



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Modify a Purchase Order with Corix Water Products US Inc. for Piping Supplies for Water and Sewer Services (F19-182)

REPORT IN BRIEF

Approval is requested to amend an existing purchase order with Corix Water Products US Inc. of Santa Clara for piping supplies, increasing the not to exceed amount by \$20,478 for a new total not-to-exceed amount of \$380,477.92

EXISTING POLICY

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code City Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a project under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15378(b)(2) as an administrative and maintenance activity for the purchase of piping supplies.

BACKGROUND AND DISCUSSION

Piping supplies such as valve parts, fittings, and couplings are used regularly by the Environmental Services Department staff for both infrastructure maintenance and upgrades. Items that are used on a regular, high-volume basis are stocked at the Central Stores warehouse, while supplies needed for emergencies, special projects, or other repairs are purchased on an as-needed basis. All purchases are coordinated through Central Stores.

On February 24, 2015, City Council approved a Purchase Order in the amount of \$360,000, to Corix Water Products US Inc. for piping supplies (RTC No. 15-0176). These piping supplies are used in the maintenance and repairs of the wastewater collection network and the water distribution system. This purchase order also provides materials for installation of water request services for new developments.

To date, the originally awarded Purchase Order has been expended due to an increase in emergency sanitary sewer repairs. This request will increase the Purchase Order by \$20,478 and provide funding to pay outstanding invoices for products purchased for hydrant, sewer line and watermain break repairs that needed to be addressed prior to the purchase order expiration date on April 15, 2019.

A recent competitive solicitation for Piping Supplies completed and recommended purchase order awards are anticipated to be presented to City Council in June 2019.

FISCAL IMPACT

For the last several years, these types of supply procurements have been established with not-to-exceed budgeted amounts because it is difficult to predict precisely how many items will be needed throughout the year. This difficulty is exacerbated by the age of the City's infrastructure.

Expenses have nearly doubled over the last several years, currently totaling approximately \$400,000 per year. These expenses have been within budgeted amounts in the Water Resources Program (Program 360) and the Wastewater Collection Program (Program 367), and various capital projects. As part of the annual budget process, staff will continue to analyze piping supplies purchases and recommend appropriate levels of expenditure for the purchase order term.

Funding Source

Water Supply and Distribution Fund and Wastewater Management 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

Take the following action:

- Authorize the City Manager to amend the existing purchase order with Corix Water Products US Inc. for piping supplies, to increase the not-to-exceed amount by \$20,478 for a new not-to-exceed amount of \$380,477.92

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Ramana Chinnakotla, Director of Environmental Services

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Draft Change Order BL008741 Corix Water Products