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DEPARTMENT OF
ADMINISTRATIVE SERVICES

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

October 11, 2002

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: INCREASE IN EXPENDITURE AUTHORIZATION LIMIT FOR THE PURCHASE OF PLUMBING SUPPLIES

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council authorize an increase in the expenditure limit under the current contracts that resulted from Bid No. 1855, for plumbing supplies from a combined total amount not to exceed \$320,000, to a combined total amount not to exceed \$475,000 per contract year. These contracts were awarded by the City Council in October, 2001 to Camellia Valley Supply, 8732 Fruitridge Road, Sacramento, CA 95826; Groeniger & Company, 7601 14th Avenue, Sacramento, CA 95820; and Ferguson Enterprises, Inc., 9325 Viking Place, Roseville, CA 95678.

CONTACT PERSONS: Ken Guerard, Water Distribution, 433-6245
Chris Slay, Buyer, 433-6344

FOR COUNCIL MEETING: October 22, 2001

SUMMARY:

This report recommends that the City Council authorize an increase in the expenditure limit under the current contracts that resulted from Bid No. 1855, for plumbing supplies from a combined total amount not to exceed \$320,000, to a combined total amount not to exceed \$475,000 per contract year.

BACKGROUND:

On October 23, 2001, City Council awarded contracts resulting from Bid No. 1855 for plumbing supplies to Camellia Valley Supply, Groeniger & Company, and Ferguson Enterprises, Inc. for a combined total amount not to exceed \$320,000 per contract year. Construction in Sacramento has significantly increased and it is expected to continue at an aggressive rate. Keeping pace with this increased demand as well as maintaining and upgrading an aging infrastructure, necessitates an increase for additional plumbing supplies

1

which have surpassed the original projections of just one year ago. Due to these demands, it is recommended that the City Council authorize the increase to the expenditure limit of those contracts awarded to Camellia Valley Supply, Groeniger & Company, and Ferguson Enterprises, Inc. to a combined total amount not to exceed \$475,000 per year, which more closely reflects the actual amount anticipated to be expended each year of these potential three year contracts.

FINANCIAL CONSIDERATIONS:

Sufficient funds have been budgeted for these purchases which are initially charged to the Water Distribution Division's general inventory account, and subsequently debited to the Division's operating and/or Capital Improvement Project (CIP) budgets for plumbing and supplies as the items are disbursed.

ENVIRONMENTAL CONSIDERATIONS:

The current project has been determined to be exempt from the requirements of the California Environment Quality Act (CEQA), under Section 15061(b)(3), which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The current proposal involves only the purchase of plumbing supplies for use by the Water Distribution Division of the Utilities Department. Therefore, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

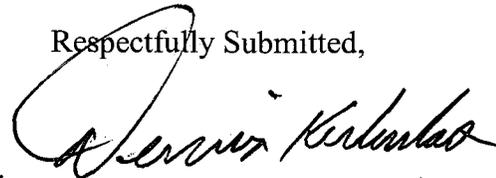
POLICY CONSIDERATIONS:

This recommendation is consistent with the requirements for purchasing of supplies and services as detailed in Chapter 3.56 of the Sacramento City Code.

ESBD CONSIDERATIONS:

Requests for bid (RFB) were sent to ten vendors, three of which were certified as Emerging or Small Business Enterprises (EBE/SBE) at the time the bids were prepared and mailed. Of the three bid responses received and awarded, none is an EBE/SBE firm.

Respectfully Submitted,



fol Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager