



AGENDA MEMO
11/20/2018 Agenda

TO: Honorable Mayor and City Council

FROM: Elizabeth Anderson, Purchasing Manager

SUBJECT: Consider Award of Term Contract for Portland Cement

BACKGROUND:

The City's term contract for Portland cement expired in October 2018. This product is used by Public Works to complete infrastructure repairs throughout the City. Staff initially took bids for Portland cement in September, but did not receive any responses that were within the City's budget. Council rejected all bids for this first attempt in October.

Staff was unable to find any suitable cooperative options for Portland cement, so new bid # 2018-20 was released in late October. This time, the City received two bids. **The low bid is from Ash Grove Cement Company for \$126.08 per ton.** The City estimates that it will use 900 tons in a year, so the annual extended cost is \$113,472.00. This represents an increase of nine percent over the previous contract price, but this increase is consistent with current market conditions. The City has had a good working relationship with Ash Grove in the past.

This is a one (1) year contract with four (4) optional annual renewals. The bid price includes delivery to the City's cement silo at 2525 University Blvd.

A bid tab is attached.

RECOMMENDATION:

Staff recommends awarding this contract for Bid# 2018-20 to Ash Grove Cement Company at \$126.08 per ton.