



STAFF REPORT

DATE: April 05, 2022

TO: Kent Cagle, City Manager

FROM: Jeffery Reynolds, Executive Director of Public Works

SUBJECT: Authorize the award of Bid No. 22-15, Slurry Seal Services to Viking Construction

BACKGROUND AND FINDINGS:

Slurry seal is a thin asphalt overlay/seal coat made up of aggregate, asphalt emulsion, and fillers that is used to extend the service life of roadways by protecting the undersurface from the effects of aging and the environment. Applying slurry seal fills in small cracks and surface imperfections to give the roadway a uniform color and texture.

The City solicits Slurry Seal Service bids every two (2) years in order to procure needed services for the application of slurry seal. The City's current slurry seal services contract is set to expire April 28, 2022.

An Invitation to Bid (ITB) was issued for Slurry Seal Services for the large infrastructure on City roadways, parking lots, bike lanes, and other paved areas throughout the city. The total purchase of services will not exceed \$1,000,000 citywide in FY22 and future year expenditures will be based on the approved budget and subject to City Council approval.

On February 10, 2022, two (2) vendors submitted bids: Viking Construction and Intermountain Slurry Seal. Bids were opened and read aloud for the City's procurement of the annual requirements of Slurry Seal Services. Bidders were instructed to bid items based upon estimated annual need per item and per item amounts.

Bid 22-15 Slurry Seal Services		
	Viking Construction	Intermountain Slurry Seal
25 LBS./SY	\$3.19/SY	\$3.20/SY
18 LBS./SY	\$2.61/SY	\$2.50/SY
Escalation Clause		
After 12 months	1%	4%
1 st Extension	1%	4%
2 nd Extension	1%	4%

Transportation, along with Purchasing, evaluated each bid's conformance with the bid information and instructions. Each bidder is ranked in accordance with the best value procedures. The determination of the best value to the City takes into consideration the qualifications, references, and cost of the Bidder in accordance with the Bid General Terms and Conditions, Section 10 - Award of the Contract:

1. Unit Price
2. Total Bid Price
3. Total long term cost to the municipality

Due to fluctuating market conditions of the materials, the bid solicitation required that bid prices remain firm during the first twelve months of the contract. The contract term is two years upon execution with the option to extend up to two additional years in one-year intervals. This allows for escalation after the first twelve months. Viking Construction has proposed a 1% increase for subsequent years.

THE ALTERNATIVES CONSIDERED:

1. Reject all bids, continue making purchases on a "per order / project" basis.
2. Authorize award of Bid 22-15, Slurry Seal Services to Viking Construction

Which alternative is recommended? Why?

Alternative two (2) is recommended; authorize award of Bid No. 22-15, Slurry Seal Services to Viking Construction in an amount not to exceed \$1,000,000 citywide in FY22 and not to exceed amounts approved in the budget for future years.

CONFORMITY TO CITY POLICY:

Per the Financial Management Policy, purchases of \$50,000 or more by State law trigger the competitive procurement process. The ITB uses the competitive sealed bid method. Requirements are clearly defined, negotiations are not necessary, and best value methods are the major determining factors for selection.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

Estimated expenditures in an amount not to exceed \$1,000,000 citywide for FY22. Future expenditures will be based on the approved budget.

Is this a one-time or recurring expenditure?

Recurring

Is this expenditure budgeted?

Yes, funds are available in various street maintenance accounts throughout multiple funds and operating budgets with the primary funding source being in the Street Maintenance Fund account 234-3445-434.42-65.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

City Council authorize the award of Bid 22-15 Slurry Seal Services to Viking Construction and to execute a contract in an amount not to exceed \$1,000,000 citywide in FY22, and furthermore, authorize the City Manager, or designee, to execute any and all change orders within the amounts set by State and Local law.

DEPARTMENTAL CLEARANCES:

Legal
Finance
Purchasing
Public Works

ATTACHED SUPPORTING DOCUMENTS:

Bid Tab
Contract
Certificate of Interested Parties