



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

TO: Board of Supervisors DATE: June 7, 2016  
FROM: Brett Wood, Purchasing Manager  
SUBJECT: Corrugated Steel Pipe and Fittings – Cal-Sierra Pipe LLC

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**ACTION REQUESTED**

Approve the renewal of a competitively awarded blanket purchase order with Cal-Sierra Pipe LLC of Stockton, CA for the purchase of corrugated steel pipe and fittings in the maximum amount of \$75,000 for the period of July 1, 2016 through June 30, 2017, funded by Department of Public Works and Facilities' FY 2015-16 Final Budget and to be included in the FY 2016-17 Requested Budget, resulting in no new net County cost; and

Authorize the Purchasing Manager to sign all required documents.

**BACKGROUND**

The Department of Public Works and Facilities (DPWF) has a continuing need to purchase corrugated steel pipe in support of road maintenance operations for installation of new culvert pipe and replacement of damaged culvert pipe along County roadways. On August 4, 2015, your Board approved the annual renewal of a blanket purchase order (BPO) with Cal-Sierra Pipe LLC resulting from competitive Bid No. 10264. The BPO with Cal-Sierra Pipe will expire on June 30, 2016.

Cal-Sierra Pipe LLC has agreed to renew the BPO for another year with an across-the-board increase of 5%. This increase is the result of escalation in steel mill pricing that has been passed up the supply chain. Steel prices have been rising consistently since December 2015 and have been forecasted by the steel industry to continue trending upward. Cal-Sierra Pipe LLC has provided price increase announcements from its suppliers documenting steel product price increases of up to 10%. The Procurement Services Division and DPWF have determined that the proposed 5% increase for this renewal period is acceptable. Section 15 of the bid's General Terms and Conditions allows for the renewal of this BPO based on the vendors' satisfactory performance.

**FISCAL IMPACT**

The cost of the Cal Sierra Pipe LLC BPO is \$75,000 and is budgeted in the Department of Public Works and Facilities' FY 2015-16 Final Budget and is budgeted for \$75,000 in the FY 2016-17 Proposed Budget. Funds are not encumbered until purchases are rendered against the BPO.

There is no cost to the County as the cost is 100% funded by State revenue from Highway User Tax.

cc: Cynthia Taylor, Senior Administrative Services Officer  
Kevin Taber, Public Works Manager

