



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jose Obregon

**SUBJECT: REPORT ON RFQ FOR ASPHALT
STREET REPAIR MATERIALS**

DATE: March 10, 2004

Approved

Date

RECOMMENDATION

Report on Request for Quotation (RFQ) and authorize the Director of General Services to execute open purchase orders to the following vendors: Raisch Company (San Jose, CA) \$1,072,400, Granite Rock (San Jose, CA) \$464,705, and Reed & Graham (San Jose, CA) \$690,040.

BACKGROUND

As part of the City's street repair program, asphalt concrete material is needed to perform preventive and corrective maintenance. Three open purchase orders will be utilized for the period beginning April 1, 2004 through March 31, 2005.

Asphalt products are used throughout the City for resurfacing programs, and for the general patching of roadway surfaces. Street repair crews utilize the asphalt supplier nearest the project to provide the various types of material required. San Jose Municipal Code Section 4.12.146 entitled "Additional Factors in Awards," states the following factors may be considered in determining the most advantageous price quotation to the City:

1. Vendor Proximity to the using department;
2. Completeness of inventory;
3. Quality of past service;
4. Most favorable price discounts;
5. Vendor that has consistently offered the lowest price during the previous twelve month period."

In addition, San Jose Municipal Code Section 4.12.146 entitled "Use," states...." More than one vendor may be issued an open order for the same item."

ANALYSIS

On February 24, 2004 RFQs were faxed to four vendors, and advertised on the City's Bid Line. Three quotes were received on February 28, 2004:

Quotation Item Number	Description	Annual Usage (Estimated)	Raisch San Jose, CA	Granite Rock San Jose, CA	Reed & Graham San Jose, CA
1 & 7 ¹	3/4" max rock size	15,000 tons	\$311,250	\$136,500	\$193,500
2 & 8 ²	1/2" max rock size	35,000 tons	\$743,750	\$318,500	\$462,000
3	3/8" max rock size	800 tons	\$17,400	\$7,280	\$11,040
4	3/8" max rock size (25% liquid asphalt)	250 tons	No Quote	No Quote	\$11,750
5	3/8" max rock size (cold mix)	250 tons	No Quote	\$2,425	\$11,750
6	3/8" max rock size (high performance mix)	500 tons	No Quote	No Quote	No Quote

Determination of the estimated dollar amounts attributable to each vendor was based on applying a percentage of historical usage for the three plant locations. This method resulted with the following recommended award amounts:

Quotation Item Number	Raisch San Jose, CA	Granite Rock San Jose, CA	Reed & Graham San Jose, CA
1 & 7	\$311,250	\$136,500	\$193,500
2 & 8	\$743,750	\$318,500	\$462,000
3	\$17,400	\$7,280	\$11,040
4	NA	NA	\$11,750
5	NA	\$2,425	\$11,750
6	NA	NA	NA
TOTAL:	\$1,072,400	\$464,705	\$690,040

¹ Items 1 and 7 were quoted at the same price per ton, and only differ in the amount of recycled asphalt in the mix.

² Items 2 and 8 were quoted at the same price per ton, and only differ in the amount of recycled asphalt in the mix.

Price, feasibility of obtaining material, and consideration of operational efficiency based upon the vendors proximity to the project sites was used to determine that the most cost effective measure was the use of all three suppliers.

PUBLIC OUTREACH

The Request for Quotation was posted on the City of San Jose website.

COORDINATION

This has been coordinated with the City Attorney’s Office, the Department of Transportation and the City Manager’s Budget Office.

COST IMPLICATION

This Council item is consistent with General Principle #2, “We must focus on protecting our vital core city services”

BUDGET REFERENCE

<u>Fund #</u>	<u>Appn. #</u>	<u>Appn. Name</u>	<u>Total Appn.</u>	<u>Amount of Order</u>	<u>Adopted Budget</u>	<u>Last Budget Action(Date, Ord. No.)</u>
001	0512	DOT Non Personal/ Equipment	\$12,102,850	\$464,705	2003-2004 Approp. Ord., Section 2.21	2/17/2004, Ord. No. TBD
465	6123	Street Maintenance	\$4,518,000	\$1,762,440	Page 834	10/14/2003, Ord. No. 26997
		Total:	\$16,620,850	\$2,227,145		

CEQA

Exempt, PP04-02-041

JOSE OBREGON
 Director of General Services