

**CITY OF EL PASO, TEXAS
REQUEST FOR COUNCIL ACTION (RCA)**

DEPARTMENT: STREETS

AGENDA DATE: August 21, 2007

CONTACT PERSON/PHONE: Daryl W. Cole, Streets Director; Terrence Freiburg, Purchasing Mgr.
ext. 4313

DISTRICT(S) AFFECTED: Citywide

SUBJECT:

Bid 2006-066 GROUND MAINTENANCE OF CITY MEDIANS

BACKGROUND / DISCUSSION:

We received attached fax letter on Aug 2, 2007, and original letter in the mail on Aug 6, 2007 from Ledesma's requesting a price increase to contract due to the raise in minimum wage, with requested new price increase to be effective August 1, 2007. In this letter contractor advised he had stopped work effective August 1, 2007.

Ledesma's gave the City the option to terminate this contract effective immediately without holding either party liable for termination. It is our recommendation that the contract be terminated for convenience immediately as Ledesma's did not provide sufficient notice of their request for a price increase and stopped work prior to providing advance notice.

We highly recommend that we accept their offer and terminate contract immediately.

PRIOR COUNCIL ACTION:

N/A _____

AMOUNT AND SOURCE OF FUNDING:

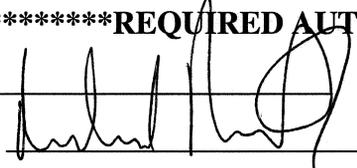
Fund 01101 General Fund, 32010155 (Streets Medians), 502221 Groundkeeping/Horti Contracts, 32000 (class)

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD:  _____ "Freib" _____

Cc: Patricia D. Adauto, Deputy City Manager Development and Infrastructure Services

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

RESOLUTION

WHEREAS, the City awarded Contract No. 2006-066 to Ledesma's (Item II), on May 9, 2006, for Ground Maintenance of City Medians; and

WHEREAS, the City Council terminates said Contract for convenience pursuant to the provisions of the Contract; and

WHEREAS, pursuant to Section C 8A of the Contract (Cancellation for Convenience), the City is authorized to terminate the Contract for convenience; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the Purchasing Manager is authorized to notify Ledesma's, that the City is terminating Contract No. 2006-066 pursuant to the provisions and requirements of Section C 8A of the Contract Clauses due to convenience and that the termination shall be effective as of August 21st 2007.

PASSED AND APPROVED this 21st day of August 2007.

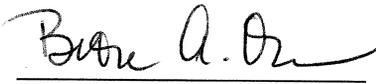
THE CITY OF EL PASO

John Cook
Mayor

ATTEST:

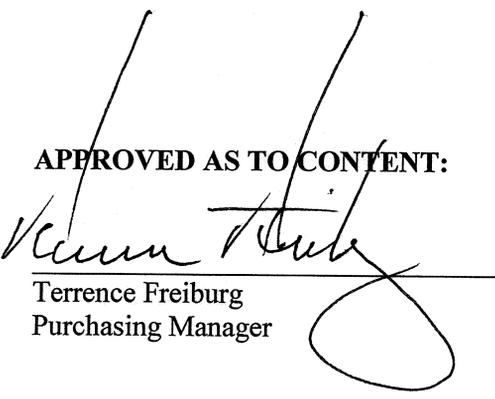
Richarda D. Momsen
Municipal Clerk

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



Terrence Freiburg
Purchasing Manager

CITY COUNCIL

JOHN COOK
MAYOR



ANN MORGAN LILLY, DISTRICT 1
SUSANNAH M. BYRD, DISTRICT 2
J. ALEXANDRO LOZANO, DISTRICT 3
MELINA CASTRO, DISTRICT 4
RACHEL QUINTANA, DISTRICT 5
EDDIE HOLGUIN, JR., DISTRICT 6
STEVE ORTEGA, DISTRICT 7
BETO O'ROURKE, DISTRICT 8

JOYCE WILSON
CITY MANAGER

DARYL W. COLE
STREETS DIRECTOR

STREET DEPARTMENT

August 7, 2007

TO: Terrence Freiburg, Deputy Director Financial Services
ATTN: Ray Heredia, Procurement Analyst
FROM: Daryl W. Cole, Streets Director 
SUBJECT: **Bid No. 2006-066 GROUND MAINTENANCE OF CITY MEDIANS**

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We highly recommend that we accept their offer and terminate contract immediately.

If you have any questions please call me at 621-6750.

DWC/en

Enclosures

Ledesma's
P.O. Box 290480
El Paso, Texas 79929-0480
915-859-3396 Office

August 1, 2007

RE: Solicitation Number 2006-066

To Ray Heredia procurement analyst for the purchasing department and the purchasing department of the City of El Paso and the Street Department for the City of El Paso this letter is to inform you of a federal mandated salary increase that took affect on July 24th 2007. As per this solicitation # 2006-066 Section C., Contract Clauses # 24, B. Minimum Wage. Reads a price adjustment increase will be allowed if there is a federally mandated increase. This federal mandated increase has forced our firm to increase our current contractual prices as follows. Growing season current price is \$ 2,565.00 per month, and non-growing season price is \$ 2,025.00 per month. The new growing season price will be \$3,432.99 per month, and the new non-growing season price will be \$ 2,892.99 per month. If the City of El Paso chooses not to want to increase this solicitation we at Ledesma's offer the City of El Paso the option to terminate this agreement affective immediately not holding either party liable for this termination. We finished the month of July at the old rate taking a loss but as of August 1st 2007 we must take this increase. Your prompted attention is greatly appreciated in resolving this matter. Services will be halted until the City of El Paso sends us a reply to this matter at hand. If you have any questions please feel free to contact us at our office at 915-859-3396.

Angelica Ledesma
Angelica Ledesma
Owner

RECEIVED
AUG 02 2007
STREET DEPT