



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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CONSENT
 February 13, 2007

**Honorable Mayor and
 Members of the City Council**

**Title: Suspension of Competitive Bidding and Award of Contract for the
 Purchase of Fertilizers for Capital City Golf, Department of Parks and
 Recreation and Department of Utilities**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) Rescinding the contract previously awarded to Western Farm Service for the purchase of fertilizers for use by Capital City Golf, the Department of Parks and Recreation and the Department of Utilities (Bid No. B061181098); 2) Accepting the next lowest responsible bid received for these products; and 3) Awarding the items listed in Schedule "B" of the bid and amending the contract for the purchase of fertilizers to Target Specialty Products, in a total amount not to exceed \$525,000.

Contact: Doug Parker, Golf Manager, 433-6314
 Marc Robles, Program Analyst, Procurement Services, 808-6343

Presenters: None

Departments: Convention Culture & Leisure, Department of Parks and Recreation, and Department of Utilities

Divisions: Capital City Golf, Parks Operations, Urban Forest Services and Field Services

Organization No: 4280, 4728, 4713, 3343

Description/Analysis

Issue: On September 5, 2006, the City Council awarded Western Farm Service a potential three year contract to provide fertilizers for City golf courses, parks and other areas. To date, the vendor has refused to comply with the City's additional insured endorsement requirement. Although Procurement and Risk Management staff advised Western Farm Service of its contractual obligations and the consequences for non-compliance, both verbal and written requests have been unsuccessful in securing the

required insurance endorsement. As a result, staff is recommending that the City Council rescind the contract awarded to Western Farm Service in Resolution No. 2006-660, and award a contract to the next lowest bidder, Target Specialty Products.

Policy Considerations: This recommendation is consistent with the requirements for competitive bidding as detailed in Chapter 3.56 of the Sacramento City Code.

Environmental Considerations: None

Rationale for Recommendation: Attachment 1 provides a tabulation of the original sealed bids received by the City Clerk in response to a solicitation for chemicals and fertilizers for City use. Both historical usage patterns and anticipated increases in usage in the coming year were used to establish the quantities specified in the bid. However, a substantial expansion of the areas to be serviced with these fertilizers, coupled with rising costs, will result in marked growth in the usage and overall cost of these products over the life of the three year contract. Western Farm Service was the lowest responsible bidder as indicated in Category "B" of Attachment 1. However, since this company has failed to comply with the insurance requirements specified in the bid, staff recommends rescission of the contract to Western Farm Service and award to the next lowest bidder, Target Specialty Products. The recommended supplier meets all specifications and has a point of distribution within the City limits.

Financial Considerations: Rescission of this contract will result in an estimated cost increase of less than 5%. Thus, the financial impact to the departments utilizing this contract will be minimal. The combined revised total contracts will not exceed \$1,800,000 for the potential three-year contracts for chemicals and fertilizers. Sufficient funds are available in the operating budgets of the participating departments to pay for these products.

Emerging Small Business Development (ESBD): Neither Western Farm Service, nor Target Specialty Products is certified as an Emerging/Small Business Enterprise.

Reviewed/Approved by: 
Chris Stewart
Procurement Services Manager

Approved by: 
Russell Fehr
Director of Finance

Recommendation Approved:


RAY KERRIDGE
City Manager

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BACKGROUND

On September 5, 2006, the City Council awarded both Western Farm Service and Target Specialty Products contracts resulting from Bid no. B061181098. The bid provides chemicals and fertilizers for City golf courses, parks and other areas. The bid contained two schedules of items, Schedule "A" for chemicals, and Schedule "B" for fertilizers and the award was split: Target Specialty Products received a potential three year contract for the chemicals in the bid for \$1,275,000. and Western Farm Service was awarded a potential three year contract for fertilizers in the amount of \$375,000.

One of the insurance requirements stated in the bid, required successful bidders to provide an additional insured endorsement naming the City of Sacramento as an additional insured. After numerous requests over a three month period, Western Farm Service has repeatedly declined to provide the additional insured endorsement and did not take exception to the insurance requirement in their bid.

The City has since terminated the contract with Western Farm Service and is now asking the City Council to award the fertilizers listed in Schedule "B" of Bid no. B061181098 to Target Specialty Products, as the next lowest bidder. As a contract has already been entered into with Target Specialty Products for the chemicals listed in Schedule "A" of the bid, the contract must now be amended to include the fertilizers previously awarded to Western Farm Service.

Also, staff anticipates marked expansion of the park and basin areas treated by the chemicals and fertilizers, coupled with substantial price increases in the raw materials used in the production of these chemicals and fertilizers over the potential three year term. Therefore, staff requests amending the contract with Target Specialty Products in a total amount not to exceed \$1,800,000.

BID NO. B061181098 – GOLF COURSE AND PARKS CHEMICALS & FERTILIZERS

Bidder	Schedule A Chemicals (Incl. Sales Tax)	Schedule B Fertilizers (Incl. Sales Tax)	5% E/SBE Preference	Prompt Payment Discount	1% City Tax Preference	Evaluation Total
Sierra Pacific Turf Supply	\$264,501.03	\$95,390.27	None	None	None	\$359,891.30
Target Specialty Products	\$258,100.23	\$94,689.54	None	None	<\$3,274.15>	\$349,515.62
United Agricultural Products	\$273,330.75	NO BID	None	<\$1,268.36>	None	\$272,062.39
Western Farm Service ⁽¹⁾	\$262,679.90	\$90,683.24	None	None	None	\$353,363.11
Wilbur-Ellis Company	\$266,029.94	NO BID	None	None	None	\$266,029.94

Award of Contract To: Target Specialty Products
524 Galveston St.
West Sacramento, CA 95691 ⁽²⁾

Annual

Total Amount of Contract: \$175,000.00 ⁽³⁾

Total Bid Amount: \$94,689.54

Original Estimated Cost: \$100,000.00

Bid Due Date: July 12, 2006

Western Farm Service⁽¹⁾
PO Box 1117
Lodi, CA 95244

Using Departments: Convention, Culture & Leisure, Parks & Recreation and Utilities

Total No. of Bids Solicited	No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
20	1	0	No

⁽¹⁾ Vendor is non-responsive as a result of failure to provide the required insurance stated in the bid.

⁽²⁾ This vendor has a point of distribution within the City limits (835 67th St.) and was granted the 1% City tax preference.

⁽³⁾ The next lowest responsible bid total of \$94,689.54 represents the total for the estimated quantities selected for evaluation purposes only. Authorization is requested to enter into a contract in an amount not to exceed \$175,000.00 per year, which more accurately reflects the actual anticipated expenditures in the final years of this 3 year contract.

RESOLUTION NO. 2006-

Adopted by the Sacramento City Council

RESCISSION OF AWARD AND AWARD OF BID NO. B061181098 FOR THE PURCHASE OF FERTILIZERS FOR GOLF COURSE, PARKS AND RECREATION AND UTILITIES

BACKGROUND

- A. The Departments of Convention, Culture & Leisure, Parks and Recreation and Utilities have a requirement for the purchase of chemicals and fertilizers. Bid no. B061181098 was awarded to Western Farm Service on September 5, 2006. However, the vendor has failed to provide the required additional insured endorsement after numerous requests. Therefore, staff recommends that the City Council rescind the original award and make an award to the next lowest responsible bidder, Target Specialty Products.

- B. Staff recommends that the City Council amend the contract with Target Specialty Products, the vendor originally awarded chemicals listed in Schedule "A" of the bid, to include fertilizers listed in Schedule "B" of the bid previously awarded to Western Farm Services, in an annual amount not to exceed \$1,800,000. This recommendation is consistent with the requirements for competitive bidding as detailed in Chapter 3.56 of the Sacramento City Code. It makes little sense to re-advertise or put this matter back out to bid. For the foregoing reasons and because of the factual circumstances, it is in the best interest of the City to suspend competitive bidding and award the contract to Target Specialty Products.

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

- Section 1. In the best interest of the City, the award of Bid No. B061181098 to Western Farm Service is hereby rescinded, competitive bidding is suspended, and the items listed in Schedule "B" of the bid are awarded to Target Specialty Products for the purchase of fertilizers.

- Section 2. The City Manager is hereby authorized to amend the contract for this purchase to: Target Specialty Products, 524 Galveston St., West Sacramento, CA, in an total revised amount not to exceed \$1,800,000.

