

STAFF REPORT*CITY OF OCEANSIDE*

DATE: March 19, 2008

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **APPROVAL OF A PURCHASE ORDER TO ESCONDIDO ASPHALT FOR ASPHALT PRODUCTS**

SYNOPSIS

Staff recommends that the City Council approve a purchase order in the amount of \$110,000 to Escondido Asphalt of Escondido for the purchase of asphalt products for the Public Works Department, and authorize the Financial Services Director, or designee, to execute the purchase order.

BACKGROUND

The City's previous supplier of asphalt, California Commercial of San Marcos, closed for business on February 8, 2008. Staff has searched for other suppliers and Escondido Asphalt is currently the only supplier of asphalt in North County. The next nearest supplier available is California Commercial of San Diego.

ANALYSIS

The cost per ton of asphalt is similar for both companies and is in line with industry fair market values. However, the round trip time to Escondido Asphalt is about one hour while the round trip to San Diego is about two to three hours depending on the time of day.

The price of asphalt from Escondido Asphalt is fair and reasonable, and the round trip cost savings makes Escondido Asphalt the most qualified source available. City crews will be able to repair approximately 1500 potholes with the purchase of this material.

FISCAL IMPACT

The remaining balance of \$125,000 from the previous purchase order to California Commercial will be used to fund the purchase order for Escondido Asphalt. In addition, \$31,000 will be transferred from Account No. 213.416021.5211 to 213.416021.5223 so sufficient funds are available in the Street and Median Maintenance Fund.

INSURANCE REQUIREMENTS

Not applicable

COMMISSION OR COMMITTEE REPORT

Does not apply.

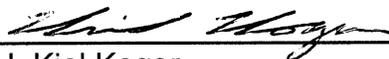
CITY ATTORNEY’S ANALYSIS

Chapter 28A of the Oceanside City Code requires purchases of supplies, services and equipment of estimated value greater than \$25,000 to be procured by competitive written bid, with the contract awarded to the lowest responsible bidder. “Responsible bidder” is defined at Section 28A.1(d) of the Code as a bidder who submits a responsive bid and who is not only financially responsible but is possessed of the resources, judgment, skill, ability, capacity and integrity necessary to perform the contract according to its terms. The City Council also has discretion for good cause, to reject all bids and readvertise.

RECOMMENDATION

Staff recommends that the City Council approve a purchase order in the amount of \$110,000 to Escondido Asphalt of Escondido for the purchase of asphalt products for the Public Works Department, and authorize the Financial Services Director, or designee, to execute the purchase order.

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