



CITY COUNCIL AGENDA REPORT

MEETING DATE: OCTOBER 17, 2006

ITEM NUMBER:

SUBJECT: AWARD FORMAL BID#1099 FOR CUSTODIAL SUPPLIES

DATE: OCTOBER 4, 2006

FROM: FINANCE DEPARTMENT/PURCHASING

PRESENTATION BY: MARC R. PUCKETT, DIRECTOR OF FINANCE

FOR FURTHER INFORMATION CONTACT: TERESA ROMERO (714) 754-5227

RECOMMENDATION:

Staff recommends the award of Formal Bid #1099 "Custodial Supplies" for a two-year price agreement to Waxie Sanitary Supply, 3220 S. Fairview Road, Santa Ana, California, 92704, in the annual amount of \$92,678.76.

BACKGROUND:

The existing two (2) six-month contracts expired April 30, 2006. In reviewing the previous contracts, staff determined the City's annual usage warranted an extended term firm-fixed pricing agreement to maximize the City's cost savings.

As required by the City of Costa Mesa Municipal Code, the "Notice Inviting Bids for Custodial Supplies" solicited qualified vendors listed on the bidders' list and vendors requesting bid packages. Three prospective bidders were invited to bid. A "Notice Inviting Bids" was also published on the City of Costa Mesa web site, public bulletin board in City Hall, and in the Daily Pilot. On September 25, 2006, the City Clerk received and read two bid submittals.

ANALYSIS:

The bid submitted by Waxie Sanitary Supply was the lowest responsive and responsible bid for \$92,678.76 annually. Further purchase history analysis of industry increases, in addition to rising petroleum product costs, indicated Waxie's pricing was fair and reasonable. Also, based on the Consumer Price Index, establishing firm-fixed pricing for two years would generate a savings of \$2,780.00 in the second year of the contract. Further savings would be realized by eliminating the amount of time and resources necessary to award multiple contract renewals every six months. Therefore, Purchasing staff concluded Waxie's bid was the best overall value for the City. See Attachment I-Formal Bid Tabulation

ALTERNATIVES CONSIDERED:

Staff considered various alternatives for purchasing custodial supplies. One alternative was to continue the six-month contract practice, as in previous years. However, maintaining six-month contracts, in lieu of a two-year contract, would not maximize the City's resources, nor yield any considerable cost savings on the City's behalf. Another alternative considered was to piecemeal the contracts out to several vendors. However, the cost of multiple deliveries, invoicing, and freight charges proved too costly an alternative. For these reasons, Purchasing staff does not recommend the above alternatives.

FISCAL REVIEW:

The FY 06-07 adopted budget provides funding for the expenditure of custodial supplies.

LEGAL REVIEW:

There is no legal review required on this item.

CONCLUSION:

Staff recommends that City Council approve the two-year price agreement for custodial supplies to Waxie Sanitary Supply, in the annual amount of \$92,678.76.

MARC R. PUCKETT
Director of Finance

TERESA M. ROMERO
Buyer

Attachments: [Attachment I, Formal Bid Tabulation #1099](#)

Distribution: City Manager
City Clerk