



## CITY COUNCIL AGENDA REPORT

**MEETING DATE:** Tuesday, April 14, 2026  
**TO:** CITY COUNCIL  
**WRITTEN BY:** SENIOR FINANCIAL ANALYST DIAZ  
**RECOMMENDED BY:** INTERIM PUBLIC WORKS & UTILITIES DIRECTOR GREEN  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER

**SUBJECT:** AUTHORIZATION TO INCREASE OPEN PURCHASE ORDERS WITH PAJARO VALLEY FABRICATION, INC, ARATA EQUIPMENT COMPANY AND FASTENAL COMPANY BY \$50,000.01, FOR AN AMOUNT NOT TO EXCEED \$150,000 EACH

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### RECOMMENDATION:

It is recommended that the City Council adopt a resolution authorizing the increase of open purchase orders with Pajaro Valley Fabrication, Inc, Arata Equipment Company and Fastenal Company by \$50,000.01, for an amount not to exceed \$150,000 each.

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### BACKGROUND:

City operations require immediate purchases and occasional small jobs. Pajaro Valley Fabrication, Inc, Arata Equipment Company and Fastenal Company have been identified as vendors commonly used to facilitate small jobs throughout many departments. The City established open purchase orders with Pajaro Valley Fabrication, Inc, Arata Equipment Company and Fastenal Company, in an amount not to exceed \$99,999.99 per open purchase order.

### DISCUSSION:

The current open purchase orders with Pajaro Valley Fabrication, Inc, Arata Equipment Company and Fastenal Company are running out of funds and will be exceeding the amount of \$99,999.99. Purchases and services in excess of \$100,000 require Council approval per Section 3-5 460 of Chapter 5 (Purchasing Procedure) of Title 3 (Finance) of the Watsonville Municipal Code. Staff is requesting the increase of “not-to-exceed” open purchase orders with Pajaro Valley Fabrication, Inc, Arata Equipment Company and

Fastenal Company by \$50,000.01 per open purchase order, for an amount not to exceed \$150,000 each to pay for purchases and services for the remainder of the fiscal year.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION:**

This action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378(b)(5), in that adopting a Resolution authorizing open purchase orders with Pajaro Valley Fabrication Inc. Arata Equipment Company and Fastenal Company, does not meet CEQA's definition of a "project," because the action does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and if a "project," is exempt under the "common sense" exception (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment.

### **STRATEGIC PLAN:**

These open purchase orders support the following Strategic Plan:

**Infrastructure & Environment**

### **FINANCIAL IMPACT:**

Funds for these open purchase orders will be paid through the supplies and materials and repair accounts in the operational budgets of the respective departments.

### **ALTERNATIVE ACTION:**

No reasonable alternatives are known at this time.

### **ATTACHMENTS AND/OR REFERENCES (IF ANY):**

None.