

MEMORANDUM

TO: Mayor and Council Members

FROM: Marc A. Ott, City Manager

DATE: August 8, 2008

SUBJECT: Ratification of a Contract with Ergon Asphalt & Emulsions Inc for the Emergency

Purchase of Asphalt Emulsion, HFRS-2P, August 21, 2008 Council Agenda

The Public Works Department needs approximately 200,000 gallons of HFRS-2P asphalt emulsion to finish the pavement maintenance work this summer. Our current vendor, SemMaterials has filed Chapter 11 bankruptcy thereby making the current contract invalid. They were the only local producer of this material. Without this material, the Street and Bridge Division of the Public Works Department will not be able to complete the seal coat projects within acceptable weather limitations.

Many vendors were contacted to see if they produce HFRS-2P. Ergon Asphalt is the only known vendor that produces this material within the state of Texas and has facilities near Austin that can provide and deliver the material. We will use this vendor to complete the seal coat program this summer and will explore other alternatives for next year.

This item is on the Council agenda for August 21, 2008. The item submitted will be to request ratification approval in the amount of \$876,000.00 for Ergon Asphalt & Emulsions Inc.

Please feel free to contact me if you need additional information.

xc: Robert D. Goode, Assistant City Manager

Joe R. Ramos, Acting Director