



Legislation Details (With Text)

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On agenda: 3/17/2020 **Final action:**
Title: Approve the award of Procurement 20-123, Hot Mix Asphalt, to Arrow Road Construction, Builders Asphalt, Chicago Materials Corporation, PT Ferro, RW Dundeman and Superior Asphalt Materials for an amount not to exceed \$200,000 and for a one-year term

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/17/2020	1	City Council	approved	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Procurement 20-123, Hot Mix Asphalt, to Arrow Road Construction, Builders Asphalt, Chicago Materials Corporation, PT Ferro, RW Dundeman and Superior Asphalt Materials for an amount not to exceed \$200,000 and for a one-year term

DEPARTMENT: Department of Public Works

SUBMITTED BY: Richard Dublinski, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Department of Public Works (DPW) maintains approximately 500 centerline miles of pavement, which requires the use of hot mix asphalt (HMA) to perform day-to-day maintenance and emergency repairs by DPW crews. HMA is also used as part of the Alley Improvement Program (CIP SC-223). The HMA is required to comply with the latest edition of the State of Illinois Standard specifications for hot mix asphalt material.

HMA plants typically require a minimum of 500 tons of material to be produced per day in order to operate. The total quantity that DPW typically needs for maintenance and repairs does not meet this requirement. As such, DPW is dependent upon other users requesting material and the supplier producing the correct mix in order to be able to obtain material for its HMA projects. If the HMA plant is not operating or not producing the HMA mix that DPW requires that day, DPW must call other suppliers in the area to see if they are producing the required mix.

Prior to 2019, DPW solicited bids for HMA but routinely only received one response from Chicago Materials Corporation (K-Five). In 2019, staff identified six HMA suppliers within a 35-mile radius of the City of Naperville. The identified suppliers include: Arrow Road Construction, Builders Asphalt, Chicago Materials Corporation, PT Ferro, RW Dundeman, and Superior Asphalt Materials. A 35-mile radius was chosen to offset trucking costs and HMA temperature concerns. HMA must be applied above a minimum temperature in order for it to be properly compacted.

In May 2019, the City Council approved the use of an alternative procurement method as a pilot and awarded Procurement 19-152, Hot Mix Asphalt, to Arrow Road Construction, Builders Asphalt, Chicago Materials Corporation, PT Ferro, RW Dundeman and Superior Asphalt Materials for a one-year period. This pilot program was designed to give DPW the flexibility to use multiple vendors to ensure that the material would be available when needed from a vendor in the area.

From an operational perspective, Chicago Materials Corporation is the closest facility to the City, thus minimizing the City's trucking costs. However, in order to ensure that DPW could obtain hot mix asphalt when it was needed, staff recommended that the City Council approve this award to all of the identified HMA suppliers within a 35-mile radius of the City.

DISCUSSION:

The pilot program proved to be an effective method of procuring HMA for DPW. In 2019, DPW procured HMA on 77 days. The majority of the HMA (70 occasions) was received from Chicago Materials Corporation and from Superior Asphalt on 7 occasions. The daily rate for the HMA remained consistent throughout the 2019 season. As such, staff does not anticipate the need in 2020 to lock in a rate for the season as we anticipate daily pricing to remain consistent.

Based on the success of the pilot program, DPW recommends that the City continue to award to all of the identified HMA suppliers within a 35-mile radius of the City in order to ensure that DPW can obtain the hot mix asphalt as needed.

In addition to the day-to-day maintenance and emergency repair by DPW crews in 2020, HMA will be used for the Alley Improvement Program and to pave drive aisles in selected City parking lots and other City owned property.

The term of this procurement method is one year from April 1, 2020 through March 31, 2021.

FISCAL IMPACT:

CIP #: SC223 - Alley Improvement Program

Hot Mix Asphalt is expensed to the operating supplies and infrastructure accounts listed below. \$92,500 has been budgeted for street maintenance supplies, including hot mix asphalt, as well as an additional \$110,000 for work related to SC223, Alley Improvement Program, for a total of \$202,500. The requested award is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
31251100-541407	General Fund	\$526,735
31252400-551502	Road and Bridge Fund	\$110,000

