

Meeting Date (?) 01/26/2016

Subject Matter * (?) Approval of Extension the to the Cement Stabilized Sand Contract
This must match rolling agenda entry

Department of Origin * TRANSPORTATION/DRAINAGE SERVICES

Submitted By * E. Zaragoza

Type of Meeting * BCD Special Regular

Classification * Public Hearing Consent Statutory Regular

Ordinance * None First Read Second Read First & Only Read

Strategic Initiative * Public Safety Service
 Economic Development Infrastructure
 Quality of Life

Agenda Item Description * Consider an extension of an Annual Price Agreement for Cement Stabilized Sand to Brazos Paving, Inc. of Bryan, Texas, in an amount not to exceed \$104,962.50.

Summary Statement * Three (3) sealed bids for cement stabilized sand were received and opened on May 12, 2015. The bid requested two (2) pricing options: an annual price agreement and a semi-annual price agreement. The bid providing the best value to the City was the low bid submitted by Brazos Paving, Inc. (BPI). The terms and conditions of the agreement also include an escalation/de-escalation clause, which allows the supplier to increase the unit price by no more than eight percent (8%) over the course of the agreement.

Historically, staff has chosen to work under the semi-annual pricing agreement because this yielded the lowest price per ton. However, in lieu of renewing this contract every six (6) months, BPI has agreed to honor the semi-annual price while allowing the City to renew the agreement on an annual basis. The City will be given the opportunity to take advantage of the lower price per ton throughout the year, instead of just for six (6) months. This arrangement will lock in the price for the cement stabilized sand until January 2017, with the option to renew up to three (3) more times. In addition and as stated in the contract, BPI has requested an eight percent (8%) increase to the original bid agreement. (Note: Even with this increase, BPI bid is still the lowest bid as compared to the other two (2) vendors' original bids.)

Cement stabilized sand is used by Water Services to repair excavations for water and sewer lines under paved areas (streets, driveways, sidewalks, etc.). It is also used by Streets & Drainage in the repair of storm sewers and other drainage and street related projects. This product allows crews to be more efficient when backfilling utility cuts and enhances the stability of the excavated area. Over the last few years (FY14: \$42K, FY15: \$49K, FY16 Current: \$21K) the City has not expended more than \$50K for stabilized sand.

With the additional eight percent (8%) increase, this contract extension will be for a not to exceed amount of \$104,962.50. If for any reason, at the end of the extension BPI cannot maintain this price, the contract will be rebid for competitive pricing. The City is not obligated to purchase the quantity specified in the original bid proposal.

Staff Analysis & Recommendation * Public Works respectfully requests the City Council approve the extension and an eight percent (8%) increase to the contract with Brazos Paving, Inc. in an amount not to exceed of \$104,962.50 on an annual basis. Utilizing cement sand to backfill excavations in structural areas (driveways, streets, sidewalks, etc.) allows repair crews to backfill the excavation expediently and provides for long-term structural integrity of the surface infrastructure. If for any reason, at the end of the extension BPI cannot maintain this price, the contract will be rebid for competitive pricing. The city is not obligated to purchase the quantity specified in the original bid proposal.

Options*

(In Suggested Order of Staff Preference)

1. Approve the extension on an annual basis.
2. Do not approve the extension and rebid.

Funding Source*

Transportation, Water and Wastewater operating budget

Attachments

Bid Tab and Ext Letter.pdf

493.59KB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. Bid Tab and Extension Letter

Dept. Head Signature



JAYSON E. BALFANZICHT 01/08/16

**Deputy City Manager
Signature**



Hugh R. Walker

City Manager Signature



City Attorney Signature



Janis K. Hampton