



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive and Review the FY 2018-19 Annual Sole Source Report
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	12/3/2019
Staff Contact:	Chris Schroeder, Purchasing Agent, 408-586-3161
Recommendation:	Receive and review the FY 2018-19 Annual Sole Source Report for the Year Ending June 30, 2019.

Background:

Per Title I, Chapter 310, Section 3.70 of the Milpitas Municipal Code, staff shall provide annually to the City Council a list of all sole source contracts entered into or renewed during the past fiscal year not later than July 15. In compliance with the Code, this memorandum transmits the required information. Due to staffing shortages, the compilation of this report was delayed.

Per Title I, Chapter 2, Section 3.09 of the Milpitas Municipal Code, the Purchasing Agent is authorized to make sole source determinations after conducting a good faith review of available sources and concluding that only one procurement source (vendor) for the desired product or service is available. Following past practice, the Purchasing Agent approves sole source purchases up to \$100,000 and the Council approves sole source purchases above \$100,000 based on the Purchasing Agent's recommendation. Per the Code, Sole Source purchases are approved for five years.

Analysis:

During the reporting period, 55 sole source purchases amounting to \$3,677,521.62 were active. Of the 55 sole source purchases, 27 sole source purchases were approved in FY 2018-19 in the amount of \$3,027,881.22. Of the 55 reported sole source purchases, 48 sole source purchases were approved by the Purchasing Agent totaling \$996,417.51 in FY 2018-19 or previously and seven sole source purchases were previously approved by City Council totaling \$2,681,104.11. The attached report groups approved sole source purchases by department and provides relevant information for each sole source purchase such as the purchase order issuance date, vendor name, short product description, sole source approval date, and dollar amount.

Sole Source purchases are approved for various reasons. Some of these reasons are outlined below with some examples for these Sole Source purchases.

1. The product is a "one of a kind," the manufacturer or distributor is the only authorized source for the product. Notable examples:
 - a. International Code (ICC) 2019 California Code Council Books
 - b. NO-DES, Inc. (Water Main Flushing Truck)
2. There are unique performance features of the product that are not available from any other source. Notable example:
 - a. Pierce Velocity All-Wheel Steer Fire Pumper Engine. Pierce is the only manufacturer that utilizes Oshkosh TAK-4 T3 tight Turning Technology with rear mechanical steering.
3. The sole source justification is based on matching existing equipment for the proper operation of the equipment or City Program. Notable examples:
 - a. Access Control and Alarm Monitoring System (ACAMS) manufactured exclusively by Sielox

b. Badger Water Meters

Fiscal Impact:

Not applicable.

California Environmental Quality Act:

Not applicable.

Recommendation:

Receive and review the FY 2019-20 Annual Sole Source Report for the Year Ending on June 30, 2019.

Attachment:

FY 2018-19 Sole Source Report for Fiscal Year Ending on June 30, 2019