



TO: Board of Contracts and Awards
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer */KDK*
Rae Bailey, Division Manager, Public Works Street Operations
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Chuck Blankenship, Finance/Purchasing
SUBJECT: Contract Increase for AC-15P Asphalt Oil
State of Washington Contract No. 01211, Contract No. 46000009856 – March 21, 2017
DATE: February 23, 2017

SUMMARY:

The Public Works Department requests approval to increase Contract No. 46000009856 with Albina Holdings, Inc., Vancouver, WA, by \$900,000, for a total contract amount of \$1,900,000, plus applicable sales tax, for the purchase of AC-15P asphalt oil used for surface treatments through August 17, 2019.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.

The asphalt oil, which is a polymer modified, hot applied chip seal binder, will be used by the Public Works Street Operations Division for the surface treatment program. Surface treatments extend the life of pavement protecting the City’s infrastructure investment and provide a safe driving surface and aesthetically pleasing finished roadway.

BACKGROUND:

ISSUE: With passage of two Streets Initiatives (Proposition A and Proposition No. 3), the Street Operations surface treatment program has increased the use of AC15-P from an estimated 250 tons to 530 tons per year. Street Operations anticipates applying surface treatments to approximately 230 blocks of residential streets and 7.5 lane miles of arterial streets. Applying surface treatments to streets that are in at least fair condition prolongs the useful life of street surfaces by seven to ten years. The purchase of additional AC15-P will allow for continuation of the surface treatment program by Street Operations.

ALTERNATIVES: Albina Holdings, Inc. was the only bidder for AC15-P oil on the State contract.

COMPETITIVE SOLICITATION: State of Washington contract 01211 is a competitively solicited contract that meets Tacoma’s competitive solicitation requirements. Public Works will procure product for the current chip seal season at the same prices, terms and conditions of the State of Washington contract.

CONTRACT HISTORY: The original contract was for four years and \$1,000,000, plus applicable sales tax, which was approved by Resolution No. 38929 on June 17, 2014.

SUSTAINABILITY: This product is used in Public Works surface maintenance programs to extend the life of street surfaces by seven to ten years, thus lowering the overall life-cycle cost of asphalt roadways.

SBE/LEAP COMPLIANCE: Not applicable.



RECOMMENDATION:

The Public Works Department requests approval to increase Contract No. 46000009856 with Albina Holdings, Inc., Vancouver, WA, by \$900,000, for a total contract amount of \$1,900,000, plus applicable sales tax, for the purchase of AC-15P asphalt oil used for surface treatments through August 17, 2019.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT *
1085 – Streets Initiative Fund	663025	5220100	\$720,000
1065 – PW Street Fund	662424	5220100	\$180,000
TOTAL			\$900,000

* Plus applicable sales tax

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Streets Initiative Revenues	663020	Various	\$720,000
Street Fund Revenues	662420	Various	\$180,000
TOTAL			\$900,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$425,000, plus applicable sales tax.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED: N/A