

AG. 2003-117  
2003-118

APPROVED  
JUN 24 2003  
BY THE  
CITY CLERK



3.17

DEPARTMENT OF  
FINANCE  
PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

5730 24TH STREET  
BUILDING FOUR  
SACRAMENTO, CA  
95822-3699

PH. 916-433-6240  
FAX 916-399-0263

June 12, 2003  
PS:Admin:03-29:RBH:CS:mh

City Council  
Sacramento, California

Honorable Members in Session

**SUBJECT: ADOPTION OF SPECIFICATIONS AND AWARD OF BID NO. 1904 FOR ASPHALT & AGGREGATE MATERIALS IN A TOTAL AMOUNT NOT TO EXCEED \$2,500,000 PER CONTRACT YEAR**

**LOCATION AND COUNCIL DISTRICT:** Citywide

**RECOMMENDATION:**

Staff recommends that the City Council adopt specifications and accept the lowest responsible bids resulting from Bid No. 1904 for Asphalt & Aggregate Materials. Award is recommended to Teichert Aggregates (\$1,500,000) and Granite Construction (\$1,000,000) for a combined total not to exceed \$2,500,000 per contract year.

**CONTACT PERSONS:** Jerry Way, Superintendent, 433-6381  
Chris Slay, Buyer II, 433-6344

**FOR COUNCIL MEETING:** June 24, 2003

**SUMMARY:**

Attached is a tabulation of sealed proposals received by the City Clerk for furnishing materials in accordance with the specifications used in the bidding process and recommendation for award of Bid No. 1904 for Asphalt & Aggregate Materials. Award is recommended to Teichert Aggregates (\$1,500,000) and Granite Construction (\$1,000,000) for a combined total not to exceed \$2,500,000 per contract year.

**BACKGROUND:**

This contract will be used primarily by the Maintenance Services Division of the Department of Public Works for the repair of City streets. However, various divisions within the Utilities Department also have a need to purchase asphalt and aggregate materials.

Staff recommends that contracts be awarded to both Teichert Aggregates, 3500 American River Drive, Sacramento, CA 95864 (\$1,500,000), and Granite Construction, 4001 Bradshaw Road, Sacramento, CA 95827 (\$1,000,000), in a total combined amount not to exceed \$2,500,000 per contract year. These were the two lowest responsive bids received as shown in the attached bid tabulation sheet (Attachment 1). Teichert Aggregates' operating plant is closest to the City's Corporation Yard-South and when equipment and labor costs are factored in with the cost of materials, their bid remains the lowest overall, and as such, will be the City's primary source. Granite Construction operates two plants that can offer a secondary source of materials and depending on the City's job site location, can provide a cost effective backup source for the required asphalt & aggregate materials.

Because the bid totals represent those items selected for bid evaluation purposes only, staff recommends that the City Council authorize contracts in a total amount not to exceed \$2,500,000 per contract year, which more closely reflects the actual amount anticipated to be expended each year of these potential five year contracts.

**FINANCIAL CONSIDERATIONS:**

Sufficient funds have been budgeted by both the Department of Public Works and Utilities Department for FY03/04.

**ENVIRONMENTAL CONSIDERATIONS:**

The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3), which states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The current proposal involves only the purchase of asphalt and aggregate materials. Therefore, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

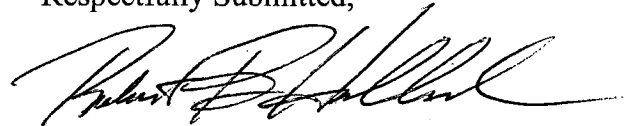
**POLICY CONSIDERATIONS:**

This recommendation is consistent with the requirements for competitive bidding as detailed in Chapter 3.56 of the Sacramento City Code.

**ESBE CONSIDERATIONS:**

Requests for bid were sent to four vendors, one of which was certified as an Emerging or Small Business Enterprise. Of the two bids received, neither was from a certified E/SBE firm.

Respectfully Submitted,



Robert B. Holbrook  
Procurement Services Manager

**RECOMMENDATION APPROVED:**



ROBERT P. THOMAS  
City Manager

**TABLE OF CONTENTS:**

- 1) Bid Tabulation Sheet, page 4

**BID TABULATION SHEET FOR BID NO. 1904  
ASPHALT & AGGREGATE MATERIALS**

<b>Bidder</b>	<b>Unit Price (excluding sales tax)</b>	<b>5% E/SBE Preference</b>	<b>City Tax Preference</b>	<b>Prompt Payment Discount</b>	<b>Evaluation Total</b>
Teichert Aggregates	\$1,673,475.00	None	None	\$.10 Per Ton for Aggregate & \$.50 Per Ton for Asphaltic Concrete - 10 <sup>th</sup> Prox	<u>\$1,673,475.00</u>
Granite Construction	\$1,745,525.00	None	None	2% - 22 Days <\$34,910.50>	<u>\$1,710,614.50</u>

**Award of Contracts To:** Teichert Aggregates  
3500 American River Drive  
Sacramento, CA 95851  
\$1,500,000

Granite Construction  
4001 Bradshaw Road  
Sacramento, CA 95827  
\$1,000,000

**Original Estimated Cost:** \$2,000,000

**Total Bid Amounts:** \$1,803,169.31 & \$1,880,803.19  
(Includes Sales Tax)

**Using Department:** Public Works & Utilities Departments

**Total Amount of Contracts:** \$2,500,000<sup>(1)</sup>

**Bid Due Date:** May 28, 2003

<sup>(1)</sup> The lowest responsible bid amount of \$1,803,169.31 represents the total for items selected for bid evaluation purposes only. Staff recommends that the City Council award contracts in a combined amount not to exceed \$2,500,000 per contract year, which more closely reflects the actual amount anticipated to be expended each year of this potential 5 year contract.

Total No. of  
Bids Solicited

No. of E/SBE  
Bids Solicited

No. of E/SBE  
Responses

Award to  
E/SBE Vendor?

4

1

0

No

