



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorize the Issuance of a Contract Purchase Agreement to Reed & Graham, Inc. for Asphaltic Materials and Pavement Reinforcement Fabric (F22-030)

#### **REPORT IN BRIEF**

Approval is requested to authorize the issuance of a contract purchase agreement to Reed & Graham, Inc. of San Jose in an amount not to exceed \$1,300,000 for asphaltic materials and pavement reinforcement fabric. Approval is also requested to authorize the City Manager to amend the not to exceed amount, subject to available budget and if pricing and service remain acceptable to the City.

#### **EXISTING POLICY**

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, Council approval is required for the procurement of goods and/or services greater than \$250,000 in any one transaction.

Further, Section 2.08.070(b)(3) authorizes the purchase of goods and/or services to be exempted from the competitive bidding requirements when the solicitation of bids or proposals would be impractical, unavailing, or impossible.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

#### **BACKGROUND AND DISCUSSION**

The Public Works Department uses asphaltic materials for routine maintenance and capital improvement projects on City streets and parking areas. To complete these projects, staff requires emulsion oils, asphaltic concrete, pavement reinforcement fabric, and various filler/sealer materials. Additionally, Public Works supports the Environmental Services Department by performing pavement repairs related to underground utility repairs that distort surface pavement. These materials are essential to Public Works' operations. Every three to four years, staff solicits bids from vendors to provide asphalt materials to support annual paving operations.

Due to the pandemic, the annual contract to provide materials for this program was not utilized and the solicitation cycle was interrupted. Staff conducted the previous bid process in 2017, resulting in Reed & Graham being awarded a contract to provide the majority of these products (RTC No. 18-0148). Reed & Graham demonstrates the ability to provide asphaltic materials on schedule and at the lowest cost to the City. In consideration of this and the need to restart the annual pavement program,

staff has determined it would be impractical to complete a bid solicitation in an efficient manner. Therefore, staff recommends awarding a contract purchase agreement to Reed & Graham in a not to exceed amount of \$1,300,000 for asphaltic materials and reinforcement fabric. Staff anticipates bidding for these services in the current fiscal year then presenting a recommendation for a multi-year contract to Council.

### **FISCAL IMPACT**

Materials cost during the annual term of the purchase agreement are estimated to total \$1.3 million. Funding is available in Operating Program 13200 (Pavement and Concrete Maintenance, Streets, and Street Lights) and Capital Project 825290 Pavement Rehabilitation.

Street operations are funded by a combination of the General Fund, Gas Tax Funds, Road Maintenance and Repair Act (SB1) Funds, Measure B Funds, and Vehicle Registration Fee revenue. Pavement repairs related to the City's Water and Wastewater systems are funded by each respective Enterprise Fund.

### **PUBLIC CONTACT**

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

### **RECOMMENDATION**

Take the following actions:

- Authorize the issuance of a contract purchase agreement to Reed & Graham, Inc. in a not-to-exceed contract amount of \$1,300,000; and
- Authorize the City Manager to amend the not to exceed amount of this contract purchased agreement, subject to available budget and if pricing and service remain acceptable to the City.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Chip Taylor, Director of Public Works

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager