



Agenda Item No. _____

File Code No. 530.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 3, 2012

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Approve Waiver Of Formal Competition Requirement For Asphalt Vendors For Street Repairs

RECOMMENDATION:

That Council find it in the City's best interest to waive formal competitive bid requirements for asphalt sources for street maintenance and repair and authorize the General Services Manager to issue purchase orders to two vendors for asphalt, Vulcan Materials Company and Granite Construction, in a combined amount not to exceed \$90,000 for Fiscal Year 2013, and for up to four additional fiscal years in combined amounts not to exceed the amount set aside for this purpose in the budget adopted by Council for each fiscal year.

DISCUSSION:

The type of hot asphalt mixture used for year-round pavement repair by the Street Maintenance crews is only available from two suppliers within a 50 mile radius, Vulcan Materials (Vulcan) and Granite Construction (Granite). An advantage of using this asphalt mixture is that it is easily malleable and does not set quickly, which allows for multiple uses, including patching pavement and filling potholes. Because Vulcan and Granite's plants produce the asphalt mix intermittently, purchase of the material must be made from two separate sources, so that when one plant is not producing the asphalt type needed, staff can procure it from the other plant. No third source of equivalent asphalt is available within a similar driving distance.

Hot asphalt is picked up by the Streets crews at the plants and is used the same day. About 140 trips are made for this purpose each year. The total annual value of the material used is in the range of \$80,000 to \$90,000.

Because of the need to have multiple sources, and because the annual amount of asphalt needed exceeds the \$25,000 threshold of the General Services Manager's purchasing authority, staff recommends that Council authorize the General Services Manager to waive formal bid requirements and issue purchase orders to the two vendors in a combined amount not to exceed \$90,000 in Fiscal Year 2013, as

authorized by the best interest waiver in Municipal Code Section 4.52.070 (L). This authority would apply to Fiscal Year 2013 and to up to four additional fiscal years in the amount budgeted for the purchase of asphalt for each year, contingent on no other comparable supplier entering the market within a 50 mile radius. In the event another supplier becomes available, staff will reevaluate what is in the City's best interest for the following fiscal year. The actual amount spent with each vendor may be more or less than half of the combined amount each year, depending on quality, pricing, and availability; however, the aggregate amount spent for asphalt will be within the approved budget amounts.

BUDGET/FINANCIAL INFORMATION:

Funds are available in the Streets Maintenance Operating Budget.

PREPARED BY: Browning Allen, Transportation Manager/RH/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office