

Memorandum #09-41

To: Doug Russell, City Manager
From: Dave Leyden, Public Services Manager
Subject: Bid award for the Annual Supply of Bituminous Mix for the Department of Public Services, Street Division
Date: February 17, 2009

One (1) bid was received on February 16, 2009 for the Annual Supply of Bituminous Mix as illustrated below:

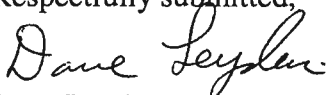
NAME	BID AMOUNT
Concrete Materials 1201 West Russell Sioux Falls, SD Mission Hill, SD Plant	\$58.81 per ton

Even with the current price of oil lower than it was a year ago, the bid submitted for the City's Annual Supply of Bituminous Mix shows an increase of \$14.81 per ton. This is primarily due to the pricing risk being shouldered by bituminous mix producers this year instead of their liquid asphalt suppliers who absorbed the brunt of last year's very volatile oil market. The bid submitted for \$58.81 per ton is a little higher than anticipated by City Staff, but is still comparable to what current asphalt costs are in other locations in South Dakota.

To address concerns about only receiving one bid, the City of Yankton specifies in its bid documents that the asphalt be available in the vicinity of Yankton in order to properly account for transportation costs and quality of the product delivered. The bid from Concrete Materials, whose Mission Hill plant is located within 7 miles of the City, does meet specifications.

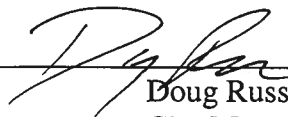
It is recommended that the bid be awarded to Concrete Materials of Sioux Falls, SD, Mission Hill, South Dakota Plant, for the Annual Supply of Bituminous Mix.

I have discussed this recommendation with the Director of Public Services and have received his concurrence on this matter.

Respectfully submitted,

 Dave Leyden
 Public Services Manager

Recommendation: It is recommended that the City Commission approve Memorandum #09-41 authorizing the Annual Supply of Bituminous Mix be awarded to Concrete Materials of Sioux Falls, South Dakota, Mission Hill, South Dakota Plant at the price of \$58.81 per ton.

I concur with this recommendation
 I do not concur with this recommendation


 Doug Russell
 City Manager

cc: Kevin Kuhl