

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

00-146

SYNOPSIS -

AGENDA:

APRIL 17, 2000

On the Council agenda for April 17, 2000, is a roll call for the approval of the low bid for asphaltic concrete mixtures to be utilized by the Public Works Department this spring and summer. Des Moines Asphalt and Paving Company, (902 SE 22nd Street, Des Moines, Iowa Robert Horner, President), submitted the low bid for the for the following asphaltic concrete mixes:

SUBJECT:

ASPHALT
CONCRETE
MIXTURES BID

- 3/8 inch Type A
- 1/2 inch Type A
- 3/4 inch Type A asphaltic concrete
- 3/4 inch crushed asphaltic concrete millings

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

SUBMITTED BY:

JOHN P. BELLIZZI,
PUBLIC WORKS
DIRECTOR

The total cost to the city for the various mixtures recommended is estimated at \$ 1,175,750. Funds are available in the Public Works Department's operating budget and the Capital Improvements Program (CIP).

RECOMMENDATION -

Approval of the low bid for the listed asphaltic concrete mixes. The remaining items should be rebid.

BACKGROUND -

The Public Works Department receives annual bids for asphaltic concrete mixtures to be picked up by City trucks at designated plant locations. This year, two bidders, Grimes Asphalt Company and Des Moines Asphalt and Paving

Company, competitively bid on four of the ten designated mixes requested. Des Moines Asphalt and Paving Company was the only bidder on the remaining six mixes. On the four competitively bid mixes, Des Moines Asphalt and Paving Company was the low bidder after calculating required haul costs. It is recommended that the mixes on which only one bid was received be rebid at a mid-summer letting when asphalt prices, which are directly linked to petroleum prices, may possibly be lower.

Although two bids were received on the four designated mixes required immediately by the Public Works Department, the bids ranged between 16 percent and 17 percent higher than last year's prices for identical items. Therefore, the Public Works Department investigated the effect of recent petroleum price increases on asphaltic concrete mixes. The attached table shows last year's bid price (Column A) and the increase per ton of asphaltic concrete this year (Column B) because of the liquid asphalt increases. Column C is the sum of last year's low bid prices (Column A) plus the increase shown in Column B. Column D lists the low bids received for 2000. As shown, the bid prices received this year (Column D) are only 89 cents per ton more than the adjusted bid price for 1999 shown in Column C. The differential is apparently due to the increase in aggregate prices and the petroleum cost increase associated with the hauling of aggregates to the asphaltic concrete plants. The investigation of the effect of petroleum increases on liquid asphalt plus the apparent fuel increase in aggregate delivery appear to justify the item bid increases over last year's prices.

Approval of the four items competitively bid is recommended so planned patching, maintenance, and construction programs can commence immediately.

Attachment

