



Council Meeting: June 2, 2009

SUBJECT: Award of Bid No. F0804-61 for Asphaltic Materials for Department of Public Works Pavement Operations

BACKGROUND

Emulsion oils, asphalt concrete, pavement reinforcement fabric and various filler and sealer materials are required by City street crews for the regular repair and maintenance of City streets and parking lots. Because of volatility in the market place, these items are typically competitively bid with firm fixed pricing for one-year periods without extension options.

DISCUSSION

Bid specifications were supplied by Public Works and Purchasing staff, and all potential local suppliers were directly notified that Invitation for Bids No. F0804-61 was available. Sealed bids were publicly opened on May 13, 2009.

Responsive bids were received from two of the local asphaltic suppliers: Reed and Graham and Granite Construction. Granite Construction bid on six of the seventeen line items on the bid pages, and was higher than Reed and Graham on all of them. It is therefore recommended that a contract be awarded to Reed and Graham as the low bidder, effective July 1, 2009. A separate blanket order will be established with Granite Construction, under the City Manager's award authority, for back-up/emergency supply of materials.

For FY 2009/2010, approximately \$716,000 is budgeted in the Pavement Operations Program (118) for the maintenance of City streets and parking lots. Additional capital project expenditures will likely be necessary in conjunction with accelerated capital improvements under the **Sunnyvale Works!** program. Council approval of the FY 2009/2010 Budget will provide capital and operating program expenditure authorization for this contract.

The following chart shows the Reed and Graham comparative pricing on high volume materials paid for the FY 2008/2009 contract versus bid pricing for the requested contract.

<u>Item</u>	<u>FY</u> <u>2008/2009</u>	<u>FY</u> <u>2009/2010</u>	<u>Difference</u>
A. Asphaltic Emulsion Oils			
1. Emulsion Oil SS-1-H (used for roadway patching)	\$2.38/gal	\$1.78/gal	-25.2%
2. Emulsion Oil PM-CRS-2H (used as a base for chip sealing)	\$2.69/gal	\$2.03/gal	-24.5%
3. Emulsion Oil CRO (used as a top seal coat)	\$1.85/gal	\$1.42/gal	-23.2%
B. Asphaltic Concrete (Cold)			
1. ½" Max. Diameter	\$78.00/ton	\$72.00/ton	-7.7%
C. Asphaltic Concrete (Hot)			
1. ½" Max. Diameter	\$75.00/ton	\$62.00/ton	-17.3%
2. ¾" Max. Diameter	\$75.00/ton	\$62.00/ton	-17.3%

Prices have moderated considerably over the prior year in large part due to previous declines in the price of oil.

FISCAL IMPACT

The Public Works Pavement Operations Program activities 118040 (Permanent Patching), 118060 (Double Chip Seal), and 118170 (Deep Lift Patching) have budgeted funds beginning in FY 2009/2010 for the required materials. Funds are also budgeted in various capital projects. Expenditures resulting from this contract will not exceed budgeted amounts.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

RECOMMENDATION

It is recommended that Council award a one-year contract for asphaltic materials on an "as needed" basis to Reed and Graham, Inc., of San Jose in substantially the same form as the attached draft Purchase Order.

Reviewed by:

Mary J. Bradley, Director of Finance
Prepared by: Pete Gonda, Senior Management Analyst, Finance

Reviewed by:

Marvin Rose, Director of Public Works

Approved by:

Gary M. Luebbers
City Manager

Attachment:

A. Draft Purchase Order



City of Sunnyvale
California

Draft Blanket Purchase Order NO

BL001718

ORDERED FROM 00900 - 001 Reed & Graham Inc 690 Sunol St San Jose, CA 95126 (408) 287-1400	ORDER DATE	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	EFFECTIVE DATE 7/1/2009	
	EXPIRATION DATE 6/30/2010	
	CONTRACT AMOUNT Not To Exceed Budgeted Amount	
REQUISITIONING DEPARTMENT (9022) PW/FS - Streets & Lights	FOB ORIGIN	FREIGHT CHARGES Origin
	PAYMENT TERMS N/30	BID NO

ITEM	DESCRIPTION	UNIT	UNIT COST
1	Blanket order for asphaltic materials as required by the City of Sunnyvale for a one year period period in accordance with the specifications, terms and conditions set forth Invitation for Bids No. F0804-61 and bidders response, which is incorporated herein by this reference. Asphaltic Emulsion Oil (SS-1-H)	GA	\$1.7800
2	Asphaltic emulsion Oil (PM-CRS-2H)	GA	\$2.0300
3	Asphaltic Emulsion Oil (CRO)	GA	\$1.4200
4	Asphalt Concrete Cold, 1/4" maximum	TN	\$72.0000
5	Asphalt Concrete, Hot 1/4" maximum	TN	\$65.0000
6	Asphalt Concrete 3/8" maximum	TN	\$65.0000
7	Asphalt Concrete 1/2" maximum	TN	\$62.0000
8	Asphalt Concrete 3/4" maximum	TN	\$62.0000
9	Pavement Reinforcement Fabric, Mirafit	SY	\$0.4400
10	Crack Filler, Crafcoc or Henry	TN	\$1,360.0000
11	Pavement Repair Membrane, Mirafi	BX	\$95.0000
12	Asphalt Pavement Coating, Reed & Graham	GA	\$2.9900



ITEM	DESCRIPTION	UNIT	UNIT COST
13	Hydro-Patch, TA-92 Equivalent, in 50# bags	BG	\$13.0000
14	De Tack, per gallon	GA	\$25.0000
15	Optional Cleaning and Neutralizing of City Trucks Per Cleaning	EA	\$350.0000
16	Adjustments: Emulsion Oils - +/- \$10.00/gal supply = +/- \$0.04gal cost; AC - +/- \$10.00/ton supply= +/- \$0.55 ton cost Awarded by Council 6/2/2009, RTC # _____ Purchase Requisition # RQ004719	DLR	\$1.0000
17	De Tack, 5 gallon pail	PL	\$65.0000

AUTHORIZED DEPARTMENT(S)

NO	DEPT NAME	RELEASE AMT
9020	PW/Field Services Admin	\$30,000.00
9022	PW/FS - Streets & Lights	\$30,000.00

BUYER:

Howard, Dreama

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