

**MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager
DATE: August 4, 2015
SUBJECT: Corrugated Steel Pipe and Fittings – Cal-Sierra Pipe LLC

ACTION REQUESTED

1. Approve Blanket Purchase Order renewal with Cal-Sierra Pipe LLC for the purchase of corrugated steel pipe and fittings in the maximum amount of \$75,000, for the period of August 4, 2015 to June 30, 2016. Funding is provided by the Department of Public Works in the FY 2015-16 Proposed Budget.

BACKGROUND

The Department of Public Works has a continuing need to purchase corrugated steel pipe in support of the department's road maintenance operations for installation of new culvert pipe and replacement of existing culvert pipe along County roadways.

On June 3, 2014, your Board approved a blanket purchase order (BPO) renewal as a result of competitive Bid No. 10264 with Cal-Sierra Pipe LLC of Stockton, CA for the purchase of corrugated steel pipe on an as-needed basis for the Department of Public Works. The department indicates services have been good and the provisions of the existing BPO continue to meet their requirements. The resulting BPO expired on August 3, 2015.

Cal-Sierra Pipe has agreed to renew with an average unit price increase of 2.89% due to a large health insurance cost increase incurred on January 1, 2015 and pass-through cost increases from Cal-Sierra Pipe's suppliers. Procurement has determined that the proposed price increases are reasonable. The Department of Public Works has been satisfied with the services provided by this vendor and concurs with Procurement's renewal recommendation.

The bid's General Terms and Conditions allows for the renewal of this BPO based on the vendor's satisfactory performance and reasonable pricing offered by the vendor. Therefore, your Board's approval is required to proceed with a new BPO in the maximum amount of \$75,000.

FISCAL IMPACT

Funding is provided by revenue collected from the Highway User Tax Account with no net county cost. The cost of the blanket purchase order for corrugation steel pipe and fittings is \$75,000 and is budgeted in the FY 2015-16 Proposed Budget in Department of Public Works, appropriation 32600, Road Maintenance Division account 2840.

cc: Cynthia Taylor, Senior Administrative Services Officer – Department of Public Works
Kevin Taber, Public Works Manager – DPW-Road Maintenance Division

