

Council Meeting of
October 14, 2008

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Public Works – Purchase Order for the sole source purchase of asphalt plant mix on an as-needed basis. Expenditure: Not to exceed \$730,000.

RECOMMENDATION

Recommendation of the Public Works Director that City Council authorize a purchase order to be issued to Sully-Miller Contracting Company of Anaheim, California, in the amount not to exceed \$730,000, for the sole source purchase of asphalt plant mix on an as-needed basis, from October 18, 2008 through October 17, 2009.

Funding

Funding is available in the Public Works Department Street Maintenance Operating Budget.

BACKGROUND/ANALYSIS

The Public Works Department requires hot asphalt plant mix to perform street maintenance work on city streets on a daily basis. Public Works crews pick up hot asphalt from a nearby mix plant and transport the material to the work site. Due to the need to have hot asphalt mix at the job site, it is imperative for crews to have access to a plant within close proximity to Torrance. If the asphalt plant mix was delivered to the city, the City would pay considerably more, since stand-by charges and delivery costs would be added for each delivery. Past bids have included the criteria for vendors to have their asphalt plant within a ten (10) mile radius to the City of Torrance. For each of the last six years, Sully-Miller has been the only bidder. The nearest asphalt plants not owned by Sully Miller are Vulcan Materials, which is located 21 miles from Torrance, and All American Asphalt, which is approximately 25 miles from Torrance.

Due to the dramatic increase of petroleum products the cost of asphalt mix has increased approximately 25% over last year's cost. The cost from Sully-Miller for a ton of 3/8" to 3/4" asphalt rock is \$81.50, compared to \$61.00 last year. Current funding allocated for construction materials may not be sufficient to cover the increase in

asphalt plant mix based on anticipated work production. Public Works will monitor the expenditures for plant mix and will reassess the need of additional funding during mid-year budget review.

The Public Works Department has purchased asphalt mix from Sully-Miller Contracting Company for the past eleven years. The material is used daily for various street maintenance and repair projects. The vendor has provided the City with a quality product, good pricing, excellent service and they have the ability to respond in the event of an emergency. In addition, the close proximity of their asphalt mix plant affords short transportation routes, timely work assignments, and an asphalt product of proper temperature upon arrival at the work sites.

The Torrance Municipal Code, (Section 22.3.17.b), (EXCEPTIONS; SOLE-SOURCE PURCHASES) states that "sole source purchases shall mean those purchases where it would be undesirable or impossible for the City to advertise for bids for particular work or for patented items, or experimental or unique services or products, or where competitive purchases would be unavailable or would not prove advantageous for the City."

Respectfully submitted,

ROBERT J. BESTE
Public Works Director


By Steven Cooper
Street Operations Manager

CONCUR:


Jack van der Linden
Deputy Public Works Director


Robert J. Beste
Public Works Director


LeRoy J. Jackson
City Manager