

**CITY OF MIAMI BEACH
COMMISSION ITEM SUMMARY**



Condensed Title:

Request For Approval to Award a Contract to Central Concrete Supermix Inc., Pursuant to Invitation to Bid No. 01-03/04, for the Purchase and Delivery of Bulk Concrete Mix in the Estimated Annual Amount Of \$131,000.

Issue:

Shall the City Commission Award A Contract to Central Concrete Supermix Inc.?

Item Summary/Recommendation:

The purpose of Bid No. 01-03/04 (the "Bid") is to establish a contract, by means of sealed bids to a qualified contractor purchase and delivery of bulk concrete mix. The Street and Light Division of Public Works will use this concrete mix for the sidewalks located throughout the City of Miami Beach.

The Bid requires bidders to be within approximately 15 miles radius of the City of Miami Beach. This is to allow sufficient travel and work time before the material becomes unusable.


The Bid also require bidder's plant to regularly stock the coloring additive "Miami Beach Red" as supplied by the following manufactures LAMBERT, QC COLOR or SCHOFIED.

APPROVE THE AWARD OF CONTRACT.


Advisory Board Recommendation:

N/A


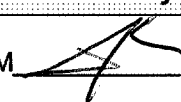
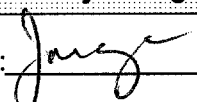
Financial Information:

Source of Funds:	Amount	Account	Approved
 Finance Dept.	1	\$106,000.00	Gas Tax 011.9407.000.342
	2	\$25,000.00	Streets 011.0840.000.342
	3		
	4		
	Total	\$131,000.00	

City Clerk's Office Legislative Tracking:

Gus Lopez, Ext.6641 

Sign-Offs:

Department Director	Assistant City Manager	City Manager
FB: 	RCM: 	JMG: 

T:\AGENDA\2004\Apr1404\Consent\ITB01-03-04SummaryBulkConcreteMix.doc

Agenda Item C2F
Date 4-14-04

CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139
www.miamibeachfl.gov



COMMISSION MEMORANDUM

To: Mayor David Dermer and
Members of the City Commission

Date: April 14, 2004

From: Jorge M. Gonzalez
City Manager

A handwritten signature in black ink, appearing to read 'Jorge'.

Subject: **REQUEST FOR APPROVAL TO AWARD A CONTRACT TO CENTRAL CONCRETE SUPERMIX INC., PURSUANT TO INVITATION TO BID NO. 01-03/04 FOR THE PURCHASE AND DELIVERY OF BULK CONCRETE MIX IN THE ESTIMATED ANNUAL AMOUNT OF \$131,000.**

ADMINISTRATION RECOMMENDATION

Approve the Award.

FUNDING

\$106,000 Funding is available from the Public Works Department Gas Tax Account No. 011.9407.000.342 and
\$25,000 Public Works Streets Account No.011.0840.000.342

ANALYSIS

The purpose of Bid No. 01-03/04 (the "Bid") is to establish a contract, by means of sealed bids to a qualified contractor purchase and delivery of bulk concrete mix. The Street and Light Division of Public Works, will use this concrete mix for the sidewalks located throughout the City of Miami Beach.

The Bid was issued on October 27, 2003, with an opening date of to December 4, 2003. BidNet issued ten (10) notices to prospective bidders, and the Procurement Division issued twelve (12) additional notices, resulting in the receipt of one bid.

The Bid requires bidders to be within approximately 15 miles radius of the City of Miami Beach. This is to allow sufficient travel and work time before the material becomes unusable.

The Bid also require bidder's plant to regularly stock the coloring additive "Miami Beach Red" as supplied by the following manufactures LAMBERT, QC COLOR or SCHOFIED.

The Administration explored the possibility of using Miami-Dade County's Contract, but since **80% of the concrete used by the City has "Miami Beach Red"** coloring, and the County Contract does not provide for the Miami Beach Red coloring, it was decided that the County Contract would not meet the City's needs.

The Procurement Division contacted other prospective vendors to determine why they elected not to Bid, and the reasons given are as follows:

- Rinker Concrete stated that their administrator did not have enough time to review the Bid.
- Rio's Concrete stated that the person in charge was out of town.
- Florida Rock & Sand Co. and South Florida Concrete & Ready Mix, Inc stated that their company's plant was not within 15 miles radius.
- Continental Concrete stated that they are engage in other work, and unable to take part in the bid at this time.

Attached is the tabulated price sheet. Pursuant to Section 2-367(c) of the City Code, the Administration negotiated a price decrease through December 31, 2004. (**see Attachment No.1**).

The term of their contract will be in effect upon execution of the contract until **June 30, 2005**. However, due to a short supply of raw materials used in manufacturing concrete, Central Concrete Supermix, the recommended bidder, will only honor their prices firm through December 31, 2004. The Administration will negotiate a price increase or decrease based on market conditions for the period commencing January 1 through June 30, 2005.

The Procurement Division verified that cement is in fact a volatile commodity as a result of significant increases in demand combined with less available cement in the world. See attached letters from the two major suppliers of cement to in the state of Florida: 1) Florida Rock Industries; and 2) Cemex.

Providing that negotiations with Central Concrete Supermix are successful relative to a fair and reasonable price based on market conditions, and Central agreeing to the same terms and conditions of the awarded contract, the contract may be extended for an additional three (3) years, on a year to year basis, if mutually agreed upon by both parties.

To determine if the City was receiving a fair and reasonable price, the Procurement Division conducted a benchmark analysis to include pricing from another suppliers (**see Attachment No.2**) and pricing from Miami-Dade County for their Ready Mixed Contract (Bid No. 6099-3/09 **see Attachment No.3**).

The Procurement Division contacted the references submitted by the bidder to find out what they have been charged by Central Concrete Supermix Inc. and received the following information:

<u>Vendor</u>	<u>Est. Qty</u>	<u>Unit Cost</u>	<u>Material bought mostly</u>
John Moriarty & Associates	300CY	\$50.00	3000PSI regular
Miller & Solomon	25,000CY	\$58.00	4000PSI regular
E&F Builders	600CY	\$65.00	3000PSI regular

CONCLUSION

The Administration recommends that the contract be awarded to Central Concrete Supermix Inc, pursuant to Invitation to Bid No. 01-03/04 for the purchase and delivery of Bulk Concrete in the estimated annual amount of \$131,000.

Attachment No.1
PURCHASE AND DELIVERY OF BULK CONCRETE MIX
 BID # 01-03/04
 TABULATION SHEET

CONCRETE SUPERMIX BID PRICING

MATERIALS	2500 PSI regular	3000 PSI regular	3500 PSI regular	4000 PSI regular	Addition of "Miami Beach Red" Color admixture	Excavatatable flowable fill	Fiber reinforcement
ESTIMATED ANNUAL QTY	50CY	50CY	1000CY	40CY	1000CY	80CY	50CY
UNIT COST	\$44.50	\$49.00	\$51.00	\$53.00	\$71.00	\$49.00	\$6.00
TOTAL COST	\$2225.00	\$2450.00	\$51,000.00	\$2120.00	\$71,000.00	\$3920.00	\$300.00

GRAND TOTAL **\$133,015**

CONCRETE SUPERMIX NEGOTIATED PRICE REDUCTION

UNIT COST (Negotiated)	\$45.50	\$47.00	\$49.00	\$52.00	\$71.00	\$49.00	\$6.00
TOTAL COST (Negotiated)	\$2275.00	\$2375.00	\$49,000.00	\$2080.00	\$71,000.00	\$3920.00	\$300.00
GRAND TOTAL (Negotiated)							
					\$130,950		

Attachment No.2

Rinker MATERIALS™ Miami Region Office		Date: 1/22/2004
Customer Information	City of Miami Beach Attention: Adocla Osoba	Phone: _____ Fax: _____
Project Information	Miami Beach Concrete Miami Beach, Fl	
Rinker Account Manager	Jim Ryder 1600 North Miami Ave. Miami, Fl. 33136	Office: 305-871-3971 Cell: 786-295-3027

Actual	Description	U.O.M.	Price
	3000 PSI Regular Concrete	CY	\$54.00
	3500 PSI Regular Concrete	CY	\$57.00
	4000 PSI Regular Concrete	CY	\$60.00
	Excavatable Flowable Fill	CY	\$58.00
	Fibers	CY	\$7.00
	Miami Beach Red for 3000 PSI (this is plus the concrete)	CY	\$86.00
	Deduct \$6.00 per yd for concrete picked up at Rinker's plant.		
	Pump Primer	CY	\$250.00
	Additional Items		
	Add for Pearock Mix	CY	\$4.00
	Add for #07 rock	CY	\$4.00
	Add for Sidewinder Pump / Blend Mix	CY	\$4.00
	Add for Pearock Pump Mix	CY	\$9.00
	Add for DCI-S Corrosion Inhibitor 2.5 Gallons per yard	CY	\$25.00
	Add for Superplasticizer per 1000 psi	MPSI	\$1.50
	Service Charges		
	Adjustable Fuel Surcharge	Load	varies
	Environmental Load Charge	Load	\$8.00
	Waste Concrete Disposal Fee	Load	\$6.00
	Minimum Load Charge Less than 8 CYDS	Load	\$125.00
	Saturday A.M. Service 4 Hour Minimum	Hour	\$200.00
	Normal Hours Of Operation (M-F 7:a.m -6:p.m.) For Off Hours Please Call For Quote		

Effective Date	1/22/2004	Expiration Date	7/1/2004
Escalator	Effective 6/30/2004 Concrete Prices Escalate		\$4.00 CYD

Signature _____
 Quote Is Not Valid Without Signature

Prices DO NOT include Sales Tax
 Prices subject to change due to manufacturer's increase
 This quotation must be accepted IN WRITING within 30 days of issue date.
 TERMS: 1% discount if payment received before 15th of month following purchase - NET 15th

Attachment No.3

Tally Sheet
 for Bid # 6099-3/08
 Opened 2/25/2004
 Date Prepared: 2/27/2004
 Prepared By: Laura Gonzalez

Items	Description	Bidder		DPM	
		Central Concrete Supermix, Inc.		Negotiated Prices	
		North Zone	South Zone	North & South Zone	
1	2000PSI Course	\$ 43.50	\$ 43.50	\$ 42.50	
2	2500PSI Course	\$ 45.50	\$ 45.50	\$ 44.50	
3	3000PSI Course	\$ 47.50	\$ 47.50	\$ 46.50	
4	3500PSI Course	\$ 49.00	\$ 49.00	\$ 48.00	
5	3750PSI Course	\$ 50.00	\$ 50.00	\$ 49.00	
6	4000PSI Course	\$ 52.00	\$ 52.00	\$ 51.00	
7	4500PSI Course	\$ 54.00	\$ 54.00	\$ 53.00	
8	5000PSI Course	\$ 56.00	\$ 56.00	\$ 55.00	
9	2000PSI Pearock	\$ 48.50	\$ 48.50	\$ 47.50	
10	2500PSI Pearock	\$ 50.50	\$ 50.50	\$ 49.50	
11	3000PSI Pearock	\$ 52.50	\$ 52.50	\$ 51.50	
12	3500PSI Pearock	\$ 54.00	\$ 54.00	\$ 53.00	
13	3750PSI Pearock	\$ 55.00	\$ 55.00	\$ 54.00	
14	4000PSI Pearock	\$ 57.00	\$ 57.00	\$ 56.00	
15	4500PSI Pearock	\$ 59.00	\$ 59.00	\$ 58.00	
16	5000PSI Pearock	\$ 61.00	\$ 61.00	\$ 60.00	
17	3000PSI Lt Concrete	\$ 110.00	\$ 110.00	\$ 109.00	
18	3500PSI Lt Concrete	\$ 112.00	\$ 112.00	\$ 111.00	
19	4000PSI Lt Concrete	\$ 114.00	\$ 114.00	\$ 113.00	
20	4000 PSI Tremie Mix	\$ 64.00	\$ 64.00	\$ 63.00	
Option A	Retardant Admixture	\$ 1.50	\$ 1.50	\$ 1.50	
Option B	High Early Admixture	\$ 2.75	\$ 2.75	\$ 2.75	
ONLY 1 BID RECEIVED					

Attachment No.4

Osoba, Adeola

From: Gonzalez, Laura (DPM) [LAGONZ@miamidade.gov]
Sent: Thursday, March 18, 2004 10:28 AM
To: Osoba, Adeola
Cc: Clerk of the Board (COC)
Subject: Ready Mixed contract bid 6099-3/09

Adeola,

See attached the negotiated prices for ready mixed concrete. This is FOB Origin, not Destination.

Laura Gonzalez

Sr. Procurement Agent

Bids & Contract Division

111 NW 1st Street, Suite 1300

Miami, Florida 33128

Ph: 305-375-3904 Fax: 305-375-4407

Email: lagonz@miamidade.gov



March 31, 2004

Dear Customer:

I hope that 2004 is starting off well for your business. I felt that it was important to bring to your attention recent phenomena that we believe will have significant impact on cement supply and pricing. The US economy is growing and there are other economies that are growing substantially faster (such as China which is predicted to consume approximately 45 percent of total world cement demand in 2004). As a result, there is significantly less available cement in the world. Due to this pressure on supply and huge increases in the world shipping market, imported cement costs have increased substantially this year. Additionally, stronger than expected demand in the fourth quarter 2003 and the first quarter of this year has inventories at extremely low seasonal levels constricting domestic supply as well. Cemex is currently implementing strategy to help supply your needs in 2004. However, this comes at a much higher cost to our company. These costs are in addition to escalating operating costs due mainly to increases in energy and insurance.

We believe that all of these factors will continue for the near future and expect that more cement price increases will be implemented this year. Your local Cemex sales professional will contact you soon with more information. We will continue to give you as much notice as possible so that you can adjust accordingly. We appreciate your business and look forward to serving you during these dynamic times.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Frank Craddock, Jr." with a stylized flourish at the end.

R. Frank Craddock, Jr.
Executive Vice President, Sales

United States Operations

P.O. Box 6, Brooksville, Florida. 34605-0006, USA. Phone: (352) 796-7241, Fax: (352) 754-9836



April 2, 2004

**JULY 1, 2004
 PRICE ANNOUNCEMENT
 CONFIRMATION**

To our Customers:

On March 8, 2004 we mailed a price increase announcement to you which will become effective on July 1, 2004. It was our intention to give you as much notification as possible for your future planning. If for some reason you did not receive our price announcement, please contact your Florida Rock Cement representative or call our office.

We feel information which will explain market conditions is in order. This letter will provide specifics which are well known within the construction industry that are causing major cost increases to importers and suppliers of construction materials. In our state of Florida we have been consuming approximately 9,200,000 tons of cementitious products each year for the past three years. Currently our state produces 5,000,000 to 5,300,000 tons, which leaves a short fall of 4,000,000 tons. The majority of the 4,000,000 tons is imported from various off shore sources and involves the use of ocean going bulk carriers which are currently in short supply. Demand for these carriers has driven freight costs to unprecedented levels with increases of \$15.00 and higher per ton. There appears to be no relief in the immediate future. Importers of steel, lumber, aggregate, coal, gypsum, oil and cement are in "uncharted waters" and must take action to continue in business. We found this website link which provides information on the status of world shipping demands. If you are so inclined you may log on to this site for more information:

<http://washingtontimes.com/upi-breaking/20040308-060306-4921r.htm>

- March 9, 2004 article - The Washington Times

Understanding the changing markets and planning your future strategy will produce positive results in a volatile situation. We want you to continue to be successful as our success depends on you.

We at Florida Rock Industries, Inc. - Cement Group appreciate your business and look forward to a long continuation of our business relations.

Florida Rock Industries, Inc. - CEMENT GROUP

