




TO: Board of Contracts and Awards
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer 
 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. PW16-0570F; MC Cold Mix Oil – February 7, 2017
DATE: January 20, 2017

SUMMARY:

The Public Works Department recommends a contract be awarded to U. S. Oil & Refining Co., Tacoma, WA, in the amount of \$63,750, plus applicable sales tax, for the purchase of MC cold mix oil on an as-needed basis, for an initial contract term of one year, with the option to renew for up to four additional one-year periods, for a projected contract amount of \$318,750, plus applicable sales tax.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.

The MC cold mix oil will be used in the production of cold mix asphalt, which is used to temporarily repair potholes or utility patches until a permanent repair can be made or the street is reconstructed.

BACKGROUND:

ISSUE: The City’s streets are in need of repair and in order to maintain the safety of the travelling public, Street Operations temporarily patches potholes, utility patches, constructs temporary ADA ramps and pavement transitions with cold mix asphalt until a permanent repair, structure, or street can be scheduled and reconstructed.

ALTERNATIVES: Council could choose not to approve the MC cold mix oil, which would then prevent Street Operation’s staff from temporarily repairing the City’s streets until a permanent repair or reconstruction can be made.

COMPETITIVE SOLICITATION: Request for proposals PW16-0570F was opened January 10, 2017. Three companies were invited to bid in addition to normal advertising of the project. One proposal was received. The contract award was based on the lowest price for the pickup of MC cold mix oil with cost escalation increases tied to Poten and Partners, a cost indexing firm that provides asphalt market price indexing for subsequent years.

<u>Respondent</u>	<u>Location (city and state)</u>	<u>Initial Award Submittal</u>
U. S. Oil & Refining Co.	Tacoma, WA	\$63,750

Pre-bid Estimate: \$373,000 (All five years)
The recommended award was 17.02 percent below the pre-bid estimate.

CONTRACT HISTORY: New Contract



SUSTAINABILITY: U. S. Oil & Refining Co. has in place Pollution Prevention Plans (for both dangerous waste and wastewater treatment) to minimize/reduce the environmental impacts associated with their products. They also have a Title V Air Operating Permit and NPDES Permit to minimize environmental impacts associated with air emissions and wastewater emissions associated with their products.

SBE/LEAP COMPLIANCE: Not Applicable

RECOMMENDATION:

The Public Works Department recommends a contract be awarded to U. S. Oil & Refining Co., Tacoma, WA, in the amount of \$63,750, plus applicable sales tax, budgeted from the Asphalt Plant Fund 5453, for the purchase of MC cold mix oil on an as needed basis, for an initial contract term of one year, plus four 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	\$318,750
TOTAL			\$318,750

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5453 Asphalt Plant	490100	Various	\$318,750
TOTAL			\$318,750

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$127,500

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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