



# 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 Materials for the Transportation Department, Field Operations Division (Mesa Contract #2006187) (Partially HURF and Transportation Sales Tax Funded) "Citywide" contract

## Purpose and Recommendation

Council is requested to approve a Dollar Limit Increase to the Supply Contract for Asphalt Materials as recommended.

The Procurement Services Department recommends increasing the dollar limit of the contracts with Vulcan Materials Company by \$100,000 to \$671,740.90, and Mesa Materials, Inc. by \$50,000.00 to \$122,758.10, for a total increase of \$150,000.00, making the total value of this contract \$794,499.00 annually.

## Background

This contract provides materials used in the repair of pavement on City streets, and contains petroleum, a very volatile commodity. The needed increase is due to a steep rise in the cost of raw materials, which caused the price of asphalt concrete, as well as hot-mix and cold-mix (emulsified asphalt) to increase by nearly 32% over the past several weeks.

Both vendors requested and received price increases in September, which partially exhausted the funding on the current purchase orders, and although prices have returned to previous levels, staff will not be able to make scheduled repairs and perform required maintenance without this increase.

Although these contracts were established for the Transportation Department, the Utilities Department's Water Division has found a need to utilize cold-mix asphalt when making minor repairs, thus increasing the need for additional product purchases.

## Alternatives


Council may choose not to approve this increase; however, a delay in purchasing these materials will negatively impact Field Operation's ability to complete necessary street repairs.

**Fiscal Impact**

The total amount of \$794,499.00 is available through a combination of Transportation Sales Tax and HURF (Highway User Revenue Fund) Funds at \$759,499.00, and the Utilities Department's budget at \$35,000.00.

**Coordinated With:**

Transportation Department, Field Operations Division  
Utilities Department, Water Division

  
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Cyndi Gonzales,  
Management Assistant II

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

  
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Bryan Raines,  
Deputy City Manager

**CITY OF MESA  
DOLLAR LIMIT INCREASE  
SUPPLY CONTRACT FOR ASPHALT MATERIALS  
(MESA CONTRACT #2006187)**

**Vulcan Materials Company  
Phoenix, AZ  
(Purchase Order #102558)**

Existing Purchase Order Amount	Extension Amount Request	Revised Purchase Order Amount
\$571,740.90	\$100,000.00	\$671,740.90

**Mesa Materials, Inc.  
Mesa, AZ  
(Purchase Order #102557)**

Existing Purchase Order Amount	Extension Amount Request	Revised Purchase Order Amount
\$72,758.10	\$50,000.00	\$122,758.10

**TOTAL INCREASE - \$150,000.00**

**ADOT BITUMINOUS ASPHALT INDEX**

