



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Public Works



DATE: September 6, 2011
BOARD MEETING DATE: September 13, 2011
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: James C. Porter, Director of Public Works
SUBJECT: Vendor Agreements with Granite Rock; and Reed & Graham, Inc. for Asphaltic Road Materials

RECOMMENDATION:

Adopt a Resolution:

1. Waiving the Request for Proposal process and authorizing the Purchasing Agent to establish vendor agreements with Granite Rock and Reed & Graham, Inc. for the provision of asphaltic road materials for the term of three years with an option to extend for two one-year terms in an amount not to exceed \$1,500,000 per year; and
2. Authorizing the Director of Public Works to execute subsequent amendments and minor modifications.

BACKGROUND:

County Ordinance 2.83.050 (f) allows the Board of Supervisors to waive provisions for a formal Request for Proposal where it would not be in the best interest of the County.

DISCUSSION:

The Department of Public Works, Road Maintenance Section provides routine and emergency road maintenance on approximately 315 miles of maintained roadway. The Section uses temporary treatments to manage the rate of deterioration in the roadway until more effective road treatments can be applied. Without treatments such as crack sealing, pothole repairing, oil and sanding, and asphalt patching, the roads would deteriorate rapidly and would require costly resurfacing and other surface treatments.

Granite Rock and Reed & Graham, Inc. are the only two vendors on the Peninsula who can supply large quantities of asphaltic materials in the quantities that can meet both our specifications and within the timeframe that the Department needs to complete the repairs.

In addition, because of the large fluctuations in the cost of the asphaltic materials, Granite Rock, or Reed and Graham will not agree to a preset price for volume purchases.

Furthermore, the Roads Maintenance Section purchases most of its asphaltic materials from Granite Rock, located in Redwood City, because the cost of transporting asphaltic materials from Reed and Graham, in San Jose, is only cost effective when Granite Rock cannot provide these materials in a timely manner. As a result, we recommend that the Board find that it is in the County's best interest to waive the competitive procurement process for these vendor agreements. The contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

The term of these vendor agreements will be for up to a period of five years: one 3 year agreement with two – one year extensions at the discretion of the Director of Public Works. The total not to exceed amount of these agreements shall be \$1.5 Million per year.

County Counsel has reviewed and approved the Resolution as to form.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Livable Community by providing a cost efficient method for purchasing asphaltic road materials in an effort to maintain our roads in fair or better condition for the traveling public.

FISCAL IMPACT:

The purchase of Asphaltic Road Materials will be funded by Road Funds. There will be no impact to the General Fund.

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION: 1. WAIVING THE REQUEST FOR PROPOSAL PROCESS AND AUTHORIZING THE PURCHASING AGENT TO ESTABLISH VENDOR AGREEMENTS WITH GRANITE ROCK AND REED & GRAHAM, INC. FOR THE PROVISION OF ASPHALTIC ROAD MATERIALS FOR THE TERM OF THREE YEARS WITH AN OPTION TO EXTEND FOR TWO ONE-YEAR TERMS IN AN AMOUNT NOT TO EXCEED \$1,500,000 PER YEAR; AND
2. AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO EXECUTE SUBSEQUENT AMENDMENTS AND MINOR MODIFICATIONS**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, Ordinance Code Section 2.83.050 (f) authorizes the Board of Supervisors to waive the Request for Proposals (RFP) process in any situation where the Board determines that a formal process would not be in the best interest of the County; and

WHEREAS, the Director of Public Works has determined that there are only two vendors: Granite Rock, and Reed and Graham, Inc., who can provide large quantities of “asphaltic road materials” such as asphalt concrete, asphalt, asphaltic emulsion, asphalt cutback, aggregate for asphaltic concrete, and road fabric, in the quantities, material specifications, and timeliness needed to maintain and repair roads; and

WHEREAS, it is in the County’s best interest to waive the RFP process and to enter into vendor agreements in order to expedite the purchase of materials for road maintenance work: and

WHEREAS, the Director of Public Works would like to enter into a vendor agreement with these vendors for a term of three (3) years with an option to extend the agreement for two (2) - one(1) year terms for a net not to exceed amount of One Million Five Hundred Thousand Dollars and No/100 (\$1,500,000) per year.

WHEREAS, this Board has reviewed and concurs with the recommendations of the Director of Public Works.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that:

1. The Board waives the RFP process and authorizes the Purchasing Agent to enter into a vendor agreement with each of the vendors listed below, for a term of three years plus an option for two one year extensions as needed but not to exceed a net of One Million and Five Hundred Thousand Dollars and no cents (\$1,500,000.00) per year:

A. Granite Rock and Affiliates located at:

Peninsula Road Materials
365 Blomquist Street
Redwood City, CA 94063-2701

South San Francisco Road Materials
1321 Lowrie Avenue
South San Francisco, CA 94080-6403

Peninsula Concrete
355 Blomquist Street
Redwood City, CA 94063-2701

B. Reed and Graham and Affiliates located at:

Reed & Graham, Inc. - San Jose CA
690 Sunol Street
San Jose, CA 95126

Geosynthetics Division - San Jose CA
550 Sunol Street
San Jose, CA 95126

2. That the Director of Public Works is hereby authorized to execute subsequent amendments and minor modifications as needed.

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