



## Legislation Text

**File #:** 19-0161R, **Version:** 1

RESOLUTION AWARDING A CONTRACT TO NORTHLAND CONSTRUCTORS OF DULUTH, INC FOR BITUMINOUS (HOT MIX BLACKTOP) FOR STREET MAINTENANCE ACTIVITIES IN 2019 FOR AN AMOUNT NOT TO EXCEED \$380,000.

### CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into a contract with Northland Constructors of Duluth, Inc (Northland) for bituminous for street maintenance activities in 2019 for an estimated amount not to exceed \$380,000, payable as follows:

\$200,000      110-500-1920-5222 (General Fund; Public Works and Utilities; Street Maintenance; Blacktop)

\$180,000      290-500-5222 (Street System Maint Utility; Public Works and Utilities; Blacktop)

STATEMENT OF PURPOSE: This resolution authorizes a contract for approximately 5,500 tons of bituminous needed for street maintenance activities for the 2019 construction season.

Bituminous specifications are based on the current MN Department of Transportation Construction Standards. The type and quantity of blacktop purchased is at the discretion of the city and will depend upon the job, there is no guaranteed minimum purchase. Two different mixtures were bid; it is estimated that approximately four percent of the total tonnage purchased will be the more expensive "C" mixture.

The purchasing division posted an Invitation for Bids on February 11, 2019 and received three bids by the due date. The bids were evaluated based on the total overall cost to the city, factoring in the estimated travel time to each company's plant location. The product is picked up on an as-needed basis by street maintenance crews.

Although Northland's bid price per ton is higher than Ulland's, the difference in cost is offset by the additional cost for a city equipment operator to travel to Cloquet for pick up. Prices have increased approximately 32% since 2018, largely due to the Husky Refinery explosion last April. Bid results are shown below:

<u>Company</u>	<u>Mix SPWEA340B Bid Price/Ton</u>	<u>Mix SPWEA340C Bid Price/Ton</u>	<u>Plant Location</u>
Ulland Brothers	\$53	\$56	Cloquet, MN
Northland Constructors	\$58	\$66	Garfield Avenue
Monarch Paving	\$65	\$71	Superior, WI