



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Scott P. Johnson

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

**DATE:** April 6, 2005

Approved

*Kay Winer*

Date

*4/14/05*

Council District: City-Wide

## RECOMMENDATION

Report on Request for Quotation (RFQ) and authorize the Director of Finance to execute open purchase orders for the purchase of asphalt concrete from the following vendors: Raisch Company (San Jose, CA) \$899,750, Granite Rock (San Jose, CA) \$283,645, and Reed & Graham (San Jose, CA) \$640,335, for a total of \$1,823,730. Three open purchase orders will be issued for the period beginning May 1, 2005 through April 30, 2006.

## BACKGROUND

The Department of Transportation ("DOT") is responsible for street maintenance and repairs that are critical to preserve the City's roadways and extend the life of the road in the most cost effective manner when compared to pavement reconstruction or emergency services. As part of the City's preventative street maintenance, the City provides resurfacing services involving the application of two to four inches of asphalt over an existing pavement to smooth and add strength to the road.

On March 30, 2004 City Council approved item 6.2 for the purchase of asphalt material from multiple vendors. This multiple award strategy has been utilized for several years and has been very successful in improving competition. The existing service orders expired on March 31, 2005.

## ANALYSIS

The purchase of asphalt concrete material is required in order to continue implementing resurfacing services. A request for quotation was issued on February 18, 2005, and advertised on the City's bid line. Three quotes were received by the March 4, 2005 due date. A summary of supplier line item quotes and recommended award amounts follows:

#	Line Description	Estimated Annual Usage (tons)	Multiple Awards			TOTAL
			RAISCH (San Jose)	GRANITE ROCK (San Jose)	REED & GRAHAM (San Jose)	
1	3/4" max rock	15,000	\$332,175	\$76,230	\$234,780	\$643,185
2	1/2" max rock	35,000	\$553,625	\$121,000	\$391,300	\$1,065,925
3	3/8" max rock	800	\$3,600	\$26,240	\$3,680	\$33,530
4	3/8" max rock (25% liquid asphalt)	250	\$9,000	\$1,212.50	\$1,175	\$11,387
5	3/8" max rock (cold mix)	250	\$1,350	\$1,212.50	\$9,400	\$11,963
6	3/8" max rock (high performance mix)	500	No Quote	\$57,750	No Quote	\$57,750
	<b>TOTAL AWARD</b>		<b>\$899,750</b>	<b>\$283,645</b>	<b>\$640,335</b>	<b>\$1,823,730</b>

Staff has analyzed the asphalt mix requirements and the price quotes received along with operational efficiency requirements based on vendor proximity to project sites to determine the most cost effective utilization of each supplier. The recommended split award is based on following:

1. For line items 1 & 2, supplier proximity to job-site location: 51.5% to Raisch; 12.1% to Granite Rock; and 36.4% to Reed and Graham.
2. For line items 3 through 5, the supplier quoting the lowest unit price receives 80% of the estimated usage, with the remaining 20% divided evenly between the remaining two suppliers. This ensures a back-up supply in the event that there is an insufficient capacity or a supply shortage with the primary supplier.
3. For line item 6, 100% to the sole vendor that quoted this product, Granite Rock.

Section 4.12.146 of the San Jose Municipal Code permits "vendor proximity to the using department" as allowable selection criteria when determining the basis of award. In addition, this same code section allows more than one purchase order to be issued for a product or service.

**OUTCOME**

The Department of Transportation's street repair and preventive maintenance program will continue to ensure well-maintained streets throughout the City.

**PUBLIC OUTREACH**

A Request for Quotation (RFQ) was issued February 18, 2005 and advertised on the City's Bidline.

**COORDINATION**

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

**COST IMPLLICATIONS**

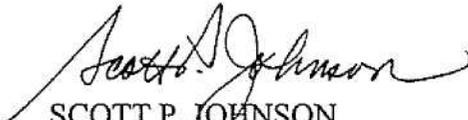
This Council item is consistent with General Principle #2, "We must focus on protecting our vital core city services".

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
465	6123	Street Maintenance	\$6,240,000	\$1,823,730	V-1034	10/12/2004, Ord. No. 27267

**CEQA**

Exempt, PP04-02-041

  
SCOTT P. JOHNSON  
Director, Finance Department

ITEMS/SERVICES DEPARTMENT	RECOMMENDED VENDOR/ LOCATION	REQUESTED AWARD	PRIOR BALANCE	SOURCE OF FUNDING AND BUDGET PAGE
Debris Removal Services for the Department of Transportation's Street Maintenance Operations Program	San Jose Transport Gilroy, CA	\$291,900		Traffic CIP Fund 465, Appn 6123 Adopted Capital Budget, Page V-1034
<p>Establish an open service order for the term April 1, 2005 through March 31, 2006 for trucking services to remove and transport street debris (broken asphalt concrete, broken concrete, rubble and debris from the City of San Jose's South, West and Mabury yards to the Newby Island landfill site and/or designated recycling centers. This requirement was competitively quoted; San Jose Transport provided the lowest quote. OEA: #7895, Living Wage/Prevailing Wage where Prevailing Wage Higher. CEQA: PP04-02-040. Cost Implication: General Principles #2, "We must focus on protecting our vital core city services." Outcome: The ongoing maintenance of City streets.</p>				