

MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors

FROM: David Seward, Purchasing Manager *DS*

DATE: March 6, 2007

SUBJECT: Approve Change Order No. 4 to Blanket Purchase Order No. 13561 with Hunt & Sons, Inc. for Oil and Lube Products in the Amount of \$4,800.00

ACTION REQUESTED

Approve Change Order No. 4 to Blanket Purchase Order (BPO) No. 13561 with Hunt & Sons, Inc. of Sacramento for Oil and Lube Products in the amount of \$4,800.00, and authorize the Purchasing Manager to sign the revised BPO.

BACKGROUND

On March 21, 2006, your Board approved the Award of competitive Bid No. 9540 for oil and lube products to Hunt and Sons in the maximum amount of \$52,000.00. The Department of Public Works uses these products to maintain the County's fleet of cars, trucks buses, and heavy equipment.

Since oil pricing is volatile, Bid No. 9540 specified that bid prices were firm for 90 days. After that initial period, the County would either grant the contractor's price change requests, based on proof of corresponding price changes from the manufacturer, or terminate the contract. Since November, 2006, increased oil prices and requirements for higher cost motor oil for compressed natural gas vehicles have accelerated BPO expenses. Change Orders No. 1 and 2 allowed increased pricing. Change Order No. 3 increased the BPO maximum amount by 10 percent to \$57,200.00. In accordance with the Purchasing Policy Manual, Paragraph 2.1(g), this \$4,800.00 increase exceeds the Purchasing Manager's authority and requires your Board's approval.

FISCAL IMPACT

After projecting expenditures for our Fuels and Lubricants object through the remainder of the fiscal year, sufficient funding is available to cover the cost of this requested increase; therefore there should be no impact to department operations.

cc: Chuck Gordon, Fleet Services Manager
Dena Beyer, Administrative Services Officer

