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**Title:** Award a requirements contract to Builders Concrete Inc. of Fresno, California for \$548,127.16 for the purchase of ready mix concrete materials. Bid File No. 9390 (City Wide)

**Sponsors:** Public Works Department

**Indexes:**

**Code sections:**

**Attachments:** 1. BF9390 Ready Mix Concrete Bid Eval.pdf

| Date     | Ver. | Action By    | Action   | Result |
|----------|------|--------------|----------|--------|
| 2/2/2017 | 1    | City Council | approved | Pass   |

**REPORT TO THE CITY COUNCIL**

**February 2, 2017**

**FROM:** SCOTT L. MOZIER, P.E., Director  
Public Works Department

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**SUBJECT**

Award a requirements contract to Builders Concrete Inc. of Fresno, California for \$548,127.16 for the purchase of ready mix concrete materials. Bid File No. 9390 (City Wide)

**RECOMMENDATION**

Staff recommends that the City Council award a requirements contract for \$548,127.16 for one year with the option for four one-year extensions to Builders Concrete Inc. of Fresno, California, as the lowest responsive and responsible bidder for the purchase of Ready Mix Concrete materials and to authorize the Public Works Director or designee to sign the contract on the City's behalf.

**EXECUTIVE SUMMARY**

The Street Maintenance Division of Public Works uses a requirements contract to purchase ready

mix concrete material which is used by City crews for the maintenance and repair of sidewalks, curbs, gutters, and ADA curb ramps.

The prior requirements contract has expired. This contract was re-bid and the award of this contract will allow the City to continue to make ready mix concrete material purchases. The terms of this contract will be for one year with provisions for four one-year increment extensions if the performance is satisfactory.

## **BACKGROUND**

Ready Mix Concrete materials are used by City crews for the maintenance and repair of concrete street infrastructure throughout the City of Fresno. Funding for concrete repair is included in the annual Fiscal Year 2017 Street Maintenance budget, which is funded with State Gas Tax and Measure C. In some cases, there are one-time capital projects that may be funded with General Fund.

The execution of a requirements contract establishes a firm price, secured through competitive bidding, for a specified time and allows the City to make material purchases as needed. The specifications were prepared for a new requirements contract using the average annual quantities of ready mix concrete used over the last two years, which is consistent with current future projections.

The Purchasing Division began advertising on November 19, 2016, which involved posting a notice inviting bids on the City website, the Business Journal, and eight different building exchanges. Bid specifications were distributed to seventeen separate prospective bidders. A public bid opening was held on December 6, 2016, and only one bid was received. Builders Concrete Inc. was the sole bidder with a bid amount of \$548,127.16. Builders Concrete Inc. is the previously contracted vendor, and Staff is satisfied with their service and feels that the proposed price is competitive with industry standards. This bid is 68.3% below the previous contract pricing. This is due to a reduction of quantities in the specifications, which are more consistent with actual amounts used over the last two years, and consistent with current projections.

Staff anticipated that other vendors would bid. After receiving the one bid, Purchasing staff contacted several of the prospective bidders who confirmed that they did receive the bid packet and decided not to bid. Several of the vendors are fully committed to some of the other large construction projects such as High Speed Rail, and were not interested in bidding this contract. This is not the first time that this contract was awarded after receiving only one bid. In 2013 this contract was awarded to the sole bidder. Staff does feel that this bid price is competitive and in some cases slightly less than industry standard.

The City Attorney's office has reviewed and approved to form.

Council may reject all bids. The City would be without a Ready Mix Concrete contract for approximately sixty days while the contract rebid, which could have a significant impact on the concrete repairs currently planned throughout the City.

Staff recommends that the City Council award a requirements contract in the amount of \$548,127.16 for one year with the option for four one-year extensions to Builders Concrete Inc. of Fresno, California, as the lowest responsive and responsible bidder for the purchase of Ready Mix Concrete materials and to authorize the Public Works Director or designee to sign the contract on the City's

behalf.

## **ENVIRONMENTAL FINDINGS**

This item is not a project for the purposes of the California Environmental Quality Act.

## **LOCAL PREFERENCE**

Local preference was not implemented because of state funding. Also, the lowest responsive and responsible bidder is a local business.

## **FISCAL IMPACT**

No operational General Fund dollars are budgeted for purchases on this contract. Appropriations in the FY2017 budget are funded through State Gas Tax, Measure "C" and capital improvement projects.

Attachments:

Bid Evaluation

Fiscal Impact Statement