



## AGENDA REPORT

**Meeting Date:** May 18, 2010  
**Item Number:** F-7  
**To:** Honorable Mayor & City Council  
**From:** Scott Miller, Director of Administrative Services and CFO  
Noel Marquis, Assistant Director of Administrative Services - Finance  
**Subject:** APPROVALS RELATED TO VARIOUS CITY PURCHASING AND BUDGET TRANSACTIONS AS DESCRIBED HEREIN  
**Attachments:** None

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**Item A. APPROVAL OF A CHANGE ORDER IN THE AMOUNT OF \$25,000 TO THE PURCHASE ORDER TO HARRINGTON INDUSTRIAL PLASTICS LLC FOR WATERWORKS SUPPLIES FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$75,000**

### **RECOMMENDATION**

Staff recommends that the City Council approve the change order in the amount of \$25,000 to the purchase order to Harrington Industrial Plastics for waterworks supplies for a not-to-exceed amount of \$75,000.

### **INTRODUCTION**

Harrington Industrial Plastics, LLC supplies various parts for maintenance and repair of the City's water system. These parts include pipes, fittings, couplings, valves, bushings, etc. Harrington Industrial Plastics, LLC also supplies micron filters for the water treatment plant as well as chemical feed pumps.

In July 2009, a purchase order was issued to Harrington Industrial Plastics, LLC for \$50,000. Staff obtained informal bids from three vendors, Harrington Industrial Plastics, LLC, Pollard Water, and USA Bluebook. Harrington Industrial Plastics, LLC was chosen based on these factors; 1) they offer 24-hour emergency delivery service; 2) they are local (Van Nuys, California) and closest to the City; 3) they offer a competitive price on all parts and materials used by the water treatment plant such as Osmonic RO.ZS01-40 which is not carried by the other 2 vendors.

The treatment plant is operated 24-hours per day seven days per week and it is important to maintain the emergency delivery service for parts and supplies that is offered by Harrington Industrial Plastics, LLC. This also reduces the storage space and inventory costs that otherwise would be needed.

### **DISCUSSION**

Staff initially estimated the cost to not exceed \$50,000, however due to changes in the characteristics of water being pumped from the wells staff had to use more micron filters than anticipated initially. These filters, a critical component of the water treatment process, are used to treat 1.5 million gallons per day of the City's drinking water supply.

Staff requests that the City Council waive the formal bid procedures due to time constraints. With only two months remaining in the current fiscal year and the urgent requirements of the water treatment plant, it is not beneficial for the City to pursue a formal bid at this time.

### **FISCAL IMPACT**

Funds were budgeted and are available in the Water Enterprise Fund for this purpose.

**Item B. APPROVAL OF A CHANGE ORDER IN THE AMOUNT OF \$14,000 TO THE PURCHASE ORDER TO ALL LABOR TIRE, INC. D.B.A. DRIVE SERVICE FOR TIRE MAINTENANCE SERVICES FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$72,000**

### **RECOMMENDATION**

Staff recommends that the City Council approve the change order in the amount of \$14,000 to the purchase order to All Labor Tire, Inc. D.B.A. Drive Service for a total not-to-exceed amount of \$72,000 for tire maintenance services.

### **INTRODUCTION**

All Labor Tire, Inc. dba Drive Service has been providing the City's fleet services tire related maintenance and repair services since 2004.

On July 15, 2009, Council approved Agreement no. 296-08 for three (3), one-year periods, for a not-to-exceed amount of \$45,000, annually. Amendment no.1 to this agreement was approved by the City Manager on June 23, 2009 to change the termination date to June 30, 2010 and the consideration to \$58,000 per year while Amendment no. 2 was approved on May 3, 2010 to extend the termination date to June 30, 2011 and increase the consideration to a not-to-exceed amount of \$72,000 per year. The total change order amount for the two amendments is \$27,000.

### **DISCUSSION**

All Labor Tire, Inc. dba Drive Service continues to provide quality service for a good price and an extension of the agreement was necessary to continue the same level of service through the next fiscal year.

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The request for additional monies is due to a larger number of tires than anticipated that needed recapping or replacement. This increase will provide tires and service support for the remainder of fiscal year 2009/2010.

**FISCAL IMPACT**

Funds were budgeted and are available in the Vehicle Maintenance—Maintenance & Repair Fund (4908501-73020) for this purpose.

  
Noel Marquis  
Finance Approval

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Scott G. Miller  
Approved By

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