



City of Palo Alto

City Council Staff Report

(ID # 5111)

Report Type: Consent Calendar

Meeting Date: 11/10/2014

Summary Title: Approval of Blanket P.O. for Delivery and Off Haul of Construction Materials for Utl, PWKS & ASD

Title: Request for Approval of a Blanket Purchase Order with TMT Enterprises in an Amount Not to Exceed of \$2,407,850 to be the Primary Supplier of New Construction Materials and Haul Away of Construction Debris from the Municipal Service Center to Off-Site Recycling and Disposal for the Utilities, Community Services and Public Works Department for a Three Year Period from October 27, 2014 through October 26, 2017

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council:

- 1) Approve and authorize the City Manager or his designee to execute a blanket purchase order with TMT Enterprises, Inc. for delivery of new construction materials and haul away of construction debris in the amount not to exceed \$779,013 for the first year; and
- 2) Approve and authorize the City Manager or his designee to authorize a blanket purchase order for two additional years in the amount not to exceed \$802,383 for the second year, and \$826,454 for the third year based on the proposer's escalation rate of 3% annually. The total amount not to exceed for the term of the three year blanket purchase order is \$2,407,850.

Background

The City has three different departments using the various products that were solicited for in RFQ #154872. The Utilities Department uses construction materials

such as sand, gravel and asphalt cold mix for back fill and restoration of trenches while Parks Department purchase top soil, organic compost and infield mix for landscaping and restoration of playgrounds. The blanket purchase order will also be used by Public Works and Utilities departments for off hauling construction debris such as used asphalt, concrete and dirt to a landfill or a recycling center for proper disposal or reuse.

Discussion

Due to a high volume of construction and maintenance activities that occur continually throughout the year, it is vital that the City have a reliable supplier of sand, rock and gravel products year-round. Of equal importance is the ability to remove unwanted materials for city premises in a timely manner. Doing so frees up valuable space that is used to store construction material for operational needs, and also to ensure that adequate materials are on-hand in the event of an emergency that would require construction work to take place.

Bidding and Selection Process

A Request for Quotation (RFQ) was sent to select vendors and to builder exchanges on August 6, 2014. Bids were received from six qualified vendors on August 26, 2014. Only two suppliers bid on all of the requirements of the solicitation, and TMT Enterprises was determined to be the lowest responsible bidder.

As shown in Table 1 below, only two suppliers bid on all of the items that were listed in the bid package.

Table 1

RFQ #154872 Results				
Company Bidding	Bid for Schedule A (For Utilities Department)	Bid for Schedule B (For Parks Department)	Haul-Away Costs (Utilities and Public Works)	Total Cost
TMT Enterprises	\$188,062.45	\$207,951.00	\$383,000.00	\$779,013.45
LS Trucking	\$234,240.00	\$391,930.00	\$586,250.00	\$1,212,420.00

E.J. Pires Trucking	156,555.55	No Bid	\$564,120.00	\$720,675.55
Quikrete California	\$65,000 (no bid on multiple items)	No Bid	No Bid	\$65,000
Lyngso	\$164,963.25 (no bid on one item)	\$85,065.00 (no bid on multiple items)	No Bid	\$250,028.25
Graniterock	\$222,461.90	\$40,880.00 (bid on one item only)	No Bid	\$263,341.90

Staff is recommending that Council approve and authorize the blanket purchase order for delivery and off haul of construction material to TMT Enterprises. After evaluation of all the bids, staff chose TMT based on the contractor's ability to deliver all raw materials and haul away the construction debris at the lowest cost. TMT Enterprises has been the City's supplier of raw construction materials for several years, and has a proven track record of delivering a quality product in a timely manner. TMT also has diligently worked with the on-site City staff to coordinate delivery and pick up time on the same trip, thus shortening the storage time of construction debris at City facilities.

Resource Impact

Funding for the purchase of material under this purchase order is available in the FY 2015 Public Works, Utility, and Community Services Department's operating and Infrastructure Reserve budget. Funding for contract years two and three are contingent upon annual appropriation of funds.

Policy Implications

Authorization of the blanket order does not represent any change to the existing policy.

Environmental Review

The blanket order being supplied is in conformance with all applicable emissions laws and regulations. This purchase is categorically exempt from the California Environmental Quality Act under the CEQA guidelines (Sections 15061 and 15301(c)).