

**MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager *BW*
DATE: April 9, 2013
SUBJECT: Asphalt Concrete – Vulcan Materials and Teichert Aggregates

ACTION REQUESTED

1. Approve the renewal of competitively awarded blanket purchase orders (BPOs) with Vulcan Materials of Roseville and Grass Valley, CA as well as the renewal of a negotiated BPO with Teichert Aggregates for the purchase of asphalt concrete products used for road maintenance projects in the total aggregate amount of \$897,000, funded by Highway User Tax Account revenue with no net County cost, for the period of April 1, 2013 through March 31, 2014, and authorize the Purchasing Manager to sign the resulting BPOs and to transfer funds between BPOs as necessary to meet the County's needs.

BACKGROUND

The Department of Public Works Road Maintenance Division (DPW) requires annual BPOs for the purchase of various types of asphalt concrete products on an as-needed basis for the department's road maintenance projects throughout Placer County. On March 13, 2012, your Board approved the first renewal of competitive Bid No. 10057 with Vulcan Materials – Roseville Plant and Vulcan Materials – Grass Valley Plant for asphalt concrete products needed in Western Placer County as well as the issuance of a negotiated BPO to Teichert Aggregates for asphalt concrete products needed in Eastern Placer County. The resulting BPOs expired on March 31, 2013.

DPW submitted requests to renew the BPOs for another one-year term. Both Vulcan Material locations agreed to renew at the same pricing and terms. Section 15 of the General Terms and Conditions of Bid No. 10057 allows for the renewal of the existing agreement on a year-to-year basis upon the successful negotiation of the renewal pricing and terms.

Procurement Services successfully negotiated an agreement with Teichert Aggregates to renew for another one-year term with proposed price increases averaging 5.11% overall. The proposed price increases are attributed to rising costs for raw materials and transportation. Procurement Services determined that these proposed increases are reasonable since they are representative of the current market conditions affecting the cost of these products. The vendor has provided satisfactory service to DPW and continues to provide the County with products that meet the County's requirements. Section 7.2 of the Purchasing Policy Manual (PPM) allows the County to negotiate contracts for operational services and supplies based on geographic proximity to the County's sites of operations. Placer County Purchasing Policy Manual Section 1.3(o) also allows for the renewal of a contract based on the vendors' satisfactory contract performance.

FISCAL IMPACT

Upon your Board's approval BPOs will be awarded to Vulcan Materials - Roseville in the maximum amount of \$330,000, Vulcan Materials - Grass Valley in the maximum amount of \$347,000, and Teichert Aggregates in the maximum amount of \$220,000 and will be effective for the period of April 1, 2013 through March 31, 2014. DPW's Fiscal Impact Statement is attached.

Attachment: DPW's Fiscal Impact Statement

cc: Cynthia Taylor, Public Works Senior Administrative Services Officer
Kevin Taber, Public Works Manager-Road Maintenance

MEMORANDUM

DEPARTMENT OF PUBLIC WORKS
County of Placer

TO: Honorable Board of Supervisors

FROM: Ken Grehm, Director

DATE: April 9, 2013

SUBJECT: **Fiscal Impact Statement**
RQ056162 BP019575 – Vulcan Materials – Roseville
BP019576 – Vulcan Materials – Grass Valley
BP019577 – Teichert Aggregates

1. Approve RQ056162 to VULCAN MATERIALS and TEICHERT AGGREGATES for Asphalt Concrete in the aggregate amount of \$897,000, funded by revenue collected from Highway User Tax Account with no net county cost, for the period of FY 2012-13 and 2013-14, and authorize the Purchasing Manager to sign the resulting Blanket Purchase Orders.

