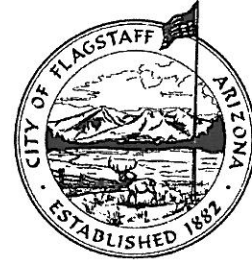


CITY OF FLAGSTAFF STAFF SUMMARY REPORT



To: The Honorable Mayor and Council

From: Candace Schroeder Buyer, 928/779-7318
Management Services, Purchasing Division

Date: October 7, 2008

Meeting Date: October 21, 2008

Title: Consideration of annual bid for Asphaltic Concrete.

Recommended Action:

Approve the annual bid to Cemex of Flagstaff, Arizona at a cost as listed herein, plus applicable tax.

ACTION SUMMARY:

The asphalt is used by the Street Section and Utility Division for road maintenance projects and repairs after water breaks.

DISCUSSION:

Background/History:

This bid will supply the City of Flagstaff with asphaltic concrete for an initial one-year period, with the option to extend for two additional years one-year at a time by mutual agreement between both parties. The Vendor must substantiate justification for price modifications with each contract renewal.

The items bid are:

- ¾" asphaltic concrete with 5% oil; estimated quantity 100 tons at \$110.00 per ton.
- 3/8" asphaltic concrete with 5.5% oil; estimated quantity 300 tons at \$115.00 per ton.
- ½" asphaltic concrete with 6% oil; estimated quantity 500 tons at \$113.00 per ton.

This product will be available to the City during the months of April to November.

Cemex was the only Vendor to submit a bid. They are the only batch plant here in Flagstaff.

During the last term contract, award was made to Rinker material they have been bought out by Cemex. Rinker/Cemex has been providing this product to the City of Flagstaff for several years.

- Asphaltic concrete has increased 100% over the previous bid price; this comes due to currently rising cost of petroleum products.

Key Considerations:

With the variance of the Petroleum industry, securing a stable price for Asphaltic Concrete is a priority.

Community Benefits and Considerations:

The asphaltic concrete is used for street maintenance, which gives the citizens better kept roads.

Community Involvement:

Not applicable.

Financial Implications:

The Streets Section has \$133,000 budgeted in street and highway materials and supplies (040 3205 601 3815), of which a portion will be used for this purchase. The Utilities Division has \$24,820 budgeted in street and highway materials and supplies (201 4903 731 3815), of which a portion will also be used for this purchase.

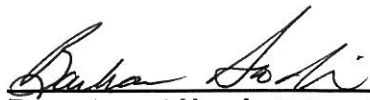
During fiscal year 2008 we expended approximately \$88,306 for this product.

Options and Alternatives:

Purchase asphaltic concrete off the open market from other sources located in Camp Verde, AZ, however, transportation limitations are of concern.

Attachments/Exhibits:

Not applicable


Department Head *(Acknowledgment that all reviews have been completed and required approvals initialed below.)*

INITIALS	RESPONSIBILITY	DATE	INITIALS	RESPONSIBILITY	DATE
<u> JG </u>	BIDS/PURCHASES	<u>10/8/08</u>	_____	FINANCE/BUDGET	_____
_____	GRANTS	_____	_____	CONTRACTS	_____
<u> JAS </u>	LEGAL	<u>10/09/08</u>	_____	IGAS	_____
_____	_____	_____	_____	_____	_____

DATE OF COUNCIL APPROVAL: _____