June 23, 2009

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew Fertal From: Keith G. Jones

Dept: City Manager Dept: Public Works

Subject: TO APPROVE AN INCREASE IN THE Date:

AUTHORIZED AMOUNT OF THE PURCHASE ORDERS FOR ASPHALT

MIX

OBJECTIVE

To approve an increase in the authorized funding amount of the purchase order to each of the three approved vendors; All American Asphalt, Vulcan Materials, and R. J. Noble.

BACKGROUND

The existing purchase orders for All American Asphalt, Vulcan Materials, and R. J. Noble will expire on November 9, 2009. The current authorized amount of the purchase order is \$200,000.00. Funding is used to purchase asphalt products from the three aforementioned vendors on an as- needed basis. The availability of three vendors assures the accessibility of materials needed to maintain the City of Garden Grove's roadway network.

DISCUSSION

Due to grant opportunity obligations, high product demand, and new plant technologies, the current authorized purchase order amount of \$200,000.00 is outdated. Therefore, it is requested that the current purchase order be increased an additional \$200,000.00, which will increase the purchase order not to exceed the amount of \$400,000.00.

Additionally, our awarded grant opportunities have increased area preparation expenditures such as curb and gutter removal and replacement. We have three vendors at our disposal, which assures us of asphalt on demand. All three vendors offer sixteen various types of mix with the exception of R. J. Noble, who also offers a specialty mix.

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Vendor asphalt plants are all located within 27 miles of our City, allowing for a higher level of work production within our city. The next closest asphalt vendor is in San Bernardino County, approximately two hours away one way. This would reduce our production hours due to extended travel time when picking up asphalt materials.

FINANCIAL IMPACT

Combined, the three purchase orders will not exceed \$400,000.00, and will be funded from the 2008/2009 and 2009/2010 Public Works Department budgets.

COMMUNITY VISION IMPLEMENTATION

Approval of the purchase orders will aid in meeting the Transportation and Infrastructure Goal, which is to maintain and improve the transportation system in the City to ensure the safe, efficient flow of traffic.

RECOMMENDATION

It is recommended that the Garden Grove City Council:

 Approve the increased authorized purchase order amount of \$400,000.00 per year to be divided between Vulcan Materials, All American Asphalt, and R. J. Noble, based on the availability of the materials needed.

KEITH G.(JONES

Public Works Director

Recommended for Approval

Matthew Fertal City Manager

By:

Environmental and Streets Manager