

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: CHUCK MCBRIDE, CHIEF FINANCIAL OFFICER, FINANCE  
DEPARTMENT  
SUBJECT: SECOND AMENDMENT TO GENERAL SERVICES AGREEMENT  
NUMBER F001450 WITH SYAR INDUSTRIES, INC.

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Transportation and Public Works, Water, and Finance Departments, that the Council, by Resolution, approve the Second Amendment to General Services Agreement Number F001450 with Syar Industries, Inc., Napa, California for asphalt concrete, extending the term of the Agreement for one year, increasing unit prices by 6.1% and compensation by \$200,000, for a total amount not to exceed \$965,391.55.

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EXECUTIVE SUMMARY

This is a firm fixed price agreement for asphalt concrete products. The current agreement expires on July 11, 2019.

BACKGROUND

On March 30, 2017, City of Santa Rosa Purchasing staff opened formal Invitation for Bid 17-20 for asphalt concrete.

On July 11, 2017, the City Council approved General Service Agreement Number F001450 (Agreement) with Syar Industries, Inc., Napa, California for asphalt concrete products in the amount of \$765,391.55 for a one-year term with four (4) one-year extension options. The First Amendment extended the term of the Agreement for an additional year.

Asphalt concrete supplies, including various types of hot and cold asphalt concrete mix, are used by the City's Transportation and Public Works and Water Departments.

PRIOR CITY COUNCIL REVIEW

On July 11, 2017, the Council awarded a one-year Agreement with four (4) additional one-year extension options in the amount of \$765,391.55.

### ANALYSIS

Syar has offered to extend the term of the Agreement with a 6.1% increase in unit pricing. Research indicates the Producer Price Index (PPI), section PCU324, for San Francisco-Oakland- San Jose, California for the period from July 2017 to April 2019 indicates an increase of 8.6%. This is the first request for price increase. Staff considers the extension request with a 6.1% increase in unit pricing to be fair and reasonable, and in the best interest of the City.

Under the City's Contract/Purchase Order Modification Policy III-9, the Second Amendment requires approval by the City Council.

### FISCAL IMPACT

Funds for this expense have been appropriated in the Fiscal Year 2018-19 budget within various Departments, and as a regular expenditure, will be included in subsequent years' budget requests when presented to Council.

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

### NOTIFICATION

Not Applicable

### ATTACHMENTS

Resolution/Exhibit A– Second Amendment to General Services Agreement Number F001450

### CONTACT

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