

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Ken Hibl, City Manager
Date: June 2, 2010
Regarding: Renewal of Asphalt Services Bids – Central Asphalt

For the Agenda of June 7, 2010

Background. The City annually solicits bids for its planned street resurfacing projects. The 2009/2010 bid was awarded to Central Asphalt for a \$53.97 per-ton price. Central Asphalt has offered to “hold” the price for our planned 2010/2011 projects. Bob Bonham has queried a neighboring municipality where Central Asphalt recently provided the low bid and was awarded the asphalt work for a street project currently underway in that municipality. As reflected in Bob’s email (*copy att’d*), the offer made to us by Central Asphalt is lower than the price they offered as low bid to the neighboring municipality. Consequently, we believe that it is in the City’s best interests to accept the offer to retain Central Asphalt as our primary asphalt contractor for our planned 2010/2011 street projects.

Issues & Questions Specified. Should the City Commission renew the asphalt services bid of Central Asphalt?

Alternatives.

1. Renew the asphalt services bid of Central Asphalt.
2. Direct the solicitation of bids.
3. Defer the matter for further consideration and/or deliberation at a subsequent meeting.

Financial Impact. Renewal of the service bid would guarantee that we pay the same price for asphalt as we paid last year. Bob estimated that we would have to pay \$55 per ton this year. We estimate that we will require 850 tons of asphalt this year; accepting the Central Asphalt offer would cost us \$875.50 less than the amount of our budget estimate.

Recommendation. I recommend that the City Commission accept the Central Asphalt offer to provide asphalt services for us at a cost of \$53.97 per ton by adoption of Resolution 2010-054.

Attachments.

1. Email.
2. Resolution 2010-054.

Ken Hibi

From: Bob Bonham [bbonham@cityofclare.org]
Sent: Wednesday, June 02, 2010 6:27 AM
To: 'Ken Hibi'
Subject: asphalt bids

Ken,
Central Asphalt has offered to extend their bid price of \$53.97/ton for paving projects scheduled for the 2010-2011 budget. I did a check with other communities to see if they had bid their asphalt for this year and found one that had just received a low bid of \$55.11/ton for a street project comparable in size and tonnage with our projects. Central has done our work for several years and I have had no complaints with their work. We are estimating the amount of asphalt to be near 850 tons for the projects we have scheduled. All estimates that I provided to the commission in budget workshops I used a estimated tonnage price of \$55/ton. It is my recommendation that we extend the contract with Central Asphalt not only for the savings but also for the scheduling to complete this project before school starts in September.
Bob

RESOLUTION 2010-054

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING THE RENEWAL OF ASPHALT SERVICES PROVIDED BY CENTRAL ASPHALT, INCORPORATED.

WHEREAS, the City annually solicits bids for asphalt services for its planned street improvement projects; and

WHEREAS, said services were provided by Central Asphalt, Incorporated for the City's 2009/2010 budget year street projects; and

WHEREAS, Central Asphalt has offered to the City that it will provide said services for the City's 2010/2011 planned street projects at the same price, said price being \$53.97 per ton, offered for the City's 2009/2010 street projects; and

WHEREAS, the City has verified that said offer is reasonable and compares favorably with prices other neighboring municipalities are receiving for asphalt prices.

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves the renewal of asphalt services with Central Asphalt, Incorporated for a cost of \$53.97 per ton.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 7th day of June 2010.

Diane Schmidt, City Clerk