



**Contract and Award Letter
Purchase Resolution – Exhibit “A”**

TO: Board of Contracts and Awards
FROM: Jeffrey A. Jenkins, Director, Public Works
Jacob Green, Division Manager, Public Works Street Operations
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and
Carly Fowler, Senior Buyer, Finance/Procurement
SUBJECT: Bulk Asphalt Oils
Request for Bids Specification No. PW25-0268F - January 6, 2026 City Council
DATE: December 10, 2025

DS Initial
MJ CEN

RECOMMENDATION SUMMARY

The Public Works Department recommends awarding a contract to US Oil & Refining Co, Tacoma, WA, in the amount of \$3,218,750.00, plus applicable taxes, plus a 35 percent contingency, for a contract term of five years, for a projected contract amount of \$4,345,312.50, plus applicable taxes, budgeted from 5453 Asphalt Plant Fund, for purchase of bulk asphalt oils on an as-needed basis for use in production at the City's Asphalt Plant.

STRATEGIC POLICY PRIORITY:

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

This asphalt oil will be used in the Public Works Street Operations Division's (Street Operations) paving program and for maintenance of the City's Street system.

BACKGROUND:

Street Operations produces 8,000 to 10,000 tons of hot mix asphalt (HMA) per year. The bulk oils purchased through this contract will be used to manufacture HMA.

ISSUE: HMA is used for permanently repairing potholes, replacing deteriorated street pavement surfaces and for the City's residential street paving program, which overlays approximately 80 residential blocks per year. The 35 percent contingency is included to account for potential cost fluctuations, primarily driven by volatility in the price of oil, which directly affects the cost of asphalt products. This contingency ensures the City can maintain consistent supply and production despite market variability.

ALTERNATIVES: With no contract in place, Street Operations could potentially pay an inflated price for the bulk oil that is used to make HMA. If we are unable to purchase bulk oil, the City's asphalt plant would close, greatly impacting Street Operations' ability to efficiently maintain the City's street system in a fiscally sustainable manner.

COMPETITIVE SOLICITATION:

Request for Bids Specification No. PW25-0268F was opened November 18, 2025. Fifty-one companies were invited to bid in addition to normal advertising of the project. One submittal was received.



US Oil & Refining Co submitted a bid that resulted in the lowest evaluated submittal after consideration of EIC participation goals. The table below reflects the amount of the total award.

<u>Respondent</u>	<u>Location</u>	<u>Submittal Amount</u>
Us Oil & Refining Co	Tacoma, WA	\$3,218,750.00

Pre-bid Estimate: \$5,866,171.88

The recommended award is 45.1 percent below the pre-bid estimate.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: The bulk oils will be used in the manufacturing of HMA for residential overlays and permanent repairs. These types of improvements/maintenance will enhance safety for vehicular and pedestrian traffic as well as decrease commute times.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - Supply purchase - EIC Regulations are not yet established.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not Applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5453 Asphalt Plant	490220	5220100	\$4,345,312.50
TOTAL			Up to \$4,345,312.50

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5453 Asphalt Plant Revenues	490220	Various	(\$4,345,312.50)
TOTAL			Up to (\$4,345,312.50)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$869,062.50

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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