



## MEMORANDUM

TO: Mayor and City Councilmembers  
Doug Faseler, City Manager

FROM: Twila Wood, Purchasing Manager

DATE: September 4, 2018

RE: Contract Renewal – Hot Mix Asphaltic Concrete

Bids were solicited for a contract to supply hot mix asphaltic concrete (Hotmix) in November 2016. The contract allows for two (2) one-year extensions and was extended the first time in September 2017. Because asphalt and its application are temperature and time sensitive, staff recommended awarding a contract with a primary provider as well as with secondary provider(s) to avoid delays with purchase orders or material delivery which would effectively delay scheduling street maintenance work. Contracts were awarded by City Council as follows:

Primary Contract	Brauntex Materials
Secondary Contract	Century Asphalt
Alternate Contract	Industrial Asphalt

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 approximately 2.71% so therefore the contracts should be increased by 3% to the unit prices indicated below:

ITEM DESCRIPTION	2016 AWARDED PRICE PER TON	2017 3 % INCREASE PRICE PER TON	2018 3 % INCREASE PRICE PER TON
Brauntex Type D & B Delivered	\$48.00	\$49.44	\$50.92
Brauntex Type D & B Picked Up at Plant	\$42.00	\$43.26	\$44.56
Century Type D Delivered	\$49.75	\$51.24	\$52.78
Century Type D Picked Up at Plant	\$45.00	\$46.35	\$47.74
Century Type B Delivered	\$47.75	\$49.18	\$50.66
Century Type B Picked Up at Plant	\$43.00	\$44.29	\$45.62
Industrial Type D & B Delivered	\$50.25	\$51.76	\$53.31
Industrial Type D & B Picked Up at Plant	\$45.00	\$46.35	\$47.74

Funding will come from the FY19 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, 2018.