



STAFF REPORT

DATE: May 12, 2020

TO: Kent Cagle, City Manager

FROM: Danielle Singh, Executive Director of Public Works

SUBJECT: Authorize a multi-year contract with Intermountain Slurry Seal, Inc. for slurry seal services and reject all remaining items on Bid No. 20-03 for Street Construction Materials and Services

BACKGROUND AND FINDINGS:

The City of Killeen advertised for bids for the procurement of the City's estimated annual requirements of Street Construction Materials and Services. These items include Concrete, Sac Grout, Bedding material, Thermoplastic material, Crack Seal material, Slurry Seal Services, Type D Asphalt, Type C Asphalt, 1.5 Asphalt Overlay, Cold mix Asphalt, Top Soil, Base Material, and Rip Rap Rock. The intent was to select one or more qualified bidders to supply materials or services.

On March 24, 2020, (3) three bids were received by the Purchasing Division. The bids received were from Viking Construction, Intermountain Slurry Seal, and Texas Materials Group. Of these three bidders, only Texas Materials Group submitted bids for supply materials. Intermountain Slurry Seal and Viking Construction submitted bids for slurry seal services.

Street Operations has recommended that it is in the best interest for the City of Killeen to award Slurry Seal Services to Intermountain Slurry Seal, Inc., which would provide the best value to the City. Intermountain Slurry Seal, Inc. submitted a bid of \$3.40 per square yard for the application of Slurry Seal at 25 lbs per square yard. Viking Construction submitted a bid of \$3.41 per square yard for the application of Slurry Seal at 25lbs per square yard. Approximately 257,718 square yards of slurry seal is scheduled under the street maintenance program in the current fiscal year.

Street Operations, along with Purchasing staff, have evaluated the bid 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 following factors outlined in 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

Staff is recommending all other Street Construction Materials be rejected due to unresponsiveness and lack of competitive bids available. The bid documents allow the City to

reject all or any part of the bid proposals. Following rejection, it is City staff's intent to re-advertise for competitive and responsible bidders.

Due to fluctuating market conditions of the materials, the bid solicitation requires that bidder's prices remain firm during the first twelve months of the contract. The contract term is two years upon execution with the option to extend an additional two years, in one year intervals. This allows for escalation after the first twelve months. Intermountain Slurry Seal, Inc. has proposed a 0% increase for subsequent years.

THE ALTERNATIVES CONSIDERED:

- 1) Reject all bids
- 2) Award bids for slurry seal services and construction materials
- 3) Award slurry seal services to Intermountain Slurry Seal, Inc., reject bids for construction materials, and re-advertise request for bids

Which alternative is recommended? Why?

Authorize award of contract to Intermountain Slurry Seal, Inc. for Slurry Seal Services and reject all other bids and re-advertise.

CONFORMITY TO CITY POLICY:

Per Purchasing Policy, purchase of \$50,000.00 or more, by State law, triggers 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 factor for selection.

FINANCIAL IMPACT:

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

Projected expenditures are used for the City to obtain the best rate per unit pricing covering multiple City Departments and fiscal years. Not to exceed \$995,000 for the current fiscal year for Slurry Seal application. Future year expenditures will be based on the approved budget.

Is this a one time or recurring expenditure?

The purchases will be recurring expenditures with fixed prices for the first (12) twelve months of the (2) two year contract. The contract term award can be extended the same for (2) two additional years in (1) one year intervals, if agreed to by both parties.

Is this expenditure budgeted?

Yes, all purchases of Slurry Seal Services are budgeted within the 234-3445-434-42.65

If not, where will the money come from?

N/A

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

There is a sufficient amount of funding in the line item account to support this expenditure.

RECOMMENDATION:

City Staff recommends that the City Council authorize the City Manager, or designee, to enter into a Service Agreement with Intermountain Slurry Seal, Inc. in an amount not to exceed \$995,000.00 in fiscal year 2020 and reject other bid items and submissions, and that the City Manager, or designee, is expressly authorized to execute any and all changes within the amounts set by State and Local law.

DEPARTMENTAL CLEARANCES:

Legal
Finance
Public Works

ATTACHED SUPPORTING DOCUMENTS:

Bid Tabulation
Contract