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PURCHASING ITEM FOR COUNCIL AGENDA

MEMO NO. ST15-010

1. Agenda Item Number: 38

2. Council Meeting Date: November 20, 2014

TO: **MAYOR & COUNCIL**

THROUGH: **CITY MANAGER**

3. Date Prepared: September 22, 2014

4. Requesting Department: Transportation & Development

5. SUBJECT: Amendment No. 2 to Agreement No. ST3-745-3186 with Cemex Construction Materials South, LLC, for Hot Mix Asphalt Materials

6. RECOMMENDATION: Staff recommends City Council approval of Amendment No. 2 to Agreement No. ST3-745-3186, with Cemex Construction Materials South, LLC, for Hot Mix Asphalt Materials, in an amount not to exceed $200,000 for one (1) year.

7. BACKGROUND/DISCUSSION: Hot mix asphalt material is used in the repair and maintenance of City pavement and is an essential material to have readily available for City asphalt crews. The Streets Division uses this hot mix asphalt material for typical patching requirements and on larger repair jobs using the new asphalt paving machine purchased last year. In the last 12-month period, the Streets Division has placed over 1,500 tons of hot mix asphalt material at a cost of over $105,000, but expects to increase the hot mix asphalt material quantities next year based on improved asphalt production equipment. The Streets Division uses various asphalt mix designs and size classifications for pavement repair and maintenance. Eighty-five percent (85%) of the City's estimated annual requirements is for 3/8" hot mix asphalt material for street patching, with 1/2" and 3/4" mixes making up the balance of the demand.

8. EVALUATION PROCESS: On December 13, 2012, City Council approved an agreement with Cemex Construction Materials South, LLC, for Hot Mix Asphalt Materials for a one-year period, with an option to extend for up to two (2) additional one-year periods. Cemex Construction Materials South, LLC, has agreed to extend for one (1) additional year at the same terms, conditions, and pricing. This is the final available one-year extension of the contract agreement.

Staff is recommending extension of this agreement for the new term of January 1, 2015, through December 31, 2015.

9. FINANCIAL IMPLICATIONS:

Cost: $200,000

Savings: N/A

Long Term Savings: N/A

Fund Source:

Acct. No.:	Fund Name:	Program Name:	CIP Funded:	Amount:
215.3300.5332.0000	HURF	Street Construction	No	$200,000

10. PROPOSED MOTION: Move City Council approve Amendment No. 2 to Agreement No. ST3-745-3186, with Cemex Construction Materials South, LLC, for Hot Mix Asphalt Materials, in an amount not to exceed $200,000 for one (1) year.

ATTACHMENTS: Amendment No. 2

APPROVALS

11. Requesting Department

Daniel W. Cook, Transportation Manager

12. Department Head

R.J. Zeder, Transportation & Development Director

13. Procurement Officer

Raquel McMahon, CPPB

14. City Manager

Rich Dlugas

AMENDMENT NUMBER TWO
TO AGREEMENT BETWEEN
CITY OF CHANDLER & CEMEX CONSTRUCTION MATERIALS SOUTH, LLC
AGREEMENT NO. ST3-745-3186

This Amendment No. 2 to that certain Agreement between the City of Chandler and **CEMEX CONSTRUCTION MATERIALS SOUTH, LLC** to provide Hot Mix Asphalt Materials, dated November 29, 2012 is entered into this ___ day of _____, 2014.

WHEREAS, the parties have agreed to extend the Contract;

NOW THEREFORE, the parties agree as follows:

1. Section 6 of the Agreement is amended to extend the term of the Agreement for a one year period from January 1, 2015 through December 31, 2015.

2. Per Section 5 of the Agreement, the price is a total amount not to exceed **Two Hundred Thousand Dollars ($200,000)** which shall include all costs or expenses incurred by CONTRACTOR payable as set forth in Exhibit C attached to original agreement and incorporated herein by reference.

3. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this ____ day of _____, 2014.

CITY OF CHANDLER:

By: _____
Mayor

APPROVED AS TO FORM:

_____
City Attorney

ATTEST:

_____
City Clerk

CONTRACTOR:

By: _____ 10/24/14
Title: _____

ATTEST: (If corporation)

_____
Secretary

WITNESS: (If individual or Partnership)

_____