
File ID: 2024-01768

11/12/2024

Consent Item 12.

Supplemental Agreement: Purchase of Aggregates, Asphalt Concrete, and Related Materials

File ID: 2024-01768

Location: Citywide

Recommendation: Pass a **Motion** authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 1 to City Agreement PRC003115 with Granite Construction for an amount of \$760,000, to purchase aggregates for an amount not-to-exceed \$1,000,000.

Contact: Deanne Neighbours, Logistics Manager, dneighbours@cityofsacramento.org, (916) 808-3536; David Herrmann, Utilities Operations and Maintenance Manager, dherrmann@cityofsacramento.org, (916) 808-5652; Charley Cunningham, Utilities Operation and Maintenance Manager, ccunningham@cityofsacramento.org, (916) 808-5518; Pravani Vandeyar, Director, pvandeyar@cityofsacramento.org, (916) 808-3765; Department of Utilities

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-PRC003115-1_Granite Construction

Description/Analysis

Issue Detail: The Department of Utilities (DOU) has an ongoing need to purchase aggregate materials and related materials.

Policy Considerations: This supplemental agreement (PRC003115-1) exceeds the City Manager's approval authority and requires approval by City Council. City Code Section 3.04.020 requires supplemental contracts of \$250,000 or more to be approved by the City Council.

Economic Impacts: None.

Environmental Considerations: It has been determined that the proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(2). The purchase of asphalt and aggregate materials are continuing administrative or maintenance activities, such as purchases for supplies and are not subject to CEQA pursuant to CEQA Guidelines Section

15060(c)(3).

Sustainability: The proposed supplemental agreement is consistent with the 2040 General Plan's goals and policies related to LUP-11.8 Construction Processes: The City shall encourage onsite construction processes that reduce environmental harm and support sustainable methods.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: In February 2023, Invitation for Bid No. B23151631036 was issued by the Department of Public Works to price aggregate materials, asphalt concrete, and related materials. DOU sought to utilize the solicitation and entered into contract negotiations with Teichert Aggregates but was unable to come to mutually acceptable terms. DOU subsequently determined Teichert Aggregates to be unresponsive and entered into contract negotiations with the next lowest bidder, Granite Construction Company.

On August 9, 2024, DOU executed PRC003115 with Granite Construction Company for the purchase of aggregates, asphalt concrete, and related materials for \$240,000. Supplement 1 is being proposed to increase the agreement by \$760,000 bringing the agreement's total not-to-exceed amount to \$1,000,000.

Financial Considerations: Funding for the first year of this agreement of approximately \$240,000 has been included in the approved Fiscal Year 2024/25 DOU Budget. Funding for future fiscal years shall be subject to funding availability in the adopted budgets for the applicable fiscal year in an amount not to exceed \$1,000,000.00 over the contract term. Purchase orders encumbering funds under this agreement will not be created until needs and funding are identified in the applicable budget (operating, capital, multi-operating, or grants).

There are no General Funds planned or allocated for this project.

Local Business Enterprise (LBE): Granite Construction Company is an LBE.

SUPPLEMENTAL CONTRACT

Project Title and Job Number: Purchase of Aggregates
Purchase Order #:

Date: 10.1.2024
Supplemental Contract No.:1

The City of Sacramento ("City") and Granite Construction Company("Contractor"), as parties to that certain Goods Agreement designated as Contract Number PRC003115, including any and all prior supplemental contracts modifying the contract (the contract and all supplemental contracts are hereafter collectively referred to as the "Contract"), hereby supplement and modify the Contract as follows:

1. The Technical Specifications specified in Exhibit A of the Contract is amended as follows:

The Technical Specifications specified in Exhibit A have not changed.

Exhibit C Insurance is amended as follows: Auto Liability and Workers Compensation are not required.

2. In consideration of the additional and/or revised goods described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Contract for payment of Contractor's fees and expenses, is **increased/decreased** by \$760,000.00, and the Contract's maximum not-to-exceed amount is amended as follows:

| | |
|--|-----------------------|
| Agreement's original not-to-exceed amount: | <u>\$240,000.00</u> |
| Net change by previous supplemental contracts: | <u>\$0</u> |
| Not-to-exceed amount prior to this supplemental contract: | <u>\$240,000.00</u> |
| Increase/decrease by this supplemental contract: | <u>\$760,000.00</u> |
| New not-to exceed amount including all supplemental contracts: | <u>\$1,000,000.00</u> |

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised goods specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised goods, including costs associated with any changes and/or delays in schedules or in the provision of additional and/or revised goods or other work by Contractor.
4. Contractor warrants and represents that the person or persons executing this supplemental contract on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental contract and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Contract shall remain in full force and effect, and Contractor shall provide all of the goods and perform all of the services, duties, obligations, and conditions required under the Contract, as supplemented and modified by this supplemental contract.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURES

The parties have signed this Contract, effective as of the day and year first stated above.

CONTRACTOR

Under penalty of perjury, I certify that the information provided here is correct.

Signature: 

Title: Material Sales Manager

Additional Signature (if required):

Title:

CITY OF SACRAMENTO

A Municipal Corporation

APPROVED AS TO FORM:

Signature: 

Title: Senior Deputy City Attorney

Reviewed By:

Signature:

Title:

Approved By:

Signature:

Title:

Additional Signature (if required):

Title: