



AGENDA MEMORANDUM
Action Item for the City Council Meeting January 31, 2023

DATE: January 31, 2023

TO: Peter Zanoni, City Manager

FROM: Ernesto De La Garza, Public Works Director
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All-Weather Asphalt for Public Works

CAPTION:

Motion authorizing a one-year supply agreement, with two one-year options to renew, with Waller County Asphalt, Inc., of Hempstead, Texas, for all-weather asphalt for use by the Public Works Department, in an amount not to exceed \$557,760.00 and a potential amount of \$1,692,480.00 if options are exercised, with FY 2023 funding of \$371,840.00 from the Street Fund.

SUMMARY:

This motion authorizes a one-year supply agreement with two additional one-year period options with Waller County Asphalt, Inc. of Hempstead, Texas for a combined total of \$1,692,480.00. This supply agreement will provide all weather asphalt mix material to the Public Works Department for roadway repair.

BACKGROUND AND FINDINGS:

The Public Works Department is responsible for providing preventative maintenance to City streets. This includes working year-round patching potholes to keep streets safe. The preference is to utilize hot-mix asphalt, but it must be kept at a high temperature and placed when the weather is warm and dry for proper installation. Hot-mix asphalt distributors will not produce the material when temperatures drop below 55 degrees, during extended rain events, or if the plant is shut down for mechanical issues. The all-weather asphalt mix material serves as an alternative since it can be stored in bulk, can be installed during wet/cold conditions, or when hot-mix material is unavailable.

Purchase and possession of the material will allow the Public Works Department to maintain operations despite weather conditions/availability of hot-mix asphalt material. The all-weather asphalt mix material will deliver the same performance as hot-mix material for pothole repairs.

PROCUREMENT DETAIL:

In November 2021, an initial motion authorizing a one-year supply agreement with Waller County Asphalt, Inc. for all weather asphalt was approved by City Council. The supply agreement was executed on November 18, 2021.

The City of Corpus Christi Public Works Department received a formal letter from the vendor on April 21, 2022, requesting a contract price increase due to rising costs to oil and aggregate.

The Contracts and Procurement Division solicited a formal competitive Request for Bid to obtain bids for a one-year supply agreement with two additional one-year renewal options in July 2022. The City received one responsive, responsible bid, and is recommending the award to Waller County Asphalt, Inc., of Hempstead.

Waller County Asphalt, Inc., the incumbent supplier for all-weather asphalt, has recently provided the City with an asphalt contract. This is reproposed due to rising costs to oil and aggregate, the price difference is an overall 25% increase per ton from previous contract pricing.

ALTERNATIVES:

An alternative is to not purchase this material. This action will render the Public Works Department without the necessary material needed to maintain operations during extreme weather conditions, or when hot-mix asphalt is not available.

FISCAL IMPACT:

The fiscal impact to FY 2023 is an amount of \$371,840.00, with the remaining amount of \$185,920 for the first year and an amount of \$1,134,720.00, for the two additional one-year options to be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund: 1041 Street Fund
Organization/Activity: 12430 Surface Preservation
Department: 33 Streets
Project # (CIP Only): N/A
Account: 520130 Maintenance and repairs

RECOMMENDATION:

Staff recommends the approval of this supply agreement with Waller County Asphalt, Inc. for the purchase of all-weather asphalt as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Supply Agreement