



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 14-0499, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorization to Amend an Existing Contract for Asphaltic Materials (F14-79)

#### **REPORT IN BRIEF**

Approval is requested to amend an existing materials contract with Graniterock Company (Graniterock) of Redwood City to increase the total contract value by \$75,000, from \$500,000 to \$575,000, for asphaltic materials required by the Water and Sewer Systems Division for roadway patches, as explained below.

#### **ENVIRONMENTAL REVIEW**

This amendment to an existing materials contract is not a project as defined in Section 15378 of the California Environmental Quality Act (CEQA).

#### **BACKGROUND AND DISCUSSION**

The Water and Sewer Systems (Water) Division of the Environmental Services Department (ESD) is responsible for maintaining the City's waterlines. Maintenance activities include repairs to waterline main breaks, abandonment/new service connections related to new development, existing service line leak investigation and repair, and valve repairs/replacement related to ongoing preventative maintenance programs.

Waterline repair activity in the public right-of-way requires coordination between the Water Division staff, who initiate and perform the repairs, and the Operations Division of the Department of Public Works (DPW), who patch and inspect the roadway at the conclusion of repair operations. Asphaltic materials and oils for the roadway patching are obtained from materials contracts. These contracts are competitively bid every one to two years due to the pricing volatility of petroleum-based products.

At its meeting of July 9, 2013, Council awarded a one-year contract to Graniterock in the amount of \$500,000, and two backup contracts to Granite Construction and Reed & Graham at \$115,000 apiece, for a total of \$730,000 for asphalt patching (RTC No. 13-164). This amount reflects planned (budgeted) annual citywide quantities at existing staffing levels in DPW Operating Program 120 (Pavement Maintenance, Traffic Signs and Markings). Of the \$730,000, approximately \$30,000 was allocated for water, sewer and park related work based on historical usage. Over the past year, the Water Division has experienced increases in water main breaks, new service connections and valve repairs, requiring additional roadway patching than what had been planned for the year. Several of these locations are in high-traffic areas such as Mathilda Avenue and Wolfe Road.

As a result of the increased maintenance activities, the materials contract with the primary supplier, Graniterock, must be increased in order to address immediate repairs for the highest priority

locations.

### **FISCAL IMPACT**

Total value of the Graniterock contract will be \$575,000, which consists of the original award of \$500,000 and an additional \$75,000 for materials required for Water Division roadway patching. The additional \$75,000 will be absorbed in Operating Program 360 (Water Resources).

Due to the City's aging utilities infrastructure, the level of roadway patching required for the Water and Sewer Systems Division is expected to remain high, and there is currently a backlog of work that cannot be handled by existing DPW staffing levels. This situation is expected to persist over the next several years. Options for addressing this backlog are currently under consideration, including contracting out some of the work.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Authorize an amendment to an existing contract, in substantially the same format as Attachment 1, with Graniterock Company to increase the total contract value by \$75,000, from \$500,000 to \$575,000, for additional asphaltic materials required by the Water and Sewer Systems Division for roadway patches.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Grace Leung, Director, Finance

Reviewed by: John Stufflebean, Director, Environmental Services

Reviewed by: Kent Steffens, Director, Public Works

Approved by: Robert A. Walker, Interim City Manager

### **ATTACHMENTS**

1. Draft Revised Blanket Order BL004744