

# City of Hesperia

## STAFF REPORT



**DATE:** June 18, 2013

**TO:** Mayor and Council Members

**FROM:** Mike Podegracz, City Manager

**BY:** Scott Priester, Director of Development Services  
Dale Burke, Public Works Manager  
Mark Faherty, Public Works Supervisor

**SUBJECT:** Paving Material Demands for Fiscal Year 2013-14

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### RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to execute an open purchase order with Vulcan Materials Company and Blue Diamond Materials of Oro Grande, California, for asphalt materials necessary to repair the City streets in the not-to-exceed amount of \$100,000.

### BACKGROUND

Each year the City purchases asphalt materials for maintenance of the City's streets. Two types are purchased, "hot mix" for permanent patching and "cold mix" for temporary patching and certain pothole repairs. The material purchased is used for the miscellaneous repair of City streets, such as filling potholes, small paving projects, and minor drainage improvements.

### ISSUES/ANALYSIS

Staff has budgeted \$289,000 for all street maintenance materials in Fiscal Year 2013-14, which includes signage, graffiti supplies, crack seal materials, striping and legends, and other miscellaneous materials. Of this budgeted amount, staff is requesting that the Council approve open Purchase Orders in the not-to-exceed amount of \$100,000 for paving materials. This is based on last year's expenditures for paving materials totaling approximately \$100,000 and the request for \$100,000 this year reflects the amount needed to fund the paving program.

Two local vendors are available to provide these materials, Vulcan Materials and Blue Diamond Materials and they both provide hot mix. Vulcan Materials is the only local firm that provides hot mix daily on an as-needed basis; however, the high demand for "hot mix" asphalt in the Victor Valley makes it necessary to have as many sources as possible. Consequently, staff is also recommending authorization to purchase with both local vendors if necessary.

This request to purchase a commodity without bidding is allowable under the single vendor provisions of the Purchasing System established under the Hesperia Municipal Code Section 3.08.070, which states in part,

“A commodity shall be considered obtainable only from one vendor when only one vendor offers it for sale, lease or rental, or when only one vendor is able to do so within the time frame and/or under the terms and conditions which reasonably meet the needs of the using agency, or when there is a sole distributor or manufacturer of a product or service such that there is no acceptable substitute within a specific geographical area”.

Staff received material price quotes from both local vendors. Based on these, approval of these purchase order requests will place Vulcan Materials as the primary vendor for both hot and cold mixes, and Blue Diamond would be used as a back-up for hot mix in order to ensure City activities are not delayed.

### **FISCAL IMPACT**

Funding for this project is identified in the Fiscal Year 2013-14 Budget in Fund 263.

Budget Amount	\$289,000.00
<u>Pavement Material</u>	<u>100,000.00</u>
Balance Remaining	\$189,000.00

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff.

### **ATTACHMENT(S)**

1. Blue Diamond / Sully Miller Asphalt Materials.
2. Vulcan Materials Company