



MEMORANDUM

TO: Mayor and City Councilmembers
Steve Parker, City Manager

FROM: Twila Wood, Purchasing Manager

DATE: September 10, 2021

RE: Contract Renewal – Hot Mix Asphaltic Concrete

Bids were solicited for a contract to supply hot mix asphaltic concrete (Hot Mix) in August 2019. The contract allows for two (2) one-year extensions and was extended the first time in September 2020. 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 Materials (formerly Century 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 3.72% so therefore the contracts should be increased by that amount as indicated below:

ITEM DESCRIPTION	2019 AWARDED PRICE PER TON	2020 3 % INCREASE PRICE PER TON	2021 3.72 % INCREASE PRICE PER TON
Brauntex Type D & B Delivered	\$48.00	\$49.44	\$51.28
Brauntex Type D & B Picked Up at Plant	\$42.00	\$43.26	\$44.87
Texas Materials Type D Delivered	\$48.49	\$49.94	\$51.80
Texas Materials Type D Picked Up at Plant	\$42.49	\$43.76	\$45.39
Texas Materials Type B Delivered	\$46.49	\$47.88	\$49.66
Texas Materials Type B Picked Up at Plant	\$40.49	\$41.70	\$43.25

Funding will come from the FY21-22 Public Works Street Maintenance fund. The Department expects to use between 4,000 and 5,000 tons of Hot Mix during the year.

Staff recommends accepting and approving the renewal at the increased rate. If approved, the renewed annual term will begin October 1, 2021.