



**MEMORANDUM**  
**ADMINISTRATIVE SERVICES**  
**PROCUREMENT SERVICES**  
County of Placer

TO: Board of Supervisors  
FROM: Brett Wood, Purchasing Manager  
SUBJECT: On-Call Fence Repair Annual Contract – Crusader Fence Company, Inc.

DATE: March 8, 2016

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**ACTION REQUESTED**

Authorize rejection of Bid Number 10507; and

Approve a negotiated Blanket Purchase Order with Crusader Fence Company, Inc. of Rancho Cordova, CA, for on-call fence repair services, at a maximum amount of \$74,000, for the period of February 23, 2016 to March 31, 2017. Services will be provided to and funded by Department of Public Works and Facilities in the FY 2015-16 Final Budget and FY 2016-17 Requested Budget; and

Approve an option to renew the resulting blanket purchase order on a year-to-year basis for up to two renewal terms with a renewal amount not to exceed 10 percent in aggregate of the original award amount; and

Authorize the Purchasing Manager to sign all required documents.

**BACKGROUND**

The Department of Public Works and Facilities (DPWF) has a requirement for a blanket purchase order (BPO) for on-call fence repair, alteration, improvement, and replacement. The County has existing security and safety fences at numerous County locations including; the wastewater treatment plant, sewer lift stations and ponds, closed landfills, water supply wells, parks, and at other County facilities. These fences frequently require repairs due to deterioration, accidental damage, and vandalism. Due to concern for public safety, many repairs must be expedited within a short time period. Normally, bids are solicited on a job-by-job basis for the fence repairs, but DPWF has requested that a BPO be established to expedite the repairs.

On December 31, 2015, Procurement Services released bid solicitation number 10507 for on-call fence repair services. Bids were solicited in accordance with the requirements of the Public Contract Code (PCC). One of the requirements is that work performed under annual contracts must be done according to unit prices. A unit price includes labor, materials, overhead, profit, insurance and other costs incidental to the work and is defined in the PCC as "a single unit of an item of work." Crusader Fence Company, Inc. submitted the sole bid response.

Procurement's evaluation of Crusader's bid pricing concludes that the use of the PCC's mandated "unit price" for formulating quotes for fence repair work under an annual contract will inflate the cost of the County's fence repair projects. Procurement compared Crusader Fence Company's actual contract price for a recently completed fence project with the price for the same project based on unit pricing from Crusader Fence's bid for the On-Call Fence Repair Annual Contract. The result was that the unit pricing increased the project cost by 46.1%. However, using hourly rates and markups negotiated between Procurement and Crusader Fence resulted in a total cost that is within 3.4% of the actual project cost.

In accordance with Purchasing Policy Manual section 3.14(e)(5) and in the best interest of the County, Procurement Services rejected the sole bid from Crusader Fence Company. PCC Section 20150.10 permits counties to negotiate projects under \$75,000 with Board of Supervisors approval, and after all bids have been rejected. Procurement Services negotiated a more economical BPO with Crusader Fence Company based on a pricing schedule that is in accordance with the method of estimation normally utilized by the fencing contractor industry.

Therefore your Board's approval is required to award a new 13-month BPO in the maximum amount of \$74,000 for the period of March 8, 2016 through March 31, 2017.

**FISCAL IMPACT**

Upon your Board's approval, a BPO will be awarded to Crusader Fence Company, Inc. in the maximum amount of \$74,000 for the period of February 23, 2016 to March 31, 2017. These services are funded by the Building Maintenance, Parks & Grounds, and Sewer Maintenance District FY2015-16 Final Budget and FY2016-17 Requested Budget with no new net County cost.

cc: Kevin Bell, Environmental Engineering Program Manager, Department of Public Works and Facilities  
Dennis Hughes, Assistant Superintendent, Department of Public Works and Facilities  
Andrew Mills, Parks Superintendent, Department of Public Works and Facilities  
Valerie Bayne, Administrative Services Manager, Department of Public Works and Facilities