly used materials, which will be needed during the FY 2006/2007 for the unit priced bid request.

The City Clerk advertised the bid request with copies of the bid mailed directly to three local vendors. One bid was received and opened by the City Clerk on Wednesday May 24, 2006 and is considered valid.

The response to the bid request is summarized as follows:

| | | |
|--------------------------|------------------|--------------|
| Roberts & Brune Co. | Redwood City, CA | \$263,776.50 |
| Edward S. Walsh Co. | Santa Clara, CA | No Bid |
| Kenko Utility Supply Co. | San Jose, CA | No Bid |

The only bidder was Roberts & Brune's of Redwood City in the amount of \$263,776.50. This amount represents an increase of 32% from their previous July 7, 2004 bid price, primarily due to price increases in metals and pipe. Staff believes that the receipt of only one bid is due to the bidders being required to inventory, deliver and stock most items in a designated storage area within the City's Municipal Services Center, at a minimum of once a week. Other bidders are located in the San Jose area, and with travel distance and time required to perform stocking requirements, this would not make their bid competitive, especially with the escalation of fuel costs. While staff has considered the option to re-bid, it is unlikely that the City would receive additional bid responses or that pricing would be more competitive than the current bid now being considered.

Roberts & Brune Company has worked with the City in the past and has been a reputable and responsive vendor.

This bid agreement has an option to extend for a 2nd year at the same price.

Alternative

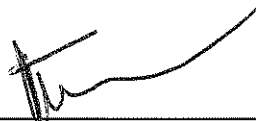
The Council could choose not to authorize this agreement for the purchase of materials, in which case staff would purchase on an "over-the counter" basis. The may subject purchasing to fluctuating pricing and cost increases for materials or lack of material availability.

Fiscal Impact

Funds for these materials and supplies are included in the proposed Water and Wastewater FY 2006/2007 operating budgets. Public Works Services will manage purchasing within the Council approved budget. Because the bid is based on unit pricing, cost-control will be done by managing the quantities of materials purchased during the fiscal year. As an ongoing need for materials & supplies, Public Works Services operating budget annually contains funding for these materials purchases.



Ron Vairora
Acting PW Superintendent



Peter Ingram
Director, Public Works Services



Ed Everett
City Manager

Attachment

Motion