



City of Killeen

Legislation Details (With Text)

File #: RS-22-003 **Version:** 1 **Name:** Bid 22-01 Street Construction Materials
Type: Resolution **Status:** Passed
File created: 12/10/2021 **In control:** City Council
On agenda: 1/11/2022 **Final action:** 1/11/2022
Title: Consider a memorandum/resolution awarding Bid No. 22-01, Street Construction Materials, in an amount not to exceed \$500,000 citywide for FY22.
Sponsors: Public Works Department, Transportation
Indexes: Street Material
Code sections:
Attachments: 1. Staff Report, 2. Bid Tab, 3. Contracts, 4. Certificate of Interested Parties, 5. Presentation

Date	Ver.	Action By	Action	Result
1/11/2022	1	City Council	Approved	Pass
1/4/2022	1	City Council Workshop		

Consider a memorandum/resolution awarding Bid No. 22-01, Street Construction Materials, in an amount not to exceed \$500,000 citywide for FY22.

DATE: **January 04, 2022**

TO: **Kent Cagle, City Manager**

FROM: **Jeffery Reynolds, Executive Director of Public Works**

SUBJECT: **Authorize the award of Bid No. 22-01, Street Construction Materials**

BACKGROUND AND FINDINGS:

The City solicits street construction materials bids on an annual basis in order to procure materials needed for maintenance projects. Materials from these bids are utilized by various departments and divisions throughout the City for construction projects, repair of roadways, parking areas, water mains, etc.

On October 27, 2021, Purchasing received seven (7) bids for Bid 22-01, Street Construction Materials; bids were opened and read aloud. The City's previous material contracts have expired. The total purchase of materials will not exceed \$500,000 citywide in FY22 and future year expenditures will be based on the approved budget of the individual departments and subject to City Council approval.

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 to award represents the best value to the City, which takes into consideration the qualifications, references, and costs 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

Five (5) vendors were selected based on the bid tab attached: Ozark Materials LLC., Crafcro Inc., Killeen Crushed Stone, Killeen Ready Mix, and Texas Materials. Bidders were instructed to bid items based upon estimated annual need per item and per item amounts.

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 (1) one year upon execution with the option to extend an additional (2) two years, in (6) six-month intervals. All extensions will occur automatically at the end of each term unless the City or Contractor submit a notice of termination no later than 60 days prior to the extension period. An escalation clause allows for an increase in pricing due to market conditions after the first twelve (12) months and with each extension thereafter. Documentation for increase must be submitted no later than 90 days prior to renewal and must be solely for the purpose of an increase in contractor's cost, not profits.

THE ALTERNATIVES CONSIDERED:

1. Reject all bids, continue making purchases on a "per order" status
2. Authorize the award of Bid No. 22-01, Street Construction Materials to selected vendors in an amount not to exceed \$500,000 citywide in FY22 and not to exceed amounts approved in the budget for future years

Which alternative is recommended? Why?

Alternative two (2) is recommended; authorize the award of Bid No. 22-01, Street Construction Materials to selected vendors in an amount not to exceed \$500,000 citywide in FY22 and not to exceed amounts approved in the budget for future years. This will allow the City to obtain materials for the maintenance of streets and other critical infrastructure.

CONFORMITY TO CITY POLICY:

Per Purchasing 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 factor for selection.

FINANCIAL IMPACT:

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

Projected expenditures are utilized for the City to obtain the best rate per unit pricing, covering multiple City Departments and fiscal years. Actual costs per fiscal year for each department may be significantly lower and will not exceed departmental budgets. The final fiscal impact will be based upon the allocated budget and workload for the year. Future year expenditures will be based on the approved budget. The total expenditures will not exceed \$500,000 in FY22 City-wide.

Is this a one-time or recurring expenditure?

The purchases will occur on an individual basis under the terms of the contracts as materials are needed.

Is this expenditure budgeted?

Yes, funds are available in various supply and maintenance accounts, in multiple funds and department operating budgets.

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 22-00 Street Construction Materials in an amount not to exceed \$500,000 in FY22 citywide and not to exceed amounts approved in the budget for future years; authorize the City Manager, or designee, to execute contracts with the selected vendors; and furthermore, 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
Contracts
Certificate of Interested Parties