



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 20
AGENDA DATE: Thu 06/17/2004
PAGE: 1 of 2**

SUBJECT: Authorize execution of a 12-month service agreement with AARON CONCRETE CONTRACTORS, LP, (MBE/MH-100%), Austin, TX, for milling services for the Public Works Department in an amount not to exceed \$78,475, with two 12-month extension options in an amount not to exceed \$78,475 per extension option, for a total agreement amount not to exceed \$235,425.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$19,618 is available in Fiscal Year 2003-2004 Approved Operating Budget of the Public Works Department. Funding for the remaining nine 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.

REQUESTING Purchasing
DEPARTMENT: for Public Works;

**DIRECTOR'S
AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: R. C. Hernandez, Senior Buyer/974-6434

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid of two bids received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 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 an annual service agreement for milling services, which includes personnel and equipment for the Street and Bridge Division, Public Works Department. Services include milling and transport of milled material to various Public Works locations. The milled material will be utilized by the Street & Bridge Division for street rehabilitation paving projects located within the City of Austin limits. These services supplement the City's milling operations when City crews need assistance to meet the demand or time limit.

Street milling is accomplished by the operation of a machine that grinds a layer of up to two inches of asphalt off of an existing road. After the milling, resurfacing with a new layer of hot mix asphalt concrete pavement is applied to the road. The loose material is reused in the process for street repairs.

The contract for milling services will be used to allocate major project resources in the following maintenance operations:

- a. Larger utility cuts (Water and Wastewater sewer and main water line repairs)
- b. Spot repairs (spot road repairs)
- c. Overlay operations (lay a new driving surface over an existing surface)
- d. Street rehabilitation projects (street resurfacing)



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The contract will provide the Street & Bridge Division with the flexibility to increase scheduled street maintenance.

MBE/WBE solicited: 4/2

MBE/WBE bid: 1/0

BID TABULATION

IFB NO. RH04300060

**MILLING SERVICES
(11 Line Items)**

<u>Vendor</u>	<u>Total</u>
AARON CONCRETE CONTRACTORS LP AUSTIN, TX. (MBE/MH)	\$78,475
Dustrol, Inc. Austin, TX	\$106,500

Complete bid tabulation is available in the Purchasing Office.

PRICE ANALYSIS

- Adequate competition.
- Twenty-one notices were sent including four MBEs and two WBEs. Three solicitations were issued. Two bids were received with one MBE responding and no WBE responding.
- The current pricing represents an approximate 3% increase from the last award made in June 2001. This can be attributed to the increase in milling services and rising fuel costs.

APPROVAL JUSTIFICATION

- Low bidder.
- The Public Works Department concurs with the recommended award herein.
- Advertised in the Austin American-Statesman and Internet.