



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
August 31, 2010

**Honorable Mayor and
Members of the City Council**

Title: Cooperative Purchase of Asphalt and Aggregate Materials

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) approving the continued use of the Cooperative Purchasing Agreement (WA00025184) between the County of Sacramento and Teichert Aggregates for the purchase of asphalt and aggregate materials for a not-to-exceed amount of \$2.5 million, and 2) approving the use of the Cooperative Purchasing Agreement (WA00025183) between the County of Sacramento and Granite Construction Company for the use of asphalt and aggregate materials for a not-to-exceed amount of \$1.94 million.

Contact: Juan Montanez, Street Services Manager, 808-2254; Ramon Gibbons, Operations General Supervisor, 808-5871.

Presenters: None

Department: Transportation

Division: Street Services

Organization No: 15001631

Description/Analysis

Issue: The Street Services Division has ongoing requirements for asphalt and aggregate materials. To ensure the safety of citizens and others who depend upon the City's transportation corridors, it is imperative that the City not allow the maintenance and repair of those corridors to decline. Uninterrupted access to asphalt and aggregate materials is essential to the City's maintenance and repair activities. Due to the heavy demand for asphalt materials during the peak maintenance season, typically June through October, it is necessary to purchase from two vendors.

Based upon the results of previous competitive bid results, Procurement Services intends to purchase cooperatively from the County contract. However, due to the timing of the County's bid process and the scope of the City's

intended purchase requiring Council approval, it is probable that there will be a two-to-three month gap in various City departments' ability to purchase asphalt and aggregate products.

Policy Considerations: City Code section 3.56.240 authorizes the use of Council approved cooperative purchase agreements for purchase of supplies or nonprofessional services through legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the city.

Environmental Considerations:

California Environmental Quality Act (CEQA): This project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3) of the CEQA guidelines, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The current proposal involves only the purchase of asphalt and aggregate materials.

Sustainability Considerations: The aggregate and asphalt materials purchased will be used to maintain the safety and efficiency of the City's transportation corridors, optimizing and improving the transportation infrastructure. Aggregate materials are also necessary to maintain Street Service's ability to respond to catastrophic flooding, supporting the City's long-term plan to achieve 200 year flood protection for the greater Sacramento area. Whenever practical, Staff intends to purchase locally recycled aggregate materials to help reduce the over-consumption of natural resources.

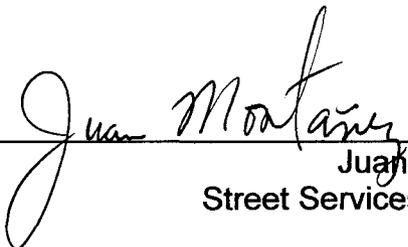
Commission/Committee Action: None.

Rationale for Recommendation: The current cooperative purchase agreements will expire on September 5, 2010. The County is currently soliciting bids for new purchase agreements. However, they have experienced delays in concluding the solicitation process and intend to extend the current agreements until such time as the new vendors are identified and agreements are executed.

Since the delay will occur at the height of Street Services' peak maintenance and repair season, staff recommends that City Council approve the continued use of these cooperative agreements for the purchase of asphalt and aggregate materials through September 5, 2010, or until such time as the contracts are no longer available. These short-term contracts will allow staff adequate time to secure Council approval for new cooperative purchasing agreements. The City shall reserve the right to terminate the interim agreements early and liquidate the remaining funds upon execution of the intended cooperative purchase agreements.

Financial Considerations: Streets Services Division calculates that a not-to-exceed amount of \$2.5 million with Teichert Aggregates and \$1.94 million with Granite Construction will suffice for all anticipated and unanticipated work, as well as fluctuations in asphalt prices resulting from escalating market conditions. The costs of the materials are borne by Capital Improvement Projects (CIP's) and the existing Street Services operating budget which is funded 95% by various transportation funds and reimbursements, and 5% by General Fund (Fund 1001). No additional funding is requested with this action.

Emerging Small Business Development (ESBD): Due to the volume of asphalt and aggregate materials necessary for the maintenance of the City's roadways and rapidly escalating market conditions, this acquisition does not lend itself to small and emerging small businesses.

Respectfully Submitted by: 
Juan Montanez
Street Services Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:

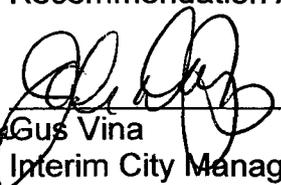

Gus Vina
Interim City Manager

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Attachment 1

Background

The purchase of asphalt and aggregate materials is managed by the City's Procurement Services as a citywide purchase, for use by multiple departments. Over the past several years, the City has used two approaches to purchase asphalt and aggregate materials, competitive bidding and cooperative purchasing with Sacramento County. Both methods have yielded similar results.

Last year, the City solicited competitive bids for asphalt and aggregates at the same time the County completed their bid process; the specifications for the City and County bid opportunities were virtually identical. The City only received one response, which was identical to one of the bids obtained by the County through their bid process. The County received two bids for asphalt and aggregate materials, Teichert Aggregates and Granite Construction. A third bid was received to provide aggregates only. With Council's approval, the City cooperatively purchased from both Teichert and Granite.

Based upon the results of previous competitive bid results, Procurement Services intends to, again, purchase cooperatively in conjunction with the County contract. However, due to the timing of the County's bid process and the scope of the City's intended purchase requiring Council approval, it is estimated that there will be a two-to-three month gap in various City departments' ability to purchase asphalt and aggregate materials.

The current cooperative purchase agreements will expire on September 5, 2010. The County is currently soliciting bids for new purchase agreements. However, they have experienced delays in concluding the solicitation process and intend to extend the current agreements until such time as the new vendors are identified and agreements are executed.

Since the delay will occur at the height of Street Services' peak maintenance and repair season, staff recommends that City Council approve the continued use of these cooperative agreements for the purchase of asphalt and aggregate materials through September 5, 2010, or until such time as the contracts are no longer available. These short-term contracts will allow staff adequate time to secure Council approval for new cooperative purchasing agreements. The City reserves the right to terminate the interim agreements early and liquidate the remaining funds upon execution of the intended cooperative purchase agreements.

The staff recommendation is an interim measure to ensure uninterrupted access by City crews to asphalt and aggregate materials for the continued maintenance and repair of City transportation corridors.

RESOLUTION NO.

Adopted by the Sacramento City Council

COOPERATIVE PURCHASE OF ASPHALT AND AGGREGATE MATERIALS

BACKGROUND

- A. The City of Sacramento, Department of Transportation, Street Services Division has ongoing requirements for asphalt and aggregate materials. To ensure the safety of citizens and others who depend upon the City's transportation corridors, it is imperative that the City not allow the maintenance and repair of those corridors to decline. Uninterrupted access to asphalt and aggregate materials is essential to the City's maintenance and repair activities. Due to the heavy demand for asphalt materials during the peak maintenance season, typically June through October, it is necessary to purchase from two vendors.
- B. Based upon the results of previous competitive bid results, Procurement Services intends to purchase cooperatively from the County contract. Due to the timing of the County's bid process and the scope of the City's intended purchase requiring Council approval, it is estimated that there will be a two-to-three month gap in various City departments' ability to purchase asphalt and aggregate products.
- C. Staff recommends that City Council approve the continued use of County of Sacramento Cooperative Purchasing Agreement WA00025184 with Teichert Aggregates, in the not-to-exceed amount of \$2.5 million, and Cooperative Purchasing Agreement WA00025183 with Granite Construction Company, in the not to exceed amount of \$1.94 million, through September 5, 2010, or until such time as the contracts are no longer available. This recommendation complies with City Code section 3.56.240, which allows for the use of approved cooperative contracts through other government jurisdictions or public agencies without separate competitive bidding.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The use of Cooperative Purchasing Agreement WA00025184 between the County of Sacramento and Teichert Aggregates for the purchase of asphalt and aggregate materials is approved for a not-to-exceed amount of \$2.5 million.

Section 2. The use of a Cooperative Purchasing Agreement WA00025183 between the County of Sacramento and Granite Construction Company for the use of asphalt and aggregate materials is approved for a not-to-exceed amount of \$1.94 million.