

EWEB Board Consent Calendar Request

For Contract Increases

The Board is being asked to approve additional funds for the purchase of asphalt cold mix to repair or replace road surfaces during improvement or repair work to water utility infrastructure. Approved additional funds will be added to an existing blanket contract with Lakeside Industries of Portland, OR.

Board Meeting Date: 1/8/2019

Project Name/Contract #: Asphalt Cold Mix / 065-2014

Primary Contact: Mel Damewood Ext. 7145

Contract:

Original Contract Amount: \$226,000 over 5 years

Term of Agreement: June 3, 2015 through June 2, 2020

Additional \$ Previously Approved: \$0

Invoices over last approval: \$58,473

Percentage over last approval: 26%

Amount this Request: \$210,000

Resulting Cumulative Total: \$436,000

Contracting Method:

Method of Solicitation: Invitation to Bid

If applicable, basis for exemption: N/A

Option to Renew? Yes

Approval for purchases "as needed" for the life of the Contract Yes No

Proposals/Bids Received (Range): N/A

Selection Basis: N/A

Narrative:

Operational Requirement and Alignment with Strategic Plan

The Board is being asked to approve an amendment to a current contract with Lakeside Industries, Inc. of Portland, Oregon for the purchase of asphalt cold mix. EWEB requires this product to repair or replace road surfaces when EWEB works on infrastructure located under hard surfaces. The Utility is required to return the hard surfaces to useful condition upon completion of work and uses asphalt cold mix to temporarily repair road or sidewalk surfaces when it is impractical or cost prohibitive to complete permanent restorations during initial work. If approved, staff will continue to purchase asphalt polymer-based cold mix from Lakeside Industries, Inc. on an as-needed basis over the life of the contract which expires in June of 2020. Exact requirements for cold mix are unknown and no guarantee has been made with the contractor to purchase any specific amount.

Contracted Goods or Services

Asphalt "Cold Mix" used to repair or replace road surfaces damaged during repairs of water utility infrastructure.

Purchasing Process

In December 2014, EWEB issued a formal Invitation to Bid (ITB 065-2014) for the purchase of asphalt cold mix. The solicitation was publicly advertised and four bids were received. Lakeside Industries, Inc. was determined to be the lowest responsive and responsible bidder for asphalt Polymer-based cold mix, having met all bid and technical requirements.

Bidder/Proposer Information

Lakeside Industries
Mason's Supply (Masco)
Baker Rock Resources
Wildish Sand & Gravel

Bidder/Proposer Location

Portland, OR
Eugene, OR
Beaverton, OR
Eugene, OR

Contract Activities

In June 2015, the Board approved the award of a five-year contract to Lakeside Industries to provide as-needed asphalt cold mix. The \$226,000 contract amount was estimated based on historical data. Through December 2018 70% of the contract term has expired, and the life-to-date contract costs exceed the Board approved amount by 26%. Purchasing rules allow costs to exceed the contract amount by 25% prior to requesting additional Board approval. Over the last 3 ½ years, the Water Utility has focused on main replacements. In 2017 main replacements exceeded the Water Utility goal by 30%, and in 2015 main replacement costs were 35% over budget due to emergent work. Additionally, the majority of the Water Utility's work on the Lane Transit District EMX project was completed in 2015. These projects significantly increased the use of asphalt cold mix over historical estimates.

Purchasing staff will work with operations staff to request Board approval in advance of future purchases exceeding the 25% threshold.

ACTION REQUESTED:

Staff requests the Board approve additional funds to continue purchasing asphalt cold mix from Lakeside Industries via the price agreement established under contract 065-2014. Funds for these additional purchases are budgeted for 2019.