



MEMORANDUM

TO: Mayor and City Councilmembers
Steve Parker, City Manager

FROM: Ashley Bruns, Contract Coordinator

DATE: August 14, 2023

RE: Contract Renewal – Hot Mix Asphaltic Concrete

Bids were solicited for a contract to supply hot mix asphaltic concrete (Hotmix) in August 2022. The contract allows for two (2) one-year extensions. Because asphalt and its application are temperature and time sensitive, staff recommended awarding contracts to both a primary and secondary provider to avoid delivery delays which adversely affect street maintenance work. Contracts were awarded by City Council as follows:

| | |
|--------------------|----------------------------|
| Primary Contract | Brauntex Materials |
| Secondary Contract | Texas Material Group, Inc. |

Terms and conditions of the contract provide that upon renewal, the City will increase the contract price by the greater of 3% or the percentage increase in the U.S. Dept. of Labor Bureau of Labor Statistics' Consumer Price Index (CPI). The current CPI calculation results in an increase of less than 1% so therefore the contracts should be increased by 3% to the unit prices indicated below:

| ITEM DESCRIPTION | 2022 PRICE PER TON | 2023 3 % INCREASE PRICE PER TON |
|--|-----------------------|---------------------------------------|
| Brauntex Type D & B Delivered | \$68.00 | \$70.04 |
| Brauntex Type D & B Picked Up at Plant | \$59.00 | \$60.77 |
| | | |
| Texas Material Group Type D Delivered | \$71.25 | \$73.39 |
| Texas Material Group Type D Picked Up at Plant | \$63.00 | \$64.89 |
| Texas Material Group Type B Delivered | \$66.25 | \$68.24 |
| Texas Material Group Type B Picked Up at Plant | \$58.00 | \$59.74 |

Funding will come from the FY23-24 Public Works Street Maintenance fund. The Department expects to use between 4,000 and 5,000 tons of Hotmix during the year.

Staff recommends accepting and approving the renewal at the increased rate. If approved, the renewed annual term will begin October 1, 2023.