

**County of Santa Clara**  
**Office of the County Executive**  
Procurement Department



---

CE04 051909

Prepared by: Earl Paden  
Program Manager II  
Reviewed by: Roslyn Fuller  
Assistant Director of Procurement

DATE: May 19, 2009

TO: Board of Supervisors

FROM:   
Jenti Vandertuig  
Director of Procurement

SUBJECT: Delegation of Authority to Amend Agreement Related to Asphalt and Related Products.

**RECOMMENDED ACTION**

Consider recommendations relating to asphalt and related products

Possible action:

- a. Approve delegation of authority to Director of Procurement, or designee, to amend Agreement No. 5500001394 with Reed and Graham Inc. relating to providing hot asphalt, quarry materials, emulsions and related products and services to increase the compensation by \$1,500,000 for a total contract amount not to exceed \$3,500,000 and extend the term of the agreement to September 17, 2010 from the current expiration of September 17, 2009, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive.

- b. Approve delegation of authority to Director of Procurement, or designee, to administer, enforce, modify and terminate the amended Agreement No. 5500001394. Delegation of authority shall expire on September 17, 2010.

### **FISCAL IMPLICATIONS**

There is no impact on the General Fund as a result of this action. The Roads Department will utilize funds from their approved budget for these purchases.

### **CONTRACT HISTORY**

In June 2005, the Procurement Department issued an Invitation for Bid (ITB) for a master contract for asphalts and emulsions and received competitive bids. The ITB was awarded to two bidders serving different geographical areas.

As a result of the competitive bid process, Procurement established a contract with Reed and Graham Inc., for a three year period from September 18, 2005 through September 17, 2008, for asphalts, emulsions and related services with a contract value not to exceed \$463,350. Subsequent amendments have been executed to increase the contract value to a not to exceed amount of \$2,000,000, to extend the term of the agreement to September 17, 2009, and to make administrative and business process changes.

Since the inception of the agreement, per ton liquid asphalt pricing has increased by a weighted average of 20% from the refineries, due to the increase in oil prices.

### **REASONS FOR RECOMMENDATION**

Delegation of authority is requested to amend the contract value with Reed and Graham Inc., above the approval authority of the Director of Procurement, to ensure continuity of asphalts, emulsions and related services and timely maintenance of County roads.

The current agreement with Reed and Graham Inc., has a not to exceed amount of \$2,000,000. The increase in the contract value by \$1,500,000 for a total not to exceed amount of \$3,500,000 exceeds the \$2,000,000 signature authority of the Director of Procurement. Therefore, delegation of authority to the Director of Procurement, or designee, is recommended.

### **BACKGROUND**

The Roads Department is responsible for maintaining the County roadway system, which is comprised of approximately 700 miles. The roadway system is organized into distinct categories based upon road characteristic and type. These categories are as follows: expressways; urban arterial/collector; rural arterial/collector; mountain road; and residential road. Specific maintenance work required on these roads is based upon the road category and other variables, such as the

amount and type of traffic.

The maintenance of road assets includes the pavement and most right-of-way features such as shoulders, guardrail, vegetation, ditches, trees, sidewalks, marking, striping and signs. There are a variety of pavement maintenance and restoration approaches used by the Roads Department. However, all these work activities are performed to correct road irregularities, such as surface faulting, potholes and an uneven surface. The overriding objectives of the Department's pavement maintenance and restoration activities are two-fold: 1) ensuring that the driving public has a safe and efficient system to drive on; and, 2) prolonging the useful life and quality of the roadway assets.

Asphalt and emulsions spreads are required seasonally for road repairs and resurfacing, and typically occurs during the months April through early October, weather permitting. The County's West Yard, road maintenance yard, is the primary user of this contract.

### **CONSEQUENCES OF NEGATIVE ACTION**

Failure to approve the recommended action may delay the provisions of asphalt products and timely maintenance of County roads and resurfacing projects.