



TO: Board of Contracts and Awards
FROM: Andrew Cherullo, Director, Finance Department
Patsy Best, Procurement and Payables Division Manager
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
City Clerk, SBE Coordinator, and Doreen Klaaskate Finance/Purchasing
SUBJECT: Citywide Hot Mix Asphalt
Request for Bids Specification No. CT18-0135F, Contract#4600013269
Public Utility Board June 13, 2018 and City Council June 19, 2018
DATE: June 5, 2018

RECOMMENDATION SUMMARY:

The Finance Department, Purchasing Division recommends a contract to be awarded to Puget Paving & Construction Inc, Lakewood, WA, for as needed, hot mix asphalt (HMA), in the amount of \$398,000.00, plus a 10% contingency, plus applicable taxes, for an initial contract term of one year in the amount of \$437,800.00 with the option for four additional one year renewal terms for an estimated cumulative total of \$2,189,000.00, plus applicable sales tax.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

This citywide contract provides as needed purchases of HMA for use by various City departments. HMA is used to permanently repair potholes, perform wheel path and lane replacements on arterial and residential streets, perform utility patches, and grind and overlay residential streets through the residential street paving program.

The City's asphalt plant produces 10,000 to 15,000 tons of HMA mix per year, however it cannot produce the quantity of HMA required to meet all of the City's maintenance needs. This contract will augment HMA produced by the City's asphalt plant.

Primary usage of this contract is for HMA purchases for departments Public Works Street Operations projected at 7500 tons per year, Tacoma Water at projected at 400 tons per year, an Environmental Services projected at 113 tons per year.

ISSUE: The City of Tacoma, has the need for an as needed HMA contract for critical infrastructure use.

ALTERNATIVES: With no contract in place, The City would have to rely on the City's asphalt plant for all of their HMA needs, which would impact the City's ability to make necessary repairs or bid individually which would not take advantage of economy to scale pricing.



COMPETITIVE SOLICITATION:

Request for Bids Specification No. CT18-0135F was posted on the City of Tacoma website on April 6, 2018 and advertised in the Tacoma Daily Index. Bids were opened on April 24, 2018. One submittal was received.

<u>Respondent</u>	<u>Location</u>	<u>Submittal Amount</u>
Puget Paving & Construction Inc	Lakewood, WA	\$398,000.00

Pre-bid Estimate: \$400,000.00

The recommended award is .05 percent below the pre-bid estimate.

CONTRACT HISTORY: New Contract

SUSTAINABILITY: Properly maintained streets reduces claims for damages and reduces commute times, which then decreases fuel consumption.

SBE/LEAP COMPLIANCE: N/A

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Departments	Various	5220100	\$2,189,000.00
TOTAL			

* General Fund: Include Department

REVENUES: N/A

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Departments	Various	5220100	
TOTAL			



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Various Department Budgets

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Various – Funds for the contract are provided by the individual departments using the contract. Funding beyond the current biennium is subject to future availability of funds. The user departments are billed directly for their purchases.

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

N/A

FINANCE PURCHASING

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