

AGENDA



Thursday, June 11, 2009

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 29**

Subject: Authorize award and execution of a 24-month requirements supply contract with ERGON ASPHALT & EMULSIONS, INC., Austin, TX, for the purchase of asphalt emulsions in an estimated amount not to exceed \$5,470,600, with two 12-month extension options in an estimated amount not to exceed \$2,735,300 per extension option, for a total estimated contract amount not to exceed \$10,941,200.

Amount and Source of Funding: Funding in the amount of \$911,767 is available in the Fiscal Year 2008-2009 Operating Budget of the Public Works-Transportation Department. Funding for the remaining 20 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Steve Cocke, Buyer II 974-2003

Purchasing Language: Sole bid received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract establishes a supply agreement for asphalt emulsions for the Public Works Department (PWD), Street and Bridge Division. The asphalt emulsions are used by PWD for various street maintenance operations. The asphalt emulsions will be picked up by City paving crews and/or delivered from the contractor's plant.

The emulsions are used in the summer months for pothole patching and traprock sealcoat resurfacing. A sealcoat resurfacing application is defined as the application of hot liquid asphalt covered by an application of aggregate. This street maintenance strategy seals the existing street surface from water penetration and provides a new abrasive street surface wearing course. The sealcoat application maintains the service life of the street by deterring the effects of weather and traffic.

This contract will insure that asphalt emulsions are readily available for timely repairs and maintenance. The sealant that will be used does not contain coal tar. MBE/WBE solicited: 0/0 MBE/WBE bid: 0/0

PRICE ANALYSIS

- a. Sole bid. The previous supplier and the only other known local supplier of this product is no longer in business.
 - b. Fifteen notices were sent. There are no known MBE/WBEs available for this commodity. One bid received.
 - c. The pricing offered represents a 20% increase to the last contract award in August 2006. The increase is due to the petroleum products (resin & pigment) used to manufacture this material, as well as transportation costs.
- APPROVAL JUSTIFICATION**

- a. Sole bid received. Ergon Ashphalt & Emulsions, Inc. is not the current supplier of this material.
- b. The Purchasing Office concurs with the Public Works Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.