



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
September 26, 2006

Honorable Mayor and
Members of the City Council

Title: Purchase: Traffic Signal Poles

Location/Council District: All Districts

Recommendation: (2/3 vote required) Adopt a **Resolution:** 1) suspending competitive bidding for the purchase of traffic signal poles, in the best interests of the City, and awarding a purchase agreement for the purchase of traffic signal poles to Wesco Distribution, and 2) authorizing the City Manager to execute the purchase agreement in an amount not to exceed \$123,984.

Contacts: Juan Montanez, Interim Street Services Manager, (916) 808-2254; Jack Wyscarver, Operations General Supervisor (916) 808-6633

Presenters: None

Department: Transportation

Division: Street Services

Organization No: 3498

Description/Analysis

Issue: Street Services maintains an inventory of signal poles for upcoming work. This purchase will add needed poles to the inventory. Because the bids for this purchase were expected to be below \$100,000, the competitive bidding procedures used did not include the newspaper advertising required for contracts of \$100,000 or more. However, due to escalating steel costs, the bids received exceeded \$100,000. Suspending competitive bidding will serve the City's best interests by allowing a purchase agreement to be awarded to the lowest responsible bidder, Wesco Distribution, without rebidding.

Policy Considerations: The recommendations in this report are consistent with the City's Strategic Plan goals to improve and expand public safety, and achieve sustainability and livability. Suspension of competitive bidding in the best interests of the City (on a 2/3 vote) is authorized by City Code Section 3.56.230(c).

Environmental Considerations: This project has been determined to be exempt from the California Environmental Quality Act (CEQA) under section 15301 (c) of the CEQA Guidelines, which states that repair and maintenance of existing highways and streets involving negligible or no expansion of existing use is exempt from CEQA review.

Commission/Committee Action: None

Rationale for Recommendation: The City needs these signal poles for upcoming projects. If these poles are not purchased now, several imminent projects will be delayed. This purchase was competitively bid, but the request for bids was not advertised in the official newspaper as required for contracts of \$100,000 or more. There would be no value added in re-bidding this formally. There is a very small population of vendors who can supply this commodity, so further advertising is unlikely to get additional interested bidders.

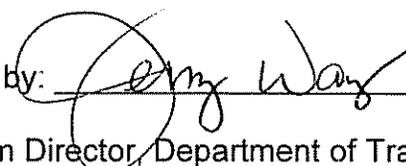
If re-bidding is conducted, several projects will be delayed, and the bid prices would likely increase, as steel prices are still volatile and have not stabilized. Currently the low bid vendor has agreed to honor the bid price through October 31, 2006. In a current steel price index, the cost per ton went from \$140 per ton (gross) in August 2005 to \$261 per ton (gross) in August 2006. Since May of 2006 the price has increased \$10 per ton. Additionally, the lowest responsive bidder is a responsible vendor with a good reputation with the City for fair prices and quality product.

Staff believes that it is in the City's best interest to suspend competitive bidding to allow the purchase to be awarded to Wesco Distribution for an amount not to exceed \$123,984.

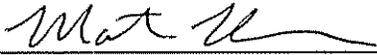
Financial Considerations: Sufficient funds are available in the Street Services, Signals (3498) operating budget and in CIPs: ST21, SM14, HC11 and TY51.

Emerging Small Business Development (ESBD): None of the bidders are certified small business with the City of Sacramento.

Respectfully Submitted by: 
Juan Montanez
Interim Street Services Manager

Approved by: 
Jerry Way
Interim Director, Department of Transportation

Recommendation Approved:



RAY KERRIDGE

for City Manager

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Attachment 1

Background

The Street Services Division of the Department of Transportation has a need for a variety of signal poles for various upcoming projects and maintenance.

This purchase was advertised on the City's bid page for 14 days. It was not formally bid per the procedures required for contracts of \$100,000 or more, because the estimated value, based on previous purchases, was under \$100,000. A total of eight companies sent inquiries on the bid. Of these, at least five deal with other signal materials but not poles. Two bids were received and opened. Due to the continued escalating cost of steel, both bids were over \$100,000.

The following chart shows the bid evaluation:

Vendor Name	Bid Total including tax	E/SBE
General Electric Co.	\$127,151	No
Wesco Distribution	\$123,984	No

Staff recommends awarding the purchase to Wesco Distribution for \$123,984.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

PURCHASE: TRAFFIC SIGNAL POLES

BACKGROUND

- A. The Street Services Division of the Department of Transportation has a need for a variety of signal poles for various up-coming projects and maintenance.
- B. This purchase was advertised on the City's bid page for 14 days. Because the bids for this purchase were expected to be below \$100,000 (based on previous purchases), the competitive bidding procedures used did not include the newspaper advertising required for contracts of \$100,000 or more. However, due to escalating steel costs, both bids received exceeded \$100,000. Wesco Distribution was the low bidder.
- C. If this purchase is rebid to include advertising in the official newspaper, several projects will be delayed, and the bid prices would likely increase, as steel prices have not stabilized. There is a very small population of vendors who can supply this commodity, so further advertising is unlikely to result in more bidders. Wesco Distribution has agreed to honor its bid price through October 31, 2006. For these reasons, it is in the City's best interests to suspend competitive bidding to allow the purchase agreement to be awarded to Wesco Distribution.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. In the best interests of the City, competitive bidding is suspended for the purchase of traffic signal poles, and a purchase agreement for the purchase of traffic signal poles is awarded to Wesco Distribution.
- Section 2. The City Manager is authorized to execute the purchase agreement in an amount not to exceed \$123,984.