



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 19, 2024

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: INCREASE PURCHASE ORDER NO. 240016 WITH 3M COMPANY OF ST. PAUL, MINNESOTA, IN THE AMOUNT OF \$80,781.80 FOR THE PURCHASE OF VINYL MATERIALS USED IN THE FABRICATION AND INSTALLATION OF SIGNS BY CITY CREWS FOR A REVISED PURCHASE ORDER AMOUNT OF \$130,780.80

ISSUE:

Authorize an increase to Purchase Order No. 240016 with 3M Company of St. Paul Minnesota, in the amount of \$80,781.80, for the purchase of vinyl materials used in the fabrication and installation of signs by City crews for a revised purchase order amount of \$130,780.80.

RECOMMENDATION:

That the City Council authorize an increase to Purchase Order No. 240016 with 3M Company of St. Paul, Minnesota, in the amount of \$80,781.80, for the purchase of vinyl materials used in the fabrication and installation of signs by City crews for a revised purchase order amount of \$130,780.80.

BACKGROUND:

The Public Works Department is responsible for the daily maintenance of all regulatory, warning, and directional signage along approximately 872 miles of streets throughout the City of Riverside. The City's Street maintenance services are delivered through two principal methods – Capital Improvement Projects and by Public Works Street Maintenance Division crews.

City crews are responsible for ensuring sign fabrication and installation are in accordance with the Manual on Uniform Traffic Control Devices (MUTCD) for Streets and Highways issued by the Federal Highway Administration of the United States Department of Transportation and revised by the State of California Department of Transportation to specify the standards by which traffic signs, road surface markings, and signals are designed, installed, and used.

DISCUSSION:

Since FY2021/22, the Public Works Department (Public Works) has "piggybacked" onto a contract between El Dorado County and 3M Company to purchase street sign material directly from 3M at

the contract rate. This secured favorable pricing of vinyl materials used in the fabrication of regulatory, warning, and directional signs throughout the City. At the beginning of FY2023/24, 3M notified Public Works staff that beyond FY2023/24, County of El Dorado Bid #21-289-002 could no longer be eligible for use for fixed pricing. 3M informed staff that they were working on a new pricing sheet which was anticipated by the end of calendar year 2023.

From July 2022 through December 2023, Public Works staff fabricated and installed more than 7,200 traffic signs throughout the City. Traffic engineering projects have consumed a large portion of the vinyl inventory and aluminum sign materials required to fabricate signs. The City exclusively uses 3M traffic sign material because 3M has an industry-leading warranty and safety standard. 3M provides the City with a 12-year warranty on 3M traffic sheeting and overlamination when the product is purchased directly from 3M. As 3M materials are the City's standard for reflective material to fabricate signs, the Public Works Department is requesting an exception to the competitive procurement process and submitted a Single Source Justification to increase Purchase Order No. 240016 through June 30, 2024. It is expected that the requested Purchase Order change order authority increase will be sufficient for Public Works to maintain a proper inventory of 3M materials for regulatory, warning, and directional signs necessary to complete the fiscal year.

Purchase Order No. 240016 was originally issued on July 5, 2023, in the amount of \$49,999. The Public Works Department is requesting approval for an increase of \$80,781.80 for a revised Purchase Order amount of \$130,780.80.

This item follows Purchasing Resolution 23914, Article Seven: Acquisition of Services, Section 702. Exceptions. Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: "(d) When the Procurement can only be obtained timely from a Single Source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated"...and through Purchasing Resolution 23914, Article Eleven: Purchase Order and Purchase Requisition Procedures, Section 1104. Change Orders "Modifications to a Purchase Order shall be made only by Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes of.... (1) adding and/or deleting quantity of items being procured... Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will requires Awarding Entity approval (b) Any Change Order which causes the contract price to exceed \$50,000, if the Contract and/or Purchase Order was not previously approved by the Awarding Entity".

The Purchasing Manager concurs that the recommendation to approve the increase is in compliance with Purchasing Resolution 23914.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.4 – Achieve and maintain financial health by aligning resources with strategic priorities to yield the greatest impact.**

This item aligns with each of the five Cross Cutting Threads as follows:

1. **Community Trust** – The City uses a high-quality retroreflective vinyl material when fabricating regulatory, warning and directional signs throughout the City.

2. **Equity** – The Public Works Department fabricates regulatory, warning, and directional signage installed throughout the City of Riverside.
3. **Fiscal Responsibility** – Taking advantage of purchasing vinyl signing materials directly from the manufacturer has enabled the City to minimize costs and secure a 12-year warranty on the reflective material.
4. **Innovation** – The City of Riverside is unique among many municipalities in that we have the ability to quickly fabricate all types of regulatory, warning, and directional signage.
5. **Sustainability and Resiliency** – The ability to control the fabrication of signs provides the quick ability to adopt changes ensuring regulatory requirements are followed.

FISCAL IMPACT:

The total fiscal impact is \$80,781.80. The total revised amount for vinyl materials used in the fabrication of City signs is \$130,780.80. Funds are budgeted and available in the General Fund, Public Works Streets Maintenance, Signing Supplies account 4110100-424143 to cover this additional cost.

Prepared by:	Bob Rivers, Principal Management Analyst
Approved by:	Gilbert Hernandez, Public Works Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment: 3M Quote