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Title: Actions pertaining to the award of a requirements contract to Calaveras Materials, Inc., of Fresno, California in the amount of \$2,838,662.75 for the purchase of Asphalt Concrete Material. Bid File No. 9469 (City Wide)

Sponsors: Public Works Department

Indexes:

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Attachments: 1. 19-1742 Bid Evaluation-Listing of Proposers.pdf, 2. 19-1742 Fiscal Impact Statement.pdf, 3. 19-1742 2013 and 2019 Contract Pricing Comparison.pdf, 4. 19-1742 2019 BID COMPARISON.pdf

Date	Ver.	Action By	Action	Result
6/13/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

June 13, 2019

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Public Works Department

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SUBJECT

Actions pertaining to the award of a requirements contract to Calaveras Materials, Inc., of Fresno, California in the amount of \$2,838,662.75 for the purchase of Asphalt Concrete Material. Bid File No. 9469 (City Wide)

RECOMMENDATION

Staff recommends that the City Council award a requirements contract in the amount of \$2,838,662.75 for one (1) year with the option for four (4) one-year extensions to Calaveras Materials, Inc., of Fresno, California, as the lowest responsive and responsible bidder for the purchase of Asphalt Concrete Material 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 asphalt concrete materials to be used by City crews for pavement maintenance in various locations throughout the City of Fresno. The prior contract has expired and a re-bid was initiated to establish a new requirements contract. Funding for this contract is included in the FY2019 and FY2020 budget. After evaluation, staff recommends award of a one (1) year contract with the provisions for four (4) one-year extensions to Calaveras Materials, Inc. in the amount of \$2,838,662.75.

BACKGROUND

The Department of Public Works Street Maintenance Division uses asphalt concrete materials for various street repair operations, such as major pavement reconstruction (overlay), pothole repairs, and localized asphalt patching. These materials are used throughout the year and are transported to various jobsites around the City. 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.

In accordance with the City Procurement Handbook, Administrative Order 6-19, and CDBG requirements, the Department of Public Works solicited bid proposals for the necessary materials based on the average annual quantities of twelve separate pavement related products. The Bid Specifications for the Asphalt Concrete Materials Requirements Contract was faxed to four (4) Building Exchanges, sent directly to five (5) prospective bidders, and published on the City's Planet Bids Online site on March 6, 2019. A public bid opening was held on April 2, 2019 and two (2) bids were received. Calaveras Materials, Inc. was the lowest responsive and responsible bidder with a bid amount of \$2,838,662.75.

Staff is in agreement that Calaveras Materials, Inc. is capable of providing the City of Fresno with the necessary materials. The previous contract was held by Calaveras Materials, Inc. The current bid reflects a 68% increase from the previous contract; however the specifications were changed on the current bid to reflect the product quantities currently ordered and used by the Street Maintenance Division. The 68% increase in the bid amount is the result of a 72% increase in the material quantities that were specified, or the equivalent of 22,350 tons of additional asphalt concrete material. While the 68% appears to be an increase in price, the current bid actually reflects a reduction to the individual unit cost from the prior contract. The two (2) proposals received were in the amounts of \$2,838,662.75 and \$3,027,025.14.

Funding for this contract is included in the FY2019 and FY2020 budget. It will be partially funded by Measure C, SB1 Gas Tax, as well as the HUD Community Development Block Grant (CDBG) program. These additional funding sources also account for additional projects, which are reflected in the bid proposal amounts received and another reason for the increased overall bid amount. In addition, since this is a requirements contract, there is no obligation to purchase a minimum amount of material if budgets or scopes of work are adjusted.

City Attorney has reviewed and approved to form.

Council may reject all bids. If this were to happen, the City would be without an alternate option to purchase the necessary asphalt concrete materials for approximately sixty (60) days while the

contract is rebid. Such a delay would have a significant impact on the planned pavement reconstruction, pothole repairs, and other pavement improvements currently planned across the City.

Staff recommends that the City Council award a requirements contract in the amount of \$2,838,662.75 for one (1) year with the option for four (4) one-year extensions to Calaveras Materials, Inc. of Fresno, California, as the lowest responsive and responsible bidder for the purchase of asphalt 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 as defined by the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not implemented due to the fact that this contract uses state and federal funding.

FISCAL IMPACT

Funding appropriations are included in the FY2019/FY2020 budget, and are funded through Measure C, SB1 Gas Tax funding, and Federal Department of Housing and Urban Development (HUD) CDBG Program. The General Fund is not impacted.

Attachments:

Bid Evaluation-Listing of Proposers

Fiscal Impact Statement

2013 and 2019 Contract Pricing Comparison

2019 Bid Comparison