

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew Fertal
Dept: City Manager
Subject: BLANKET PURCHASE ORDERS FOR ASPHALT MIX

From: Keith G. Jones
Dept: Public Works
Date: October 28, 2008

OBJECTIVE

For City Council to approve a blanket purchase order to each of the three approved vendors: All American Asphalt, Vulcan Materials, and R. J. Noble in the amount of \$240,000.

BACKGROUND

The existing blanket purchase orders for All American Asphalt, Vulcan Materials, and R. J. Noble will expire on November 12, 2008. The current authorized amount of the Blanket Purchase Order is \$200,000.00, which is used to purchase asphalt products from the three (3) aforementioned vendors on an as needed basis. The availability of three vendors assures the availability of materials needed to maintain the City of Garden Grove's roadway network.

DISCUSSION

Having three (3) vendors at our disposal assures us of asphalt on demand. All three (3) vendors offer sixteen (16) various types of mix with the exception of R. J. Noble who also offers a specialty mix which at times we use.

Vendor asphalt plants are all located within 27 miles of our City, which allows a higher level of work production within our city. The next closest asphalt vendor is in San Bernardino County approximately two (2) hours away one (1) way, which would reduce our production hours due to extended travel time when picking up asphalt materials.

Soaring crude oil prices, high demand, low supply, and new plant technologies are factors that contribute significantly to the current authorized purchase order amount of \$200,000.00 being outdated.

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FINANCIAL IMPACT

Combined, the three (3) purchase orders will not exceed \$240,000, and will be funded from the 2008/2009 Public Works Department Budget.

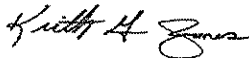
COMMUNITY VISION IMPLEMENTATION

Approval of the blanket 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.

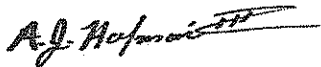
RECOMMENDATION

It is recommended that the Garden Grove City Council:

- Authorize the Finance Director to approve the award of three (3) purchase orders for asphalt products in the firm and fixed amount of \$240,000 per year, to be divided between Vulcan Materials, All American Asphalt, and R. J. Noble, with a renewal to be reviewed and approved annually by the City Manager.



KEITH G. JONES
Public Works Director



By: A. J. Holmon III
Environmental and Streets Manager

Recommended for Approval



Matthew Fertal
City Manager