



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rick Bruneau

SUBJECT: SEE BELOW

DATE: October 2, 2023

Approved

Date

10/12/2023

SUBJECT: ACTIONS RELATED TO THE PURCHASE ORDERS WITH ROSENDIN ELECTRIC, INC. AND SPRIG ELECTRIC CO. FOR ELECTRICAL MAINTENANCE AND REPAIR SERVICES

RECOMMENDATION

Adopt a resolution authorizing the City Manager or designee to:

- a) Execute purchase orders with Rosendin Electric, Inc. (San José, CA) and Sprig Electric Co. (San José, CA) for electrical maintenance and repair services for a one-year term beginning on or about October 25, 2023, and ending on or about October 24, 2024, for a combined not-to-exceed amount of \$5,000,000;
- b) Approve a contingency of \$1,000,000 for unanticipated demand for electrical maintenance and repair services, subject to the appropriation of funds; and
- c) Exercise up to six additional one-year options to extend the term of the purchase orders, with the last option year ending on or about October 24, 2030, subject to the appropriation of funds.

SUMMARY AND OUTCOME

The Department of Public Works Facilities Management Division (Facilities Management) is responsible for overseeing electrical maintenance and repairs for various City departments and locations. Outside vendors are utilized on an as-needed basis to supplement existing in-house City electrical staff in providing electrical maintenance and repair work for City equipment and assets. Authorizing the City Manager or designee to take this action will allow the City to continue providing electrical maintenance and repair services at City facilities.

BACKGROUND

Facilities Management is responsible for maintaining approximately 8.5 million square feet of building space comprised of over 500 buildings. These buildings include fire stations, police stations, libraries, community centers, storm and sanitary pump stations, City Hall, 911 communication center, park restroom facilities, and a variety of facilities at varying ages of maturity. Facilities Management currently has only three electricians and six senior electricians on staff due to challenges recruiting, hiring, and retaining employees for these specialized trade positions. Current staffing levels are not sufficient to cover all the electrical maintenance and repair requests at these sites. Additionally, outside vendors provide Facilities Management with additional support during times of crisis and emergencies.

ANALYSIS

In June 2023, the Finance Department released a competitive Request for Bid to procure as-needed electrical maintenance and repair services for an initial one-year term with six one-year options to extend. Two responsive and responsible bids were submitted. The Request for Bid was structured to allow for multiple awards.

Local and Small Business Enterprise Preferences: In accordance with San José Municipal Code Section 4.12.320B, bidders who requested and qualified for the local business preference would be given a 2.5% credit of the cost bid and bidders who requested and qualified for the small business preference would be given an additional 2.5% credit of the cost bid. Both bidders requested and qualified for the local business enterprise preference. Neither bidder qualified for the small business enterprise preference.

Protest: The City's Request for Bid process included a 10-day protest period that began when the City issued the Notice of Intended Award on August 4, 2023. No protests were received.

Award: Staff recommends awards to Rosendin Electric, Inc. and Sprig Electric Co. as the only responsive and responsible bidders pursuant to the bidding procedures of the San José Municipal Code, Section 4.12.310B(2).

Approval of this recommendation will allow the City to continue to provide electrical maintenance and repair services at City facilities.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

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COST SUMMARY/IMPLICATIONS

The table below identifies the total amount of the purchase orders for the initial term. These services will be utilized as required and the total cost may vary depending on electrical maintenance and repair servicing needs. Ongoing annual costs will be requested as part of the City’s annual budget process and will be subject to the appropriation of funds.

1. AMOUNT OF RECOMMENDATION	\$6,000,000
2. COST ELEMENTS	
- Purchase Order with Rosendin Electric, Inc.	\$2,500,000
- Purchase Order with Sprig Electric Co.	2,500,000
- Contingency	<u>1,000,000</u>
TOTAL NOT TO EXCEED	\$ 6,000,000

BUDGET REFERENCE

The table below identifies the fund and appropriation for the purchase orders recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Recommendation	2023-2024 Proposed Operating Budget Pg.*	Last Budget Action (Date, Ord. No.)
001	0572	Non-Personal/ Equipment	\$20,265,859	\$500,000**	711	6/20/23, 30933

*The 2023-2024 Adopted Operating Budget was approved by the City Council on June 13, 2023 and adopted on June 20, 2023.

**\$500,000 is the estimated spend for services anticipated by Facilities Management to occur during the period of October 25, 2023 through October 24, 2024. The other portion of funding will come from various City departments as needed.

Five million dollars is being requested for as-needed services for the period ending October 24, 2024. Services to be provided under these purchase orders will be managed by Facilities Management on behalf of various City departments. An additional contingency of \$1,000,000 is being requested for unanticipated demand during this period. Facilities Management will be responsible for payment and will charge departments directly for all purchases. Cost and funding sources will vary depending on department needs and subject to the appropriation of funds.

COORDINATION

This memorandum has been coordinated with the City Attorney’s Office, City Manager’s Budget Office, and Department of Public Works.

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PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the October 24, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no changes to the physical environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

RICK BRUNEAU
Director of Finance

For questions, please contact Albie Udom, Deputy Director of Finance – Purchasing & Risk Management, at Albie.Udom@sanjoseca.gov.