

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



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CE06 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:

A handwritten signature in black ink, appearing to read "Jenti Vandertuig".

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 5500001393 with Graniterock Company 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. 5500001393. 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, emulsions and related products and services. Competitive bids were received, and the ITB was awarded to two bidders serving different geographical areas.

As a result of the competitive bid process, the Director of Procurement awarded a three year contract with Graniterock for asphalts, emulsions, and related products and services, in an amount not to exceed \$722,686. Subsequent amendments have been executed to extend the term of the agreement to September 17, 2009, to increase the total value of the agreement to a not to exceed amount of \$2,000,000, 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**

The Department of Roads and Airport utilized the agreement with Graniterock for the purchase of asphalts, emulsions, and related products and services to maintain the County's roads and expressways. The department has a continuous need to purchase asphalts and emulsion supplies. An extension of the agreement is necessary for Roads and Airport to continue the critical services and operations to maintain more than 700 miles of roadway systems within the County.

The current agreement with Graniterock 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 East and South road maintenance yards, are 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.