



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Modify an Existing Contract for the Purchase of Armorcast Water Meter Boxes, Lids, and Vaults (F16-87)

REPORT IN BRIEF

Approval is requested to modify an existing contract with Ferguson Enterprises Inc. to increase the value by \$80,000, from \$75,000 to \$155,000, for the purchase of water meter boxes, lids and vaults for use by the Water Division of the Environmental Services Department (ESD). Approval is also requested to delegate authority to the City Manager to increase the contract above \$155,000 if operationally necessary, not to exceed the budgeted funding of \$300,000.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code for the purchase of goods or services, Council approval is required to amend existing contracts that will exceed \$100,000 absent delegated authority to the City Manager to make such modification.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

The Environmental Services Department requires water meter vaults, boxes and lids for replacement and installation in existing and new private developments and for City infrastructure. These items are either stocked at Central Stores and issued through the inventory process, or purchased on an as-needed basis as projects come on line. The significant increase in land development, capital projects, and preventative maintenance throughout the City, has required purchases beyond customary levels. This fiscal year, staff has had to install an increased number of large meter vaults for commercial and high-density residential development. These vaults have an average cost of \$3,000 per unit.

The City has standardized on the use of Armorcast meter boxes, vaults and lids, mainly for their durable, lightweight fiberglass construction (as opposed to concrete/steel combination sold by other manufacturers). These products are required for public and private construction. The fiberglass units are easier to access (concrete vaults require heavy cranes for removal), generally last longer than concrete, and the lids are made of anti-skid material to help prevent slip/fall accidents on sidewalks.

With development and maintenance activity anticipated to remain high an increase in the Ferguson contract will be necessary to meet the demand. Staff recommends increasing the existing contract

from \$75,000 to \$155,000 with authority to further amend the contract up to the approved funding of \$300,000...

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The current contract expires at the end of August 2016, and staff anticipates issuing a competitive bid prior to contract expiration. There are at least three known suppliers in the area that could potentially submit bids.

FISCAL IMPACT

Budgeted funds are available in the Water Resources operating program and in capital project 806351 - Water Meters and Flow Devices for New Developments. The combined operating and capital budgets total approximately \$300,000. The City collects development related revenues to recover the costs associated with providing water meters and vaults for new developments (these materials are also needed for regular maintenance activities). The FY 2015/16 Budget included an estimate of approximately \$250,000 in associated development related revenues. Fiscal year to date revenues are tracking slightly more than planned.

Funding Source

Materials and supplies are related to the City's water system are funded by the Water Supply and Distribution Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Increase the existing contract with Ferguson Enterprises Inc. for the purchase of water meter boxes, lids, and vaults from \$75,000 to \$155,000; and 2) delegate authority to the City Manager to increase the contract amount above \$155,000 if operationally necessary, not to exceed the budgeted funding of \$300,000.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Acting Director, Finance

Reviewed by: John Stufflebean, Director, Environmental Services

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Purchase Order