

**AGENDA BILL**

Beaverton City Council  
Beaverton, Oregon

**SUBJECT:** Contract Award – Asphaltic Concrete Requirements Contract

**FOR AGENDA OF:** 06/11/13 **BILL NO:** 13123  
**Mayor's Approval:** *Denny Best*

**DEPARTMENT OF ORIGIN:** PW *Pa*

**DATE SUBMITTED:** 5/23/13

**CLEARANCES:** CAO *Jul*  
Finance *Holtz*  
City Attorney *Wu Shing*

**PROCEEDING:** CONSENT AGENDA  
(CONTRACT REVIEW BOARD)

**EXHIBITS:** 1. Bid Tabulation

**BUDGET IMPACT**

EXPENDITURE	AMOUNT	APPROPRIATION
REQUIRED \$897,550	BUDGETED \$1,500,000*	REQUIRED \$-0-

\* Account Number 101-85-0732-422 – Street Fund – Operations Department – Street Maintenance Program - Street Reconstruction Expense. The \$1,500,000 Amount Budgeted is included in the FY 2013-14 Proposed Budget which is scheduled for adoption at the June 18, 2013, Council Meeting. The contract award recommended in this agenda bill is subject to adoption of the FY 2013-14 Proposed Budget.

**RECOMMENDED ACTION:**

City Council, acting as Contract Review Board, awards a requirements contract to Baker Rock Resources as the primary supplier, to Morse Brothers, Incorporated, (doing business as Knife River) as the secondary supplier, to KF Jacobsen as the third supplier, to Lakeside Industries as the fourth supplier and Oregon Asphaltic Paving, LLC as the fifth supplier for the purchase of asphalt concrete for one year FY 2013-14 with the option to renew the contract for four additional one-year periods based on Council's approval of the upcoming FY 2013-14 budget, and future FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18 budgets. The contract language will be directly related to the firm price per ton, in lieu of a total estimated amount.

**HISTORICAL PERSPECTIVE:**

The FY 2013-14 Proposed Budget includes funding for asphaltic concrete for the repair and maintenance of road pavement by the Public Works Department. In FY 2011-12 the Public Works Department used \$956,392 worth of asphaltic concrete for a variety of projects and maintenance requirements.

**INFORMATION FOR CONSIDERATION:**

An invitation to bid was advertised on April 24, 2013. Bids were opened on May 14, 2013, at 2:00 p.m., in the Finance Conference Room. The invitation to bid and specifications call for a one-year contract with an option to renew for up to four additional one-year periods with the total term not to exceed five years. The new contract is expected to begin on July 1, 2013, pending adoption of the proposed FY 2013-14 Budget.

The City will award requirements contract to all qualified suppliers. The City shall utilize the five qualified suppliers in the following manner. The primary supplier will be notified first, if they cannot fulfill the asphaltic concrete needs then the secondary supplier will be contacted and so on. If none of the contracted suppliers can provide the requested material, the City reserves the right to purchase any item covered by this contract from other sources for the supply of asphaltic concrete for FY 2013-14.

The invitation to bid also explained the process that staff would follow for each additional year of the contract, to acquire updated pricing. On April 1 of each calendar year, following the first one-year term, the City at its option may contact each of the awarded five suppliers and request each of them to submit in firm price for the asphaltic concrete for the period of July 1 through October 31 of that calendar year and May 1 through June 30 of the following calendar year. All suppliers will then be listed and ranked in order of lowest price offered as suppliers for that term. The reason for this method is to get the lowest cost per ton for asphaltic concrete and not have the price fluctuate during the paving season which provides accuracy in the number of streets we can pave.

The contract will allow the Public Works Department to purchase asphalt concrete on an as-needed basis for FY 2013-14 and based on approval of future fiscal years 2014-2018 budgets. Bid prices for the first year of the contract shall be firm on the quantity of products stated on Exhibit 1 – "Bid Tabulation" from July 1 through October 31 of that calendar year and May 1 through June 30 of the following calendar year. Pricing for product purchased outside of the quantities stated on the Bid Form from November 1 through April 31 may fluctuate per the Price Escalation/De-escalation Clause for Oil put out by the Oregon Department of Transportation (ODOT). The City has budgeted for FY 2013-14 a total of \$897,550 to purchase asphaltic concrete.

**EXHIBIT 1.**

City of Beaverton  
 Bid Tabulation: Asphaltic Concrete, Requirements Contract - #2800-13B  
 Bids Opened: 2:00 PM on May 14, 2013 in the Finance Conf Room

ITEM NO.	DESCRIPTION	Baker Rock, Beaverton, OR		Knife River, Sherwood, OR		KF Jacobsen, Portland, OR		Lakeside Industries, Portland, OR		Oregon Asphaltic Paving LLC, Tualatin, OR	
		EST ANNUAL QTY (TON)	EXTENSION	UNIT PRICE PER TON	EXTENSION	UNIT PRICE PER TON	EXTENSION	UNIT PRICE PER TON	EXTENSION	UNIT PRICE PER TON	EXTENSION
1	Level III, 1/2" Dense Graded Hot Mixed Asphaltic Concrete, PG 70-22	7,000	\$ 292,250.00	\$ 46.50	\$ 325,500.00	\$ 52.00	\$ 364,000.00	\$ 54.00	\$ 378,000.00	\$ 59.50	\$ 416,500.00
2	Level II, 3/8" Dense Graded Hot Mixed Asphaltic Concrete, PG 70-22	1,000	\$ 44,400.00	\$ 60.00	\$ 60,000.00	\$ 60.00	\$ 60,000.00	\$ 58.00	\$ 58,000.00	\$ 62.50	\$ 62,500.00
3	Level II, 1/2" Dense Graded Hot Mixed Asphaltic Concrete, PG70-22	11,500	\$ 499,100.00	\$ 47.50	\$ 546,250.00	\$ 53.00	\$ 609,500.00	\$ 56.00	\$ 644,000.00	\$ 59.50	\$ 684,250.00
4	Cold Mix Premium Modified Asphalt	200	\$ 18,400.00	\$ 95.00	\$ 19,000.00	\$ 90.00	\$ 18,000.00	\$102.00	\$ 20,400.00	\$ 95.00	\$ 19,000.00
5	Level II 1/2" Dense Graded Warm Mix asphaltic Concrete	1,000	\$ 43,400.00	\$ 47.85	\$ 47,850.00	\$ 60.00	\$ 60,000.00	\$ 56.00	\$ 56,000.00	\$ 60.00	\$ 60,000.00
6	<b>GRAND TOTAL</b>		\$ 897,550.00		\$ 998,600.00		\$ 1,111,500.00		\$ 1,156,400.00		\$ 1,242,250.00
7	Bidder warrants that all material furnished conforming to the requirements of ODOT's publication "Standard Specifications for Asphalt Materials, Section 00745 - Hot Mixed Asphalt Concrete (HMAO).	Yes/No	Yes		Yes		Yes		Yes		Yes
8	Firm's Financial Payment Terms (2% 10, Net-30, etc.)		Net 30		Net 10		2% - 10		Net 30		Net 30
9	Concrete Plant Location		21880 SW Farmington Rd, Beaverton, OR		1200 SW Tonquin Rd, Sherwood, OR		1208 N River St, Portland, OR		4850 NW Front Ave, Portland, OR		21455 SW 120th Ave, Tualatin, OR
10	Mileage to 9600 SW Allen Blvd, Beaverton (from Bidder's Plant Location)		7 miles		13 miles		<10 miles		12.81 miles		10.5 miles

