



# REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

CONSENT  
June 10, 2010

Honorable Mayor and  
Members of the City Council

**Title: Award of Contract for the Purchase of Sewer Maintenance Parts and Equipment.**

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution** awarding a contract for the purchase of sewer maintenance parts and equipment to Weco Industries, LLC (Bid # B093246044) in an amount not-to-exceed \$285,000 over a maximum potential three year period, which includes prior expenditures of \$88,863.54 that were previously authorized for the current Fiscal Year by Purchase Order # 0000007845.

**Contacts:** Ken Swartz, Stores Administrator, Field Services, 808-6276

**Presenters:** Not applicable

**Department:** Utilities

**Division:** Field Services

**Organization Nos. :** 14001421/14001431

**Description/Analysis:**

**Issue:** The Department of Utilities, Field Services Divisions, has an ongoing need to purchase sewer maintenance parts and equipment for their inventory to ensure continuation of services to their customers.

**Policy Considerations:** City Code Section 3.56 provides for the award of competitively bid supply contracts to the lowest responsible bidder. Weco Industries, LLC was the lowest responsible bidder when this contract was competitively bid as a one year contract, with up to two one year extensions, in June, 2009. However, at that time staff did not recommend that the City Council award a contract for the maximum potential three year contract term; instead purchases from Weco Industries, LLC. for the initial one year term only, in the amount of \$88,863.54, were authorized by Purchase Order # 0000007845. City Code section 3.56.080 authorizes the purchase of supplies in an amount less than

\$100,000 either by award of a contract or by purchase order. Staff now desires to extend the purchasing term and expenditure amounts, based on Bid No. B093246044. Because extension of the purchasing term will increase the total purchase amount above \$100,000, it is necessary for the City Council to award a contract to Weco Industries, LLC. authorizing the additional term(s) and expenditure.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** Continuing purchases of supplies are not a "project" and are not subject to CEQA, in accordance with Section 15378(b)(2) of the CEQA Guidelines.

**Sustainability Considerations:** The sewer maintenance parts and equipment purchased under this contract complies with Section 8 of City's Sustainability Master Plan to continue to reduce sanitary sewer overflows.

**Commission/Committee Action:** Not Applicable

**Rationale for Recommendation:** The Department of Utilities, Field Services Division has a need to purchase sewer maintenance parts and equipment to ensure continuation of services to its customers.

In June 2009, Procurement Services, in accordance with City Code Section 3.56, issued Invitation for Bid No.B093246044 for the purchase of sewer maintenance parts and equipment; the contract term defined in the Invitation for Bid was one year, with up to two one year extensions, for a maximum contract term of three years. Four bids were received. The lowest responsive and responsible bidder was Weco Industries, LLC. The Bid Results are provided on Attachment 1.

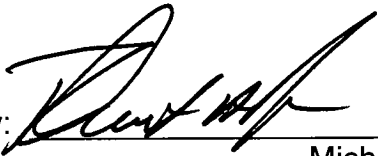
The City Code requires contracts of \$100,000 or more to be awarded by the City Council. The standard practice under the City's procurement policies is for City staff to obtain City Council approval to award multi-year contracts if the purchase amount over the maximum contract term (including extensions) will be \$100,000 or more, even if the amount under the initial contract term will be less than \$100,000. However, in this case purchases for the initial one year term only, in the amount of \$88,863.54, were authorized by purchase order rather than awarding a contract, which is allowed under the City Code even though it is not standard practice under the City's procurement policies. City staff is now recommending extension of the purchasing term. Because extension of the term will increase the total purchase amount above \$100,000, it is necessary for the City Council to award a contract authorizing the additional term(s) and expenditure.

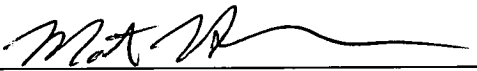
**Financial Considerations:** Sufficient funding is available in the Department of Utilities FY2009/10 operating budget for the purchase of sewer maintenance parts and equipment under Purchase Order # 000007845 and this contract through June 30, 2010. Purchases after June 30, 2010 are subject to funding availability in the adopted budget of the applicable fiscal year. The estimated annual amount for three years for sewer maintenance parts and equipment are as follows:

Sewer Maintenance Parts and Equipment

Year 1	Year 2	Year 3	Total Amount
\$95,000	\$95,000	\$95,000	\$285,000

**Emerging Small Business Development (ESBD):** Weco Industries, LLC is a certified SBE firm.

Respectfully submitted by:   
Michael Malone  
Field Services Manager

Approved by:   
Marty Hanneman  
Director, Department of Utilities

Recommendation Approved:

  
for Gus Vina  
Interim City Manager

**Table of Contents:**

Report pg. 2

**Attachments**

- 1 Bid Results pg. 5
- 2 Resolution pg. 6

### ATTACHMENT 1

Bid Number: B093246044	Weco Industries	Municipal Maintenance Equip	Jack Doheny	3 T Equipment
Req. Number: N/A	630 Eubanks Court Suite K	2360 Harvard Street	PO Box 609	PO Box 7325
Org. Number 14001421/1431	Vacaville, CA 95688	Sacramento, CA 95815	Northville, Michigan 48167	Santa Rosa, CA 95407
Resp. Emp: Ken Swartz	Contact Person	Contact Person	Contact Person	Contact Person
Phone: 808-6276	Tom Johnson	C. Sunderman	Gary Mapes	Jerry Leighton
	Phone: 707-446-6661	916-922-1101	Phone: 248-349-0904	Phone: 707-543-6002
	Quote No:	Quote No:	Quote No:	Quote No:

**PRICING SECTION**

QTY	Item Description	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
	Electric Eel Parts Items 1-15	\$ -	\$ 15,441.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Rodder Parts/Equip Items 16-76	-	\$ 41,272.60	-	\$ 55,481.60	-	46,684.97	-	43,570.69
		-	-	-	-	-	-	-	-

**BID EVALUATION SECTION**

Line 1	Materials Sub-total	\$ 56,713.60 (All Items)		\$ 55,481.60 (Items 16-76 only)		\$ 46,684.97 (Items 16-76 only)		\$ 43,570.69 (Items 16-76 only)	
Line 2	Non-taxable amount: Services, Frt, Labor, Warranty costs	NA	-	NA	-	NA	-	NA	-
Line 3	* Enter Prompt-Pay Disc% (Lines 1 + 2 x Disc%)	NA	-	NA	-	NA	-	NA	-
Line 4	** E/SBE Pref. Deduct (Lines 1 + 2 x 5%)	No	0	No	0	No	0	No	0
Line 5	*** City Sales Tax Deduction (Line 1 x 1%)	No	0	Yes	0	NO	0	NO	0
Line 6	Sales Tax (Line 1 x 7.75%)	4,395.30		4,299.82		3,618.09		3,376.73	
Line 7	<b>BID EVALUATION TOTAL</b> (Total Lines 1 thru 6)	\$ 61,108.90		\$ 59,781.42		\$ 50,303.06		\$ 46,947.42	
Line 8	<b>ACTUAL BID TOTAL</b> (Add lines 1, 2, 6)	\$ 61,108.90 <sup>(1)</sup> (All Items)		\$ 59,781.42 (Items 16-76 only)		\$ 50,303.06 (Items 16-76 only)		\$ 46,947.42 (Items 16-76 only)	

**BIDDER INFORMATION SECTION**

Notes/Comments	Payment Terms *:	Payment Terms *:	Payment Terms *:	Payment Terms *:
Weco Industries, LLC was the only company to bid items 1-15, they are the lowest bidder on items 17-76. 7-Day delivery. ESBD cert. Expired, BOTC current. Other items discounted from parts list, each order billed separately. Common carrier. Currently buying from Weco.	<b>30 days net</b>	<b>30 days net</b>	<b>30 days net</b>	<b>30 days net</b>
	<b>F.O.B. Point:</b>	<b>F.O.B. Point:</b>	<b>F.O.B. Point:</b>	<b>F.O.B. Point:</b>
	<b>Destination</b>	<b>Destination</b>	<b>Destination</b>	<b>Destination</b>
	<b>Delivery Date:</b>	<b>Delivery Date:</b>	<b>Delivery Date:</b>	<b>Delivery Date:</b>
	<b>7-10 Days</b>	<b>7-21 days</b>	<b>3-5 days</b>	<b>14-21 days</b>

<sup>(1)</sup>The lowest responsible bid amount of \$61,108.90 represents the total for the quantities selected for evaluation purposes only, which was calculated on annual historical usage. Authorization is requested to enter into contract in an amount not to exceed \$285,000, which anticipates annual cost and/or volume increase and more closely reflects the actual amount anticipated to be expended overall for this potential 3 year contract.

**RESOLUTION NO. 2010-**

Adopted by the Sacramento City Council

**June 10, 2010**

**AWARD CONTRACT FOR THE PURCHASE OF SEWER MAINTENANCE PARTS AND EQUIPMENT**

**BACKGROUND**

- A. The Department of Utilities has an ongoing need to purchase sewer maintenance parts and equipment for their inventory to ensure continuation of services to its customers.
- B. In July 2009, Procurement Services issued Invitation for Bid No. B093246044 for the purchase of sewer maintenance parts and equipment. The contract term defined in the Invitation for Bid was one year, with up to two one year extensions, for a maximum contract term of three years. Bids were opened on June 24, 2009, and the lowest responsive and responsible bidder was Weco Industries, LLC.
- C. At that time City staff did not recommend that the City Council award a contract for the maximum potential three year contract term. Instead, purchases from Weco Industries, LLC for the initial one year term only, in the amount of \$88,863.54, were authorized by Purchase Order # 0000007845.
- D. City staff is now recommending an extension of the purchasing term, which also will increase the purchase amount. To extend the purchasing term and increase the purchase amount, it is necessary for the City Council to award a contract to Weco Industries, LLC, based on Bid No. B093246044.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. A contract for the purchase of sewer maintenance parts and equipment (Bid # B093246044) is awarded to Weco Industries, LLC, in an amount not-to-exceed \$285,000 over a maximum potential three year period extending through June 30, 2012, which includes prior expenditures of \$88,863.54 that were previously authorized by Purchase Order # 0000007845.