



Legislation Text

File #: 17-0260R, **Version:** 1

RESOLUTION AWARDING CONTRACTS TO ULLAND BROTHERS, INC. AND NORTHLAND CONSTRUCTORS OF DULUTH, LLC FOR BITUMINOUS (HOT MIX BLACKTOP) FOR STREET MAINTENANCE ACTIVITIES IN 2017.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into a contract with Ulland Brothers, Inc. for bituminous for street maintenance activities in 2017 for an estimated amount not to exceed \$246,000, payable as follows:

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| \$60,172 | 110-500-1920-5222 (General Fund; Public Works and Utilities; Street Maintenance; Blacktop) |
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| \$185,828 | 290-500-5222 (Street System Maint Utility; Public Works and Utilities; Blacktop) |
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FURTHER RESOLVED, that the proper city officials are hereby authorized to enter into a contract with Northland Constructors of Duluth, LLC for bituminous for street maintenance activities in 2017 for an estimated amount not to exceed \$399,000, payable as follows:

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| \$97,595 | 110-500-1920-5222 (General Fund; Public Works and Utilities; Street Maintenance; Blacktop) |
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| \$301,405 | 290-500-5222 (Street System Maint Utility; Public Works and Utilities; Blacktop) |
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STATEMENT OF PURPOSE: This resolution authorizes a split award of the approximately 13,600 tons of bituminous needed for street maintenance activities for the 2017 construction season. The total amounts requested are estimates only, and do not guarantee that a minimum amount of product will be purchased from either vendor.

The purchasing division posted an Invitation for Bids on March 6, 2017 and received two bids by the due date. The bids were evaluated based on the total overall cost to the city, factoring in the bid price and the estimated travel time to each company's plant location. The product is picked up on an as-needed basis by street maintenance crews. The Ulland Brothers, Inc. (Ulland) plant is located at 6274 Rice Lake Road, and the Northland Constructors of Duluth LLC (Northland) plant is located on Garfield Avenue.

Although Ulland's bid price per ton is lower than Northland's, it is not enough to offset the additional costs the city would incur in picking up product for projects in the western and central areas of the city. By splitting the award, the city can purchase blacktop from Ulland for those projects in the eastern and northern areas of the city and take advantage of the lower price per ton, and purchase blacktop from Northland to avoid the added cost in worker travel time for projects where the travel time to the Garfield plant is much shorter.

Bituminous specifications are based on the current MN Department of Transportation Construction Standards. Two different mixtures were bid; the only difference being that the SPWEA340C mixture is more resistant to thermal cracking due to the grade of binder used to make the asphalt. The type and quantity of blacktop purchased is at the discretion of the city and will depend upon the job. It is estimated that approximately fifteen percent of the total tonnage purchased will require the more expensive "C" mixture. Bid results are shown below.

| <u>Company</u> | <u>Mix SPWEA340B Bid Price/Ton</u> | <u>Mix SPWEA340C Bid Price/Ton</u> |
|---------------------------------------|--|--|
| Ulland Brothers, Inc. | \$41.00 | \$47.00 |
| Northland Constructors of Duluth, LLC | \$44.90 | \$51.00 |

The 2016 price for SPWEA340B mix was \$45.50 per ton. No price was requested in 2016 for the SPWEA340C mix.