



STAFF REPORT

DATE: May 4, 2021

TO: Kent Cagle, City Manager

FROM: Jeff Reynolds, Executive Director of Public Works

SUBJECT: Authorize the award of Bid No. 21-25, Asphalt Overlay & Millings Services to Lone Star Paving.

BACKGROUND AND FINDINGS:

Central Texas was hit with a winter storm during February 2021, bringing unprecedented freezing temperatures, snow and ice to the area. During this weather event, roadways in the City of Killeen were severely damaged, due to existing conditions and the impact of ice and snow on the asphalt. The Transportation Division maintains 539 centerline miles (2,191 lane miles) of paved roadways within the City of Killeen, with a total replacement value of \$840.4 million dollars. In FY21, \$1,646,323 was budgeted for street maintenance throughout the City. In an effort to minimize further damage, City Council provided a motion of direction for staff to increase the budget amount for street maintenance with a budget amendment. Ordinance No. 21-013 was passed and approved on March 23, 2021, increasing the street maintenance budget by \$4,250,000 to address emergency street repairs. These funds will be utilized for asphalt milling and overlay work and for replacement of striping on roadways once the overlay is complete. The City currently has an agreement in place with DIJ Construction for pavement marking services that was awarded April 02, 2019, CCMR 19-0037R and extended April 19, 2021.

While City crews have been making spot repairs and will continue to do so, an Invitation to Bid (ITB) was issued for Asphalt Overlay and Milling Services for the larger areas on City roadways. During the solicitation process, Public Works staff has been prioritizing roadway projects, focusing on thoroughfares with high traffic volumes.

Invitation to Bid No. 21-25, Asphalt Overlay and Milling Services was advertised on March 28, 2021 and April 4, 2021 with bids due on Wednesday, April 14, 2021 at 2:00pm. Bidders were instructed to bid items based upon an estimated per ton or per square yard price. Bid items will be utilized on an as needed basis. On April 14, 2021, at 2:15pm, bids were opened and read aloud for the procurement of Asphalt Overlay and Milling Services. Two (2) bids were received, Lone Star Paving and Texas Materials Group.

Transportation, along with Purchasing staff, evaluated the bid conformance with the bid information and instructions. Throughout the process it was determined that Lone Star Paving represents the best value to the City taking into consideration the qualifications, references, and cost of the Bidder, in accordance with Bid General Terms and Conditions, Section 10 - Award of Contract. The bid pricing as received by Lone Star Paving is as follows:

ITEM	MOST RESPONSIBLE BIDDER	BID PRICE
2" Asphalt Overlay (price per ton)	Lone Star Paving	\$89.50
Traffic Control (Onetime fee)	Lone Star Paving	\$3,000.00
Mobilization (Onetime fee)	Lone Star Paving	\$4,000.00
Planing and Texturing (Milling)	Lone Star Paving	
0"-2" (Price per SY)	Lone Star Paving	\$1.67
2"-4" (Price per SY)	Lone Star Paving	\$3.30
4"-6" (Price per SY)	Lone Star Paving	\$5.00
Traffic Control (Onetime fee)	Lone Star Paving	\$1,000.00
Mobilization (Onetime fee)	Lone Star Paving	\$1,000.00

Due to fluctuating market conditions of the materials, the bid solicitation requires that bidder's prices remain firm during the first (12) twelve months of the contract. The contract term is two (2) years upon execution with the option to extend an additional two (2) years, in six(6)-month intervals. All extensions will occur automatically at the end of each term unless notification has been received 60 days prior for termination request. This allows for escalation after the first (12) twelve months and each extension with 90-day prior documentation requesting increase due to market conditions. Any additional extension of this agreement would require additional City Council authorization for the expenditure of funds.

THE ALTERNATIVES CONSIDERED:

- 1) Reject all bids, continue using basic resources available.
- 2) Authorize the award of Bid No. 21-25, Asphalt Overlay and Millings Services to Lone Star Paving for services in an amount not to exceed \$5,896,323 for FY21.

Which alternative is recommended? Why?

Alternative two (2) is recommended; allowing the City to contract with Lone Star Paving, to provide street maintenance repairs to larger areas throughout the City in an effort to minimize further damage.

CONFORMITY TO CITY POLICY:

Per Purchasing Policy, purchase of \$50,000 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?

Expenditures for FY21 will be in an amount not to exceed \$5,896,323, to include milling and asphalt overlay services, as well as, the striping of repaired roadways provided by DIJ

Construction. Future year expenditures will be based on the approved budget and will be subject to City Council approval.

Is this a one time or recurring expenditure?

One time expenditure with the option to extend in future years.

Is this expenditure budgeted?

Yes, funds are available in the Repair & Maintenance/Street accounts in the amount of \$5,896,323. \$2,896,323 in account 234-3445-434.42-65 and \$3,000,000 in account 349-8934-493.42-65.

If not, where will the money come from?

N/A

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

Yes

RECOMMENDATION:

City Staff recommends that the City Council authorize the award of Bid No. 21-25, Asphalt Overlay and Millings Services to Lone Star Paving and authorize the City Manager or his designee, to enter into a Service Agreement with Lone Star Paving and 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
Agreements
Certificate of Interested Parties