



City Council Report

Date: December 1, 2008
To: City Council
Through: Bryan Raines, Deputy City Manager
From: John Albin, Acting Procurement Services Director
Subject: Dollar Limit Increase to the Supply Contract for Asphalt and Crack Sealant for the Transportation Department, Field Operations Division (Partially HURF and Transportation Sales Tax Funded) (Mesa Contract #2008118)
"Citywide" contract

Purpose and Recommendation

Council is requested to approve a Dollar Limit Increase to the Supply Contract for Asphalt and Crack Sealant as recommended

The Procurement Services Department recommends increasing the dollar limit of the contract with Quality Emulsions, LLC (primary) by \$375,000.00 to \$3,426,916.42 annually.

Background

This contract provides for materials used in the preservation and maintenance of pavement on City streets. The needed increase is due to a steep rise in the cost of raw materials, primarily petroleum, which caused the price of asphalt product to spike an increase of more than 90% over the past several weeks.

Prices are tied to the ADOT Bituminous Material Index. Although prices are retracting with the index, staff will not be able to continue scheduled and ongoing in-house seal coat operations and contracted services without this increase.

Alternatives

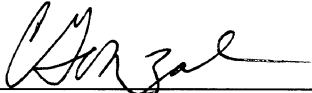
Council may choose not to approve this increase; however, a delay in purchasing asphalt materials will negatively impact Field Operation's ability to complete slurry seal projects.

Fiscal Impact

The total amount of \$3,426,916.42 is available through a combination of Transportation Sales Tax and HURF (Highway User Revenue Fund) Funds.

Coordinated With:

Transportation Department, Field Operations Division



Cyndi Gonzales,
Management Assistant II



John Albin, C.P.P.O.
Acting Procurement Services Director



Bryan Raines,
Deputy City Manager

**CITY OF MESA
DOLLAR LIMIT INCREASE
SUPPLY CONTRACT FOR ASPHALT & CRACK SEALANT
(MESA CONTRACT #2008118)**

**Quality Emulsions, LLC
Mesa, AZ
(Purchase Order #102961)**

Existing Purchase Order Amount	Extension Amount Request	Revised Purchase Order Amount
\$3,051,916.42	\$375,000.00	\$3,426,916.42

ADOT BITUMINOUS ASPHALT INDEX

