



## AGENDA MEMORANDUM

Action Item for the City Council Meeting August 10, 2021

**DATE:** August 10, 2021

**TO:** Peter Zaroni, City Manager

**FROM:** Richard Martinez, Director of Public Works  
[RichardM5@cctexas.com](mailto:RichardM5@cctexas.com)  
(361) 826-3419

Josh Chronley, Assistant Director of Contracts and Procurement  
[Joshc2@cctexas.com](mailto:Joshc2@cctexas.com)  
(361) 826-3169

### Aggregate Trap Rock for Public Works

#### **CAPTION:**

Motion authorizing a three-year supply agreement, with two additional one-year options, with Vulcan Construction Materials, LLC. of San Antonio, Texas, for Aggregate Trap Rock for Public Works for an estimated amount of \$1,552,500.00, with an estimated potential amount not to exceed \$2,635,500.00 if both one-year option periods are exercised, with FY 2021 funding in an amount not to exceed \$86,250.00 available through the Streets Maintenance Fund.

#### **SUMMARY:**

This motion authorizes a three-year supply agreement, with two additional one-year period options with Vulcan Construction Materials, LLC. for aggregate trap rock. The aggregate trap rock will be used by the Public Works Department for under-sealing the in-house rehab projects.

#### **BACKGROUND AND FINDINGS:**

Aggregate trap rock consists of Type D, Grades 5, 4 and 3, dark colored igneous rocks used in the surface treatments of City street repairs. This material meets the current version of the Texas Department of Transportation Standards Specifications for Construction and Maintenance of Highways, Streets, and Bridges utilized for pavement preservation and under sealing rehab projects and has been utilized by city crews since 2013. This material is considered a specialized asset as it can only be found at one location in Texas, with the one location being in Uvalde, Texas. Vulcan Construction Materials, LLC. is the only local company in the area that specializes in providing this type of material.

Vulcan Construction Materials, LLC. will transport the material from San Antonio to Corpus Christi. The delivery price of transporting the material is included in the unit price for this agreement.

Since June 2020 through June 2021, City crews have completed 41 lane miles of rehab projects that includes under sealant membrane, which equates to 2,600 tons and \$110,000 per year.

**PROCUREMENT DETAIL:**

In March 2017, the Contracts and Procurement conducted a competitive request for bid process to obtain bids for a new contract. The City received one responsive, responsible bid out of 60 notifications issued, and awarded the contract to the lowest responsive, responsible bidder, Vulcan Construction Materials, LLC., of San Antonio, Texas.

The previous agreement in 2017 was for a one-year with two, one-year options in the amount of \$243,720 for the first year and second year the price was increased by 13.4% (\$32,880) to \$276,600. The third year the price increased 9.2% for a total of \$302,100. The total contract value was \$822,420 for a total of 18,000 tons.

Contracts and Procurement conducted a competitive Request for Bid process in April 2021 to obtain bids for a new long-term contract. The City received one bid and is recommending award to the lowest responsive, responsible bidder, Vulcan Construction Materials, LLC. of San Antonio, Texas. Vulcan Construction Materials, LLC. is the incumbent supplier since 2017. Trap Rock usage by Public Works is forecasted to increase by 34% annually along with a steady increase in price per ton of 56% from 2017 to 2021. Due to the steady increase in materials, prices have gone up 9-17% per ton every year since 2017 industry wide. The overall contract value is up 56% because of the tonnage increase from 18,000 to 24,000 (33.33%) plus the price increased 27-57% from 2017.

A smaller three-month supply agreement was conducted to cover any shortages waiting for a long-term agreement in March 2021 and Vulcan bid \$55 per ton for a three-month supply of 900 tons and increased long-term bid by 16% to \$64.

**ALTERNATIVES:**

An alternative is to continue using the current supply Public Works has, which will hinder operations by not having the available resources to complete projects.

**FISCAL IMPACT:**

The fiscal impact in FY 2021 is in the amount of \$86,250 for this supply agreement, with the remaining cost of \$1,466,250 budgeted in future years through the annual budget process.

**FUNDING DETAIL:**

Fund:	1041	Street Maintenance Fund
Organization/Activity:	00000	
Mission Element:	000	
Project # (CIP Only):	N/A	
Account:	119000	Material Inventory
Amount:	\$86,250.00	

**RECOMMENDATION:**

Staff recommends the approval of this agreement with Vulcan Construction Materials, LLC. of San Antonio, Texas for Aggregate Trap Rock for Public Works, as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Tabulation  
Supply Agreement