

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

TO: Honorable Board of Supervisors

FROM: David Seward, Purchasing Manager 

DATE: April 18, 2006

SUBJECT: Recommendation to Award a Blanket Purchase Order to Allen Packaging Company for Food Trays in the Maximum Amount of \$285,000.00

ACTION REQUESTED

Approve the award of a Blanket Purchase Order (BPO) for food trays and sealing film to Allen Packaging Company of Tustin, CA., and authorize the Purchasing Manager to sign the resulting BPO in the not to exceed amount of \$285,000.00.

BACKGROUND

The Probation Department has requested a BPO for food trays made from recycled paper pulp for food service to inmates in the jail and juveniles in the Juvenile Detention Facility. The Probation Department has made an operational decision to replace existing plastic food trays with paper because they are disposable, more sanitary and have fewer safety risks.

Extensive research by Procurement has determined that there are only two known manufacturers of this type of food tray, Oliver Packaging and Huhtamaki Foodservice. The Probation Department analyzed sample food trays provided by both manufacturers and determined that the food trays offered by Oliver Packaging would fit twice as many of the trays in the oven than the food trays offered by Huhtamaki, resulting in the ability to prepare more meals at one time. Additionally, Oliver Packaging provides sealing equipment at no addition charge. Huhtamaki does not offer the sealing equipment, and would need to be purchased at a cost of approximately \$10,000.00.

Allen Packaging of Tustin, CA is the only authorized distributor of the Oliver trays in California. Procurement, through its research discovered that San Diego County has negotiated pricing with Allen Packaging based on their volume of 8.7 million per year. Allen Packaging has agreed to extend the same pricing to Placer County even though the anticipated annual usage is only 1.6 million.

Section 1.3 (l) of the Purchasing Policy Manual authorizes sole source procurement for a commodity which can only be purchased from one supplier because of its technological, specialized, or unique character.

FISCAL IMPACT

The BPO resulting from this recommendation will total \$285,000.00. There is sufficient funding in Probation's budget for these expenditures.

cc: Chris Artim, Probation, Administrative Services Officer

