



Legislation Details (With Text)

File #: 2020-576 **Version:** 1 **Name:**

Type: Consent **Status:** Agenda Ready

File created: 8/12/2020 **In control:** City Council

On agenda: 8/18/2020 **Final action:**

Title: CONSIDER APPROVING RESOLUTION NO. 20-130, RESOLUTION NO. 20-131, AND RESOLUTION NO, 20-132 AMENDING THE FISCAL YEAR 2020-21 BUDGET IN THE GENERAL FUND, AND AUTHORIZING PAYMENT OF OUTSTANDING INVOICES FOR VARIOUS SERVICES, SUPPLIES, AND MATERIALS USED BY THE PUBLIC WORKS DEPARTMENT DURING FISCAL YEAR 2019-2020 (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Vulcan Materials Resolution 20.130, 2. Ferguson Enterprises Resolution 20.131, 3. Roadline Products 20.132

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Report to Mayor and City Council

Tuesday, August 18, 2020

Consent

SUBJECT:

CONSIDER APPROVING RESOLUTION NO. 20-130, RESOLUTION NO. 20-131, AND RESOLUTION NO, 20-132 AMENDING THE FISCAL YEAR 2020-21 BUDGET IN THE GENERAL FUND, AND AUTHORIZING PAYMENT OF OUTSTANDING INVOICES FOR VARIOUS SERVICES, SUPPLIES, AND MATERIALS USED BY THE PUBLIC WORKS DEPARTMENT DURING FISCAL YEAR 2019-2020 (CITY COUNCIL)

I. SUMMARY

As defined by Purchasing Ord.17-1609, § 2, "Purchases of supplies or equipment totaling \$25,000 or more from a single vendor during a fiscal year require the City Council approval." During fiscal year 2019-2020, purchases were made with Vulcan Materials, Roadline Products Inc., and Ferguson Enterprises that exceeded the \$25,000 Blanket Purchase Order threshold. As a result, City Council approval is requested to proceed with payment of all outstanding invoices. These three resolutions amend the General Fund budget in the current year to appropriate the funds for these invoices, and the Council is also requested to authorize the Purchasing Department to issue Purchase Orders for each of the three vendors to address these invoices.

II. RECOMMENDATION

TAKE the following actions:

1. AUTHORIZE the Purchasing Department to issue a Purchase Order to Vulcan Materials to in the amount of \$5,807.99 to pay nine outstanding invoices from Fiscal Year 2019/20.
2. APPROVE Resolution No. 20-130, A Resolution of the City Council of the City of Carson, California, AMENDING THE FISCAL YEAR 2020-21 BUDGET IN THE GENERAL FUND.
3. AUTHORIZE the Purchasing Department to issue a Purchase Order to Roadline Products in the amount of \$3,439.50 to pay one outstanding invoice from Fiscal Year 2019/20.
4. APPROVE Resolution No. 20-132, A Resolution of the City Council of the City of Carson, California AMENDING THE FISCAL YEAR 2020-21 BUDGET IN THE GENERAL FUND.
5. AUTHORIZE the Purchasing Department to issue a Purchase Order to Ferguson Materials in the amount of \$11,791.63 to pay seven outstanding invoices from Fiscal Year 2019/20.
6. APPROVE Resolution No. 20-131, A Resolution of the City Council of the City of Carson, California AMENDING THE FISCAL YEAR 2020-21 BUDGET IN THE GENERAL FUND.

III. ALTERNATIVES

TAKE any other action City Council deems appropriate.

IV. BACKGROUND

The City Council's approval is requested to proceed with payments of all outstanding invoices.

Vulcan Materials

The Public Works Department routinely utilizes Vulcan Materials to supply miscellaneous concrete and asphalt materials. During the course of the fiscal year, staff determined that the prep work for the upcoming slurry seal project could be done using in-house crews and save the City considerable money. As a result of doing this prep work in-house, however, additional materials were procured from Vulcan Materials under the City's Blanket Purchase Order (BPO), which caused the department to exceed the \$25,000 threshold. The expenses were not originally accounted for when the original BPO was issued in 2019, as those additional materials would typically have been supplied by an outside vendor as part of a contract. While this was fiscally prudent overall (saving the City money) it ended

up causing the department to overspend the BPO.

In accordance with the City's current Purchasing Guidelines and Carson Municipal Code, any expenditures totaling over \$25,000 per fiscal year for a single vendor requires City Council approval. Staff is submitting Resolution No. 20-130 for approval to satisfy the outstanding balance with Vulcan Materials, which totals \$5,807.99, and the authorization by the City Council for the Purchasing Department to open a PO for this amount to address the outstanding invoices.

Roadline Products

Roadline Products, Inc. provides traffic marking paint, batteries for digital speed limit signs, high impact delineators, and specialized sign truck parts to the Public Works Signs and Striping division. The vendor was originally issued a BPO in the amount of \$24,299.00 for Fiscal Year 2019-2020. The fiscal year \$25,000 threshold was exceeded by \$3,439.50, for which City Council approval is required. The overage is due to emergencies arising over the course of the year.

Staff is submitting Resolution No. 20-132 for approval to satisfy the remaining balance with Roadline Products which totals \$3,439.50, and the authorization by the City Council for the Purchasing Department to open a PO for this amount to address the outstanding invoices.

Ferguson Enterprises

Ferguson Enterprises provides miscellaneous plumbing supplies. During Fiscal Year 2019-2020, two drinking fountains were procured through this vendor that were not originally anticipated when the BPO was issued and now City Council approval is required. Please note, that one of the fountains purchased, totaling \$8,671.84, is reimbursable to the City through a grant in which we fully expect to recuperate the cost.

Attached is Resolution No. 20-131 for approval, amending the City's budget to satisfy the remaining balance with Ferguson Enterprises in the amount of \$11,963.63, and the authorization by the City Council for the Purchasing Department to open a PO for this amount to address the outstanding invoices.

Process Improvements Underway

With the Finance Director, the Purchasing Manager, and the City Clerk's Office, the Public Works Department is working on a review of its budgeting, accounting, and bill-paying procedures to try to rectify a number of problematic activities.

Moving forward, to ensure that staff does not surpass the allotted purchase order amount within a fiscal year, the department has established the following protocols:

1. Created a workflow approval process in Tyler Munis in which any sequence of work from initiation to completion is monitored and approved by the authorized staff to maintain consistency. Additionally, this automated approval process will improve transparency and compliance within the City's purchasing guidelines.
2. Minimized the ability of staff to make purchases, with only lead workers,

supervisors, and managers having the authority to purchase materials and supplies. By doing so, this will help monitor and maintain purchase order expenditures.

3. Ensure that vendors reference the PO number to all invoices for payment and send the invoices to the Accounts Payable clerks in the Finance Department as well as the Supervisor and the Department Account Clerk.

V. FISCAL IMPACT

Funds for these items were not included in the FY 2020/21 budget; therefore, if the three resolutions are approved, the budget will be increased by \$21,039.12. Funds will be appropriated from the General Fund Reserve to the following accounts:

101-80-840-281-6009: \$5,807.99

101-80-840-280-6009: \$3,439.50

101-80-840-102-6009: \$11,791.63

VI. EXHIBITS

Exhibit No. 1: Resolution Number 20-130 (Pgs 5 - 6)

Exhibit No. 2: Resolution Number 20-131 (Pgs 7 - 8)

Exhibit No. 3: Resolution Number 20-132 (Pgs 9 - 10)

Prepared by: Jim Ross, Interim Public Works Director, and Tiauna Drew, Principal Administrative Analyst