



City of Palo Alto

City Council Staff Report

(ID # 11578)

Report Type: Consent Calendar

Meeting Date: 11/2/2020

Summary Title: Approval of Blanket PO for Asphalt Concrete Materials

Title: Approval of a Blanket Purchase Order With Graniterock in the Amount of \$400,000 Annually for a Three-Year Term for a Total Not-to-Exceed Amount of \$1,200,000 for Asphalt Concrete Materials for Public Works and Utilities Departments

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that Council approve and authorize the City Manager or designee to execute a blanket purchase order with Graniterock for asphalt concrete materials in the not-to-exceed amount of \$400,000 annually, for a total not-to-exceed amount of \$1,200,000 over a three-year term from December 30, 2020 to December 29, 2023.

Background

The City has three different work groups using asphalt concrete in the Public Works and Utilities departments. Public Works uses asphalt concrete for performing repairs on damaged sections of roadway, sidewalk, and bicycle paths, and for projects designed to ensure safety and durability of streets as measured by the pavement condition index (PCI) throughout the City. Utilities uses asphalt concrete to repair the streets after work has been completed on underground services throughout the City.

Discussion

There are two primary methods of manufacturing asphalt concrete, either using a batch plant or a drum plant. A batch plant allows City crews to specify what mix they need for each unique job. A drum plant does not have the ability to mix asphalt to order, and City crews are forced to use whatever mix is being produced at the drum plant on any given day. The City requires that the primary supplier of asphalt concrete produce their product in a batch plant, as this affords the various crews the most flexibility when it comes to scheduling and completing jobs throughout the City.

Staff also requires that the plant be located within 10 miles of the Palo Alto Municipal Services Center (MSC). The proximity of the plant is important due to the limited shelf life of hot

asphalt; transporting hot material over an extended distance will impact the quality of the concrete as well as City repaving projects. With the increased importance of the City's PCI score, using the best materials for the job is imperative.

Bidding and Selection Process

A Request for Quotation (RFQ) for asphalt concrete and asphalt concrete products was sent to three potential vendors and posted on Planet Bids. Graniterock was the only bidder. Graniterock met all the specific criteria requirements, including having a plant located less than 10 miles away, in Redwood City. Graniterock has been the primary supplier of asphalt concrete for the City for over 15 years. Compared to the current 2017 contract with Graniterock, prices for the materials the City uses most often increased by approximately 5.5%, however the total blanket purchase order will remain at a not-to-exceed amount of \$400,000 ([Staff Report #8519](#)). Over the past three years, the annual purchase of asphalt concrete materials has been between \$300,000 to \$375,000, depending on the number of projects.

Since Graniterock was the only bidder and meets all the City's production and proximity requirements, staff recommends that Council approve and authorize the blanket purchase order for asphalt concrete with Graniterock as the primary supplier. The City has previous blanket purchase orders with Graniterock, and staff has consistently received product that met both state and the City's standards for consistent temperature and aggregate size. Staff has been impressed with the quality of their asphalt concrete products. Because they are the batch plant nearest to the City, this allows the different work groups to specify which particular product they need on a particular day and have it delivered to the City in the timeliest manner.

Resource Impact

Funding for the purchase of material under this blanket order is available in the FY 2021 Public Works and Utility department' operating budgets. Staff is requesting that Council approve the not-to-exceed amount of \$400,000 per year; however, actual spending is dictated entirely by need and will be controlled by each department. The bid table ([Attachment A](#)) that Graniterock submitted represents a menu of available asphalt products with unit pricing that are required to restore and repair City roads, sidewalks, and bicycle lanes. Utilities and Public Works estimate an annual need of \$135,000 and \$265,000, respectively. Staffing levels and planned work deferments may impact those estimates and will be considered before expending the funds. Funding for contract years two and three are contingent upon Council approval of each department's budget for each subsequent year.

Policy Implications

Authorization of the blanket order does not represent any change to the existing policy.

Environmental Review

The blanket order being supplied is in conformance with all applicable emissions laws and regulations. This purchase is exempt from the California Environmental Quality Act under the CEQA guidelines (Sections 15061 and 15301(c)).

Attachments:

- Attachment A: Graniterock Response - RFQ 178406

SCOPE OF WORK

As-Needed Material Purchase for Hot Mix Asphalt (Up To 3-Year Contract)

The City uses different hot asphalt mix (HMA) aggregate gradations on its daily operations. The HMA aggregate gradations are 3/4" medium, 1/2" fine, 3/8" fine, 1/4" fine, and sheet asphalt. The City prefers its asphalt products supplier to produce HMA in a batch plant over drum plant because a batch plant has the ability to switch production of HMA of different gradations.

The City will purchase Hot Mix Asphalt in different aggregate gradations and different tonnage for each purchase. Due to the limited shelf life of hot asphalt, transporting material over an extended distance will impact the quality of the projects performed by the City crews. The City is requiring that the provider produces HMA in a batch plant and be located within nine (9) miles of the Palo Alto Municipal Services Center (MSC) which is located at 3201 E. Bayshore Road in Palo Alto. For the purpose of calculating mileage, Google Maps will be the only authorized method for making these calculations. No other calculation will be accepted.

Bidder's Response and Acceptance

In response to this Request for Quotations (RFQ), the undersigned, as Bidder, declares that the only persons or parties interested in this Bid as principals are those named herein; that this Bid is made without collusion with any other person, firm or corporation; that the Bidder has carefully examined the specifications herein referred to; and the Bidder proposes and agrees, if this Bid is accepted, that the Bidder will contract with the City of Palo Alto (City), to provide all necessary materials, and furnish the specified requirements in this RFQ, in the manner herein prescribed and at the prices stated.

**As-Needed Material Purchase for Hot Mix Asphalt
Request for Quotations (RFQ) 178406**

Quotation Due Date: **3:00 P.M., WEDNESDAY, AUGUST 12, 2020**

Bid Schedule A: - Year 1

BID ITEM	QTY. UNIT	DESCRIPTION	ITEM PRICE	TOTAL PRICE
01	1,000 Tons	Asphalt Concrete, 3/4" medium: <u>Ninety Eight dollars and Forty cents</u> Price per ton (in words)	\$ 98.40	\$ 98,400.00
02	2,000 Tons	Asphalt Concrete, 1/2" fine: <u>One Hundred one and Forty cents</u> Price per ton (in words)	\$ 101.40	\$ 202,800.00
03	100 Tons	Asphalt Concrete, 3/8" fine: <u>One Hundred Eleven and Ninety cents</u> Price per ton (in words)	\$ 111.90	\$ 11,190.00
04	300 Tons	Asphalt Concrete, 1/4" fine: <u>One Hundred Twelve and Ninety cents</u> Price per ton (in words)	\$ 112.90	\$ 33,870.00
05	100 Tons	Asphalt Concrete, Sheet Asphalt: <u>One Hundred Twenty-Four and Forty cents</u> Price per ton (in words)	\$ 124.40	\$ 12,440.00
06	1,000 Gallons	Tack Coat, SS-1H <u>Ten Dollars and Forty-five cents</u> Price per gallon (in words)	\$ 10.45	\$ 10,450.00
Bid Schedule A Total (items 1 through 6, with sales tax, permit fees, and any MISC charges) <u>Three Hundred Sixty-Nine Thousand One Hundred Fity</u> Total Price (in words)			\$ 369,150.00	

Bid Schedule B - Year 2

BID ITEM	QTY. UNIT	DESCRIPTION	ITEM PRICE	TOTAL PRICE
01	1,000 Tons	Asphalt Concrete, 3/4" medium: Ninety Eight dollars and Forty cents <hr/> Price per ton (in words)	\$ 98.40	\$ 98,400.00
02	2,000 Tons	Asphalt Concrete, 1/2" fine: One Hundred one and Forty cents <hr/> Price per ton (in words)	\$ 101.40	\$ 202,800.00
03	100 Tons	Asphalt Concrete, 3/8" fine: One Hundred Eleven and Ninety cents <hr/> Price per ton (in words)	\$ 111.90	\$ 11,190.00
04	300 Tons	Asphalt Concrete, 1/4" fine: One Hundred Twelve and Ninety cents <hr/> Price per ton (in words)	\$ 112.90	\$ 33,870.00
05	100 Tons	Asphalt Concrete, Sheet Asphalt: One Hundred Twenty-Four and Forty cents <hr/> Price per ton (in words)	\$ 124.40	\$ 12,440.00
06	1,000 Gallons	Tack Coat, SS-1H Ten Dollars and Forty-five cents <hr/> Price per gallon (in words)	\$ 10.45	\$ 10,450.00
Bid Schedule B Total (items 1 through 6, with sales tax, permit fees, and any MISC charges) Three Hundred Sixty-Nine Thousand One Hundred Fity <hr/> Total Price (in words)			\$ 369,150.00	

Bid Schedule C: Year 3

BID ITEM	QTY. UNIT	DESCRIPTION	ITEM PRICE	TOTAL PRICE
01	1,000 Tons	Asphalt Concrete, 3/4" medium: Ninety Eight dollars and Forty cents <hr/> Price per ton (in words)	\$ 98.40	\$ 98,400.00
02	2,000 Tons	Asphalt Concrete, 1/2" fine: One Hundred one and Forty cents <hr/> Price per ton (in words)	\$ 101.40	\$ 202,800.00
03	100 Tons	Asphalt Concrete, 3/8" fine: One Hundred Eleven and Ninety cents <hr/> Price per ton (in words)	\$ 111.90	\$ 11,190.00
04	300 Tons	Asphalt Concrete, 1/4" fine: One Hundred Twelve and Ninety cents <hr/> Price per ton (in words)	\$ 112.90	\$ 33,870.00
05	100 Tons	Asphalt Concrete, Sheet Asphalt: One Hundred Twenty-Four and Forty cents <hr/> Price per ton (in words)	\$ 124.40	\$ 12,440.00
06	1,000 Gallons	Tack Coat, SS-1H Ten Dollars and Forty-five cents <hr/> Price per gallon (in words)	\$ 10.45	\$ 10,450.00
Bid Schedule C Total (items 1 through 6, with sales tax, permit fees, and any MISC charges.) Three Hundred Sixty-Nine Thousand One Hundred Fifty <hr/> Total Price (in words)			\$ 369,150.00	

Bid Summary:

Schedule A: \$ 369,150.00

Schedule B: \$ 369,150.00

Schedule C: \$ 369,150.00

Grand Total: [Schedule A+B+C] =\$ 1,107,450.00

LOWEST RESPONSIBLE BIDDER

The lowest bid shall be the lowest total of the bid prices on the bid summary and the ability to meet specification. These two items are being used for the purpose of determining the responsible bidder.

DISTANCE OF PLANT FROM City of Palo Alto MSC: 7.6 miles

QUANTITIES: Material quantities as specified are approximate and no guarantee is implied that the exact amount will be purchased. Orders will be placed during the contract period on an as needed basis.

DELIVERY: Delivery terms shall be **F.O.B. ORIGIN**, in accordance with the attached terms and conditions

PAYMENT TERMS Net - 30

Signature must be the same as signature(s) in Section I – Request for Quotation and Bidder Required Information.

Signature must be the same signature as appears in *Bidder Information* of this RFQ:

Firm: Granite Rock Company

Signature: 

Name: Donita Granado
(Print or type name)