



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of July 28, 2015  
Action Item for the City Council Meeting August 11, 2015

**DATE:** July 28, 2015

**TO:** Ronald L. Olson, City Manager

**FROM:** Gabriel Maldonado, Interim Procurement Manager  
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### Supply Agreement for Hot Mix Asphalt

#### **CAPTION:**

Motion rescinding the award made on June 16, 2015 to HAC Materials, Ltd., Corpus Christi, Texas due to naming the incorrect supplier of the primary award and properly awarding to the following suppliers for hot mix asphalt, based on lowest responsible bid, awarding primary and secondary agreements, in accordance with Bid Event No. 5 for an estimated semi-annual expenditure of \$989,085 of which \$659,390 is required for FY 2014-2015. The term of the agreements will be for six months with options to extend for up to five additional six month periods, subject to the approval of the suppliers and the City Manager or designee. Funds have been budgeted by Street Services in FY 2014-2015.

Haas Anderson Construction Ltd. <u>Corpus Christi, Texas</u> \$936,937.50 Primary Supplier	Bay, Ltd. <u>Corpus Christi, Texas</u> \$52,147.50 Secondary Supplier
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**Grand Total: \$989,085.00**

#### **PURPOSE:**

This commodity is used by Street Services for the repair of City Streets.

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

Bid Event No. 5 indicated a primary and secondary award would be established to provide for a backup supplier to the contract in the event the primary supplier is unable to provide product. An estimated 95/5 percentage split is projected to be purchased from each of the suppliers. This item corrects a clerical error which caused the original award to be made to HAC Materials, Ltd., instead of Haas Anderson Construction Ltd., the correct name of the bidder that was selected primary supplier.

**ALTERNATIVES:**

Bids received from Haas Anderson Construction, Ltd., and Bay, Ltd., and meet all of the City’s bid requirements. Haas Anderson Construction, Ltd., submitted the lowest price and is therefore recommended as primary supplier. Bay, Ltd submitted the second lowest price and is recommended as secondary supplier.

**OTHER CONSIDERATIONS:**

None

**CONFORMITY TO CITY POLICY:**

This purchase conforms to the City’s purchasing policies and procedures and State statutes regulating procurement.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency.

**DEPARTMENTAL CLEARANCES:**

Street Operations

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2014-2015</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$1,823,714.21	\$329,695.00	\$2,153,409.21
Encumbered / Expended Amount		\$695,271.25	0.00	\$695,271.25
This item		\$659,390.00	\$329,695.00	\$989,085.00
BALANCE		\$469,052.96	\$0.00	\$469,052.96

Fund(s): General Fund and Street Fund

**Comments:**

The \$659,390.00 financial impact shown above represents four months of expenditures that will be encumbered through the end of this fiscal year. The remaining \$329,695.00 for the last two months of the contract will be requested during the normal FY 2015-2016 budget approval process.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Bid Sheet