



# REPORT TO COUNCIL

## City of Sacramento

# 10

915 I Street, Sacramento, CA 95814-2671  
www.CityofSacramento.org

CONSENT  
July 18, 2006

Honorable Mayor and  
Members of the City Council

**Subject:** Purchase: Concrete

**Location/Council District:** Citywide

**Recommendation:**

Adopt a resolution: 1) Suspending competitive bidding in the best interest of the City and 2) Authorizing the City Manager, or his designee, to enter into commodity purchase agreements and issue the necessary purchase orders for concrete purchasing from three selected vendors: Central Concrete Supplies, Hanford Ready Mix, and Folsom Ready Mix in an amount not to exceed \$550,000 annually for all agreements combined. Agreements have the option to extend for four additional years. **(2/3 vote required)**

**Contacts:** Juan Montanez, Interim Street Services Manager, (916) 808-2254, Gabriel Morales, Operations General Supervisor (916) 808-2289; Ramon Gibbons, Program Specialist, (916) 808-5871

**Presenters:** none

**Department:** Transportation

**Division:** Street Services

**Organization No:** 3494

**Summary:**

The Street Services Division, In-Source Concrete section, has been using a piggyback contract with Sacramento County Concrete Suppliers for the purchase of concrete for their work. Service with some of these suppliers has been unsatisfactory, deliveries have not been timely, and many of the County suppliers can not supply the City required concrete coloring agent. The current suppliers are all in the south and there is need for north area suppliers as well. After careful research, discussion and experimentation with various suppliers, staff believes it is in the best interest of the City to enter into new agreements with three selected suppliers who have proven good customer service, timely response for deliveries, and are spread geographically to accommodate the various locations where concrete is needed. These new vendors are



Central Concrete Supplies, Hanford Ready Mix, and Folsom Ready Mix. Staff recommends continuing use of Teichert Ready Mix as a back up source.

**Committee/Commission Action:** None

**Background Information:**

In March 2005, Council approved a piggyback agreement for \$500,000 on the existing Sacramento County Concrete Supplier Contracts: Redmond's Concrete Mix & U Tow, Pacific Concrete, United Rentals, and Kyle's Rock & Ready Mix. Additionally, City of Sacramento had a current aggregate contract with Teichert Ready Mix and Granite Construction that would allow concrete purchases.

It was discovered after the approval that Redmond's Concrete, Pacific Concrete, and United Rentals could not supply the City with the concrete coloring agent that is required in the City specification for concrete replacement, adopted by the City Manager in July 2003. In addition, Granite no longer operates a ready mix operation.

Therefore, two purchase orders were established with the remaining vendors, Teichert Ready Mix and Kyle's Ready Mix in May 2005. These vendors are both located in south Sacramento County. For the In-Source Concrete Crew to be able to function efficiently and minimize the delay in delivery times and increasing cost to jobs located in the north section of the city, it was crucial that they be able to order the necessary concrete ready mix from a vendor near the north section of the city.

In April 2005, a formal request was granted to open another purchase order for \$60,000 with Central Concrete Supplies, in Rio Linda. Staff found them to be an excellent supplier, with excellent customer service and on time deliveries. In addition, their price quotes for concrete ready mix are one of the lowest from all the vendors contacted. This continues to be true at this time.

During the last six months, staff has experienced extreme difficulty getting service and adequate delivery times from both Teichert Ready Mix and Kyle's Ready Mix.

Kyle's has displayed extremely poor customer service, with delays on scheduled delivery of concrete of up to two hours, inability to schedule delivery times until late in the day, and unacceptable concrete materials that had to be returned to the plant. These situations have caused delays on the delivery of the projects and impacted customer service by City crews to the public. In addition, their delivery trucks are not equipped with any state mandated Storm Water Quality Control cleaning and recovery system. Staff has stopped using this vendor for any products or materials due to the issues described above.

Teichert has also been unable to meet our service needs. During the months of September, October, November and December, they were unable to provide any delivery schedules before 12:00 p.m. (noon), or later, to our City crews. Teichert explained that at peak season, they prioritize their delivery of concrete to customers with the greatest demand, 400 cubic yards per day or more. The City typically

purchases 9 to 12 cubic yards per day. Staff has not used Teichert regularly due to the inability to schedule early morning deliveries. Staff believes Teichert may work as a back up resource during the off season construction periods.

To overcome the many difficulties listed above, and after careful research, discussion and experimentation with various suppliers, staff believes it is in the best interest of the City to suspend competitive bidding, and enter into new agreements with three selected suppliers who have proven good customer service, timely response for deliveries, and are spread geographically to accommodate the various locations where concrete is needed by the City crews. These new vendors are Central Concrete Supplies (Rio Linda), Hanford Ready Mix (Elk Grove), and Folsom Ready Mix (Rancho Cordova). Staff recommends continuing use of Teichert Ready Mix as a back up source.

**Financial Considerations:**

There are adequate funds in the Street Services budget for this work.

**Environmental Considerations:**

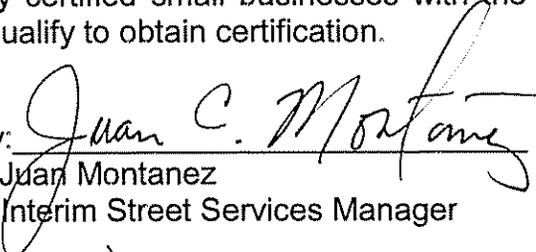
This project has been determined to be exempt from the California Environmental Quality Act (CEQA) under section 15301(c) of the CEQA Guidelines, which states that repair and maintenance of existing highways and streets involving negligible or no expansion of existing use is exempt from CEQA review.

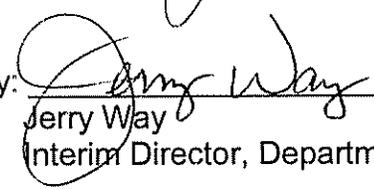
**Policy Considerations:**

The recommendations in this report are consistent with the City's Strategic Plan goals to improve and expand public safety, and achieve sustainability and livability.

**Emerging Small Business Development (ESBD):**

None of the recommended suppliers are currently certified small businesses with the City or the State. Staff is working with those who qualify to obtain certification.

Respectfully Submitted by:   
Juan Montanez  
Interim Street Services Manager

Approved by:   
Jerry Way  
Interim Director, Department of Transportation

Purchase: Concrete

July 18, 2006

Recommendation Approved:

*for*   
\_\_\_\_\_  
RAY KERRIDGE  
City Manager

Table of Contents:

Pg 1-4 Report

5 Resolution

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

RESOLUTION SUSPENDING COMPETITIVE BIDDING AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO ENTER INTO COMMODITY PURCHASE AGREEMENTS AND ISSUE THE NECESSARY PURCHASE ORDERS FOR THE PURCHASE OF CONCRETE WITH SELECTED SUPPLIERS

### **BACKGROUND**

- A. In March 2005, Council approved a piggyback agreement for \$500,000 on the existing Sacramento County Concrete Supplier Contracts: Redmond's Concrete Mix & U Tow, Pacific Concrete, United Rentals, and Kyle's Rock & Ready Mix. Additionally, City of Sacramento had a current aggregate contract with Teichert Ready Mix and Granite Construction that would allow concrete purchases.
- B. It was discovered after the approval that Redmond's Concrete, Pacific Concrete, and United Rentals could not supply the City with the concrete coloring agent that is required in City specification for concrete replacement. In addition, Granite no longer operates a ready mix operation.
- C. Therefore, two purchase orders were established with the remaining vendors, Teichert Ready Mix and Kyle's Ready Mix in May of 2005. These vendors are both located in south Sacramento County. For the In-Source Concrete Crew to be able to function efficiently and minimize the delay in delivery times and increasing cost to jobs located in the north section of the city, it was crucial that they be able to order the necessary concrete ready mix from a vendor near the north section of the city.
- D. In April 2005, a formal request was granted to open another purchase order for \$60,000 with Central Concrete Supplies, in Rio Linda. Staff found them to be an excellent supplier, with excellent customer service and on time deliveries. Their price quotes for concrete ready mix are one of the lowest of all the vendors contacted. This continues to be true at this time.
- E. During the last six months staff has experienced extreme difficulty getting service and adequate delivery times from both Teichert Ready Mix and Kyle's Ready Mix. Kyle's has displayed extremely poor customer service, with delays on scheduled delivery of concrete of up to two hours, inability to schedule delivery times until late in the day, and unacceptable concrete materials that had to be returned to the plant. These situations have caused delays on the delivery of the projects and impacted customer service by City crews to the public. In addition, their delivery trucks are not equipped with any state mandated Storm Water Quality Control cleaning and

recovery system. Staff has stopped using this vendor for any products or materials due to the issues described above.

- F. Teichert has also been unable to meet our service needs. During the months of September, October, November and December, they were unable to provide any delivery schedules before 12:00 p.m. (noon), or later, to our City crews. Teichert explained that at peak season, they prioritize their delivery of concrete to customers with the greatest demand, 400 cubic yards per day or more. The City typically purchases 9 to 12 cubic yards per day. Staff has not used Teichert regularly due to the inability to schedule early morning deliveries. Staff believes Teichert may work as a back up resource during the off season construction periods.
- G. To overcome the many difficulties listed above, and after careful research, discussion and experimentation with various suppliers, staff believes it is in the best interest of the City to suspend competitive bidding, and enter into new agreements with three selected suppliers who have proven good customer service, timely response for deliveries, and are spread geographically to accommodate the various locations where concrete is needed by the City crews. These new vendors are Central Concrete Supplies (Rio Linda), Hanford Ready Mix (Elk Grove), and Folsom Ready Mix (Rancho Cordova). Staff recommends continuing use of Teichert Ready Mix as a back up source.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. In the best interests of the City, competitive bidding is suspended.
- Section 2. The City Manager, or his designee, is hereby authorized to enter into commodity purchase agreements and issue the necessary purchase orders for concrete purchasing from three selected vendors: Central Concrete Supplies, Hanford Ready Mix, and Folsom Ready Mix in an amount not to exceed \$550,000 annually for all agreements combined. Agreements have the option to extend for four additional years.

