



**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:** Specification No. PW15-0414F; Crushed and Natural Aggregate – September 1, 2015  
**DATE:** August 13, 2015

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**SUMMARY:**

The Public Works Department recommends a contract be awarded to Wm. Dickson Co., Tacoma, WA, in the amount of \$133,750, plus applicable sales tax, and Holroyd Company, Inc., Lakewood, WA, in the amount of \$514,900, plus applicable sales tax, budgeted from the Asphalt Plant Fund 5453, for the purchase of crushed and natural aggregate materials on an as-needed basis, for an initial contract term of one year plus two additional one-year renewal options.

The three year projected contract amount for Holroyd Company, Inc., will be \$1,591,504.41. The three year projected contract amount for Wm. Dickson Co., will be \$413,407.88. The expected initial contract period is August 25, 2015 through August 25, 2016.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The crushed and natural aggregate will be used in the production of Hot Mix Asphalt (HMA) at the City’s asphalt plant and for street repair and the residential street paving program on an as-needed basis by Public Works Street Operations Division (Street Operations).

**BACKGROUND:**

Street Operations performs various street maintenance activities such as production of hot mix asphalt, surface treatments, temporary and permanent repair of streets, and alley maintenance. The crushed and natural aggregate will be used in the maintenance of the City’s street system.

**ISSUE:** The City’s streets are in need of repair. In order to properly repair and maintain the City’s street system, Street Operations has to remove and replace structurally deficient subgrade and asphalt and replace it with new subgrade material and HMA.

**ALTERNATIVES:** Council could choose not to approve the crushed and natural aggregate contract, which would then prevent Street Operation’s staff from repairing the City’s streets.



**COMPETITIVE SOLICITATION:** Request for Proposals PW15-0414F was opened July 14, 2015. Seven companies were invited to bid in addition to normal advertising of the project. Five proposals were received. The contract awards are based on the lowest delivered price for solo loads with fixed maximum percentage increases for subsequent years.

<u>Respondent</u>	<u>Location</u> (city and state)	<u>Awarded Item Numbers</u>	<u>Initial Award</u> <u>Amount</u>
Holroyd Company, Inc.	Lakewood, WA	1,2,3	\$514,900*
Wm. Dickson Co.	Tacoma, WA	4,5	\$133,750*
Harlow Construction Co., Inc.	Lakewood, WA		\$1,044,000.00*
Miles Sand & Gravel Co.	Puyallup, WA		\$95,000*
Miles Resources, LLC	Puyallup, WA		**

\*Request for bids included an escalation clause for each successive year if warranted.

\*\* Did not bid delivered solo load price.

Pre-bid Estimate: \$1,300,000

The recommended award is 54.2 percent above the pre-bid estimate. (Staff, prior to bid, increased the estimated bid quantity for 5/8” maintenance rock up 6,000 tons but did not adjust the engineer’s estimate to reflect the increased quantity. Also when the pre-bid estimate per ton was calculated for the purchase and utilization of recycled material into PW Street Operations projects, the estimated unit price did not fully account for the delivery of the material to the City’s asphalt plant. Street Operations has the budget to cover the increased cost.)

**CONTRACT HISTORY:** New contract.

**SUSTAINABILITY:** Both companies indicated they look for opportunities to recycle and reuse whenever possible. Holroyd Company, Inc. has a green products™ section, which processes used concrete and asphalt materials to be used in new buildings, roads and other construction projects. Wm. Dickson Company’s inert waste landfill in Pierce County has reduced the amount of construction debris placed in landfills and their recycling of concrete and asphalt for use in future construction projects minimizes the depletion of the area’s natural occurring aggregates.

**SBE/LEAP COMPLIANCE:** The recommended contractors are in compliance with the Small Business Enterprise (SBE) Regulation requirements per SBE’s Evaluated Bid Status Report dated August 12, 2015.

**DISADVANTAGED BUSINESS ENTERPRISE (DBE):** Not applicable.

**RECOMMENDATION:**

The Public Works Department recommends a contract be awarded to Wm. Dickson Co., Tacoma, WA, in the amount of \$133,750, plus applicable sales tax, and Holroyd Company, Inc., Lakewood, WA, in the amount of \$514,900, plus applicable sales tax, budgeted from the Asphalt Plant Fund 5453, for the purchase of crushed and natural aggregate materials on an as-needed basis, for an initial contract term of one year plus two additional one-year renewal options.



**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5453 Asphalt Plant	490100	5220100	\$2,004,912.29
<b>TOTAL</b>			

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5453 Asphalt Plant	490100	5220100	\$2,004,912.29
<b>TOTAL</b>			

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$972,975**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

Attachment to C&A Council Action Memo 15-0905

Specification No. PW15-0414F Crushed and Natural Aggregate

<u>Item No.</u>	<u>Description</u>	<u>Respondent</u>
1	Crushed Surfacing - Base Course	Holroyd Company, Inc.
2	Crushed Screening 1/2" - U.S. No 4	Holroyd Company, Inc.
3	Maintenance Rock - 5/8"	Holroyd Company, Inc.
4	Recycled Crushed Surfacing - Base Course	Wm. Dickson Co.
5	Recycled Crushed Surfacing - Top Course	Wm. Dickson Co.