



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

43

2. Council Meeting Date:
June 14, 2007

MEMO NO. ST07-038

TO: MAYOR & COUNCIL

3. Date Prepared: May 24, 2007

THROUGH: CITY MANAGER

4. Requesting Department: Public Works

5. SUBJECT: The extension of Contract No. ST6-745-2272 to Vulcan Materials and Mesa Materials for one year to provide hot mix asphalt material in a combined amount not to exceed \$60,000.

6. RECOMMENDATION: Recommend extending Contract No. ST6-745-2272 to Vulcan Materials and Mesa Materials for one year to provide hot mix asphalt material in a combined amount not to exceed \$60,000.

7. BACKGROUND/DISCUSSION: Hot mix asphalt material is used in the repair and maintenance of City streets and is an essential material to have readily available at a reasonable price. The Street Division has had an annual contract for hot mix for the past ten years. In the last 12-month period, the Street Division used 1,500 tons of hot mix material for a total cost of \$45,000. Eighty five percent of the City's estimated annual requirements are for 3/8" hot mix asphalt material for street patching. The asphalt industry produces large batches of hot mix asphalt material for highway and street paving and patch however, they do not make each size asphalt each day. Therefore, extensions are recommended to both vendors. The City will utilize the lowest cost bidder of the needed material.

8. EVALUATION PROCESS: In April 2006, Council approved Contract No. ST6-745-2272 for one year with provisions for four one-year extensions to Vulcan Materials Co. and Mesa Materials, Inc. to provide hot mix asphalt material. This will be the first extension to the contract. Staff has monitored the contract for the past year and is satisfied with the services provided by both contractors. Mesa Materials Inc. has agreed to extend the contract for an additional one-year period and requested a ten dollar per ton increase (see Amendment One-B, Pricing) due to recent material and labor cost increases. Vulcan Materials has agreed to extend the contract for an additional one-year period at the current pricing per ton. City Staff agrees with the price adjustment requested. The contract term will be July 1, 2007 through June 30, 2008. By extending the contract, the City will save administrative costs associated with rebidding and insure that the City can meet daily material requirements with a minimum of delay.

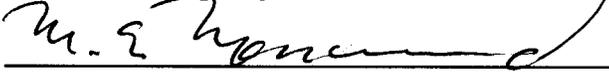
9. FINANCIAL IMPLICATIONS: Funds for hot mix asphalt will be from Highway Users Revenue Fund Street Construction Material account 215.3300.0000.5332.

10. PROPOSED MOTION: Move to approve the extension of Contract No. ST6-745-2272 to Vulcan Materials and Mesa Materials for one year to provide hot mix asphalt material in a combined amount not to exceed \$60,000.

ATTACHMENTS: Amendment No. One and Amendment No. One-A

APPROVALS

11. Requesting Department



Mike Normand, Acting Assistant Public Works
Director/Transportation & Operations

12. Department Head



Daniel W. Cook, Acting Public Works Director

13. Procurement Officer.



Thomas W. North, CPPB

14. City Manager



W. Mark Pentz

AMENDMENT NUMBER ONE-A,
TO AGREEMENT BETWEEN THE CITY OF CHANDLER AND VULCAN MATERIALS
COMPANY FOR THE SUPPLY OF HOT MIX ASPHALT

This Amendment # ONE-A to that certain Agreement Between the City Of Chandler (CITY) and Vulcan Materials, Co. that certain Contract No. ST6-745-2272 for the supply Hot Mix that will be picked up with City trucks to be dated 12, April 2006 and between the City of Chandler (CITY) and Vulcan Materials Co. is entered into this 24 day of APRIL, 2007.

WHEREAS, the parties have agreed to extend the Contract, for an additional one-year term June 1, 2007 through May 31, 2008,

NOW THEREFORE, the parties agree as follows:

1. Exhibit B, Pricing will remain the same as previous year pricing
2. 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 _____, 2007.

CITY OF CHANDLER:

By: _____
MAYOR

CONTRACTOR.

By: Michael Claman
Title: Sales MGR

APPROVED AS TO FORM:

City Attorney jm

ATTEST:

City Clerk

ATTEST: (If corporation)

PLow
Secretary Regional Sales MGR

WITNESS: (If individual or Partnership)

[SEAL]

**EXHIBIT B
PRICING 07/08
Vulcan Materials, Co.**

<u>Description</u>	<u>PRICE Per Ton</u>
Hot Mix Asphalt 3/8" 1 to 2 Tons	<u>\$49.00</u>
Hot Mix Asphalt 3/8" 2 1/2 or more tons	<u>\$49.00</u>
Hot Mix Asphalt 1/2" - 1 to 2 Tons	<u>\$48.00</u>
Hot Mix Asphalt 1/2" - 2 1/2 or more tons	<u>\$48.00</u>
Hot Mix Asphalt 3/4" - 1 or more tons	<u>\$47.00</u>

AMENDMENT NUMBER ONE,
TO AGREEMENT BETWEEN THE CITY OF CHANDLER AND MESA MATERIAL, INC.
FOR THE SUPPLY OF HOT MIX ASPHALT

This Amendment # ONE to that certain Agreement Between the City Of Chandler (CITY) and Mesa Materials, Inc. that certain Contract No. ST6-745-2272 for the supply Hot Mix that will be picked up with City trucks to be dated 12, April 2006 and between the City of Chandler (CITY) and Mesa Materials Inc. is entered into this _____ day of _____, 2007.

WHEREAS, the parties have agreed to extend the Contract, for an additional one-year term June 1, 2007 through May 31, 2008,

NOW THEREFORE, the parties agree as follows:

1. Exhibit B is hereby amended to include the requested \$10.00 ten dollars per ton price increase on hot mix products only.

2. 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 _____, 2007.

CITY OF CHANDLER:

By: _____
MAYOR

CONTRACTOR.

By: [Signature]
Title: Sub Rep.

APPROVED AS TO FORM:

City Attorney [Signature]

ATTEST: (If corporation)

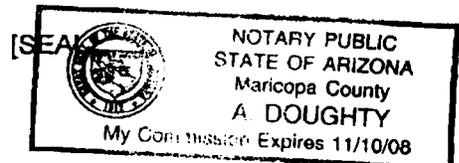
ATTEST:

Secretary

City Clerk

WITNESS: (If individual or Partnership)

[Signature] 4/20/07



**EXHIBIT B
PRICING
Mesa Materials, Inc.**

<u>Description</u>	<u>PRICE 07/08 Per Ton</u>
Hot Mix Asphalt 3/8" 2 Tons or more	<u>\$55.00</u>
Hot Mix Asphalt 3/8" 2 1/2 or more tons	<u>\$52.50</u>
Hot Mix Asphalt 1/2" - 2 Tons	<u>\$53.50</u>
Hot Mix Asphalt 1/2" - 2 1/2 or more tons	<u>\$51.00</u>
Hot Mix Asphalt 3/4" - 2 Tons or more	<u>\$51.40</u>
Hot Mix Asphalt Sand Seal 2 Tons or more	<u>\$58.00</u>
UPM (High Altitude) 1 or more 2 Tons	<u>\$85.00</u>