

MEMORANDUM
COUNTY OF PLACER
DEPARTMENT OF ADMINISTRATIVE SERVICES
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager

DATE: April 28, 2015

SUBJECT: Asphalt Concrete – Vulcan Materials and Teichert Aggregates

ACTION REQUESTED

1. Approve the award of competitive Bid No. 10420 to Vulcan Materials of Roseville and Grass Valley for the as-needed purchase of asphalt concrete products in the maximum aggregate amount of \$680,000 for the period of April 28, 2015 through March 31, 2016. Materials shall be provided to and funded by the Department of Public Works Road Maintenance Division budget for FY 2014-15 and in the requested budget for FY 2015-16;
2. Approve the renewal of a negotiated blanket purchase order with Teichert Aggregates of Truckee, CA for the as-needed purchase of asphalt concrete products in the maximum amount of \$220,000 for the period of April 28, 2015 through March 31, 2016. Materials shall be provided to and funded by the Department of Public Works Road Maintenance Division budget for FY 2014-15 and in the requested budget for FY 2015-16;
3. Approve the option to renew the resulting blanket purchase orders for three additional one-year terms, and authorize change orders at a combined three-year total not to exceed 10 percent (\$90,000) in aggregate of the recommended award amount of \$900,000; and
4. Authorize the Purchasing Manager to sign the resulting blanket purchase orders and to transfer funds between the blanket purchase orders as needed.

BACKGROUND

On behalf of the Department of Public Works Road Maintenance Division (DPW), the Procurement Services Division developed Invitation for Bids No. 10420 to solicit bids for the as-needed purchase of various types of asphalt concrete products for road maintenance projects throughout Placer County. The bid was distributed via the County's e-Procurement system to twenty-four potential bidders and was also posted on the County's website. Thirty bidders viewed the bid online however only one responsive bid was received, from Vulcan Materials, who is the department's previous supplier of asphalt concrete for the Western Placer County region. The bid pricing submitted by Vulcan Materials for their Roseville facility represents an overall decrease of 0.54% compared to the most recent contract pricing. The bid pricing for their Grass Valley facility represents the same pricing as the most recent contract. Although the commodity data obtained from the Bureau of Labor Statistics shows a 26.99% price decrease for asphalt nationwide it is inconsistent with the asphalt prices in the Northern California market which have experienced little to no price decreases. Based on the current economic environment in the Northern California region and the historic volatility of this commodity the bid prices appear to be reasonable.

DPW still requires a material provider for the Eastern Placer County region and submitted a request to renew the previous BPO with Teichert Aggregates (Martis Valley). Procurement Services successfully negotiated an agreement with Teichert Aggregates to renew for another one-year term at the same pricing and terms.

Procurement Services determined that the prices offered by Teichert are reasonable because 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 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.

Your Board's approval is required to proceed with the award of multiple blanket purchase orders in the maximum aggregate amount of \$900,000 and to authorize the Purchasing Manager to sign the resulting BPOs.

FISCAL IMPACT

Upon your Board's approval, BPOs will be awarded to Vulcan Materials - Roseville, Vulcan Materials – Grass Valley, and Teichert Aggregates in the maximum aggregate amount of \$900,000 for the period of April 28, 2015 through March 31, 2016. The resulting BPOs are funded by Highway User Tax Account revenues with no net County cost.

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