



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: October 12, 2021

Approved

Date

10/14/2021

SUBJECT: ACTIONS RELATED TO PURCHASE ORDERS FOR ELECTRICAL PARTS AND SUPPLIES

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- (a) Execute purchase orders with Buckles-Smith Electric Company, Inc. (Santa Clara, CA) and Edges Electrical Group, LLC (San José, CA) for electrical parts and supplies for an initial twelve-month period starting on or about November 1, 2021 and ending on or about October 31, 2022 for a total cumulative compensation not-to-exceed amount of \$6,600,000; and
- (b) Exercise up to four one-year options to extend the term of the purchase orders through on or about October 31, 2026, subject to the annual appropriation of funds.

OUTCOME

Approval of the purchase orders will result in ensuring electrical parts and supplies are available for required ongoing maintenance and repair services to keep City equipment and infrastructure of buildings safe and operating in optimal condition.

BACKGROUND

Various City departments require the purchase of electrical parts and supplies, such as fuses, connectors, conduit, wires, circuit breakers, light emitting diode (LED) fixtures, LED drivers, variable frequency drives (VFD's), photocells, transformers, electrical panels, relays, etc., to support various electrical maintenance and repairs service for equipment and building infrastructure throughout the City. Service and installation will mostly be conducted in-house, but there are occasions, such as LED retrofitting, where the City supplies the parts for a contractor to install.

ANALYSIS

In August 2021, a competitive Request for Bids (RFB) was released by the Finance Department to procure these parts and supplies for various departments. Two (2) bids were submitted and no protests were received. One bidder, Buckles-Smith Electric Company, requested and was granted the City's local business preference, but the preference did not impact the award recommendation. As the RFB was structured to allow multiple awards, both vendors are being recommended for award to ensure the availability of parts and supplies on demand.

The pricing for this RFB was structured to allow bidders to submit a cost-plus percentage markup due to the volatility in the pricing in the commodity market for items such as copper and other metals.

Staff recommends award of purchase orders to Buckles-Smith Electric and Edges Electrical Group pursuant to the formal bidding procedures of the San José Municipal Code, Section 4.12.310B.

CONCLUSION

Approval of this recommendation will ensure electrical parts and supplies are available for required ongoing maintenance and repair services to keep City equipment and infrastructure of buildings safe and operating in optimal condition.

EVALUATION AND FOLLOW-UP

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

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the October 26, 2021 Council Meeting.

COORDINATION

This memorandum has been coordinated with the Departments of Public Works, Transportation, Airport, City Attorney's Office and City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

There is no commission recommendation or input associated with this action.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy to have functional public infrastructure, facilities, and equipment.

COST SUMMARY/IMPLICATIONS

The following outlines the elements if the purchase order-

1. **AMOUNT OF RECOMMENDATION** **\$6,600,000**

2. **COST ELEMENTS:**

Purchase order with Edges Electrical	\$3,300,000
Purchase order with Buckles-Smith	3,300,000
PURCHASE ORDER NOT-TO-EXCEED TOTAL	<u>\$6,600,000</u>

3. **SOURCE OF FUNDING:** Staff will issue an unencumbered open purchase order (OPO) with each vendor. The OPOs will be utilized by the following City departments: Public Works, Transportation, Environmental Services and the Airport. Departments will encumber funds at the time of payment.

4. **FISCAL IMPACT:** N/A

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CEQA

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

/s/

JULIA H. COOPER

Director of Finance

For program-related questions, please contact Walter Lin, Deputy Director of Public Works at Walter.Lin@sanjoseca.gov. For procurement and contract questions, please contact Jennifer Cheng, Deputy Director of Finance, at jennifer.cheng@sanjoseca.gov.