



# City of Austin

## Recommendation for Action

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File #: 26-2720, Agenda Item #: 20.

1/22/2026

### **Posting Language**

Authorize a contract for emulsion asphalt products for Austin Transportation and Public Works with Ergon Asphalt & Emulsions Inc. for an initial term of two years with up to three one-year extension options in an amount not to exceed \$14,426,340. Funding: \$2,404,390 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Transportation and Public Works. Funding for the remaining years of the contract is contingent upon available funding in future budgets.

### **Lead Department**

Austin Financial Services.

### **Client Department(s)**

Austin Transportation and Public Works.

### **Fiscal Note**

Funding in the amount of \$2,404,390 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Transportation and Public Works. Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Procurement Language:**

Austin Financial Services issued an Invitation for Bids solicitation IFB 6200 RBB1009 for these goods and services. The solicitation was published on August 11, 2025, and closed on September 16, 2025. Of the three offers received, the bid submitted by the recommended contractor was the lowest responsive bid received. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's website. This information can currently be found at

[https://financeonline.austintexas.gov/af0/account\\_services/solicitation/solicitation\\_details.cfm?sid=142741](https://financeonline.austintexas.gov/af0/account_services/solicitation/solicitation_details.cfm?sid=142741).

### **MBE/WBE:**

This contract will be awarded in compliance with the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the goods and services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

### **Additional Backup Information:**

The contract will provide asphalt emulsion products to be used for general street maintenance, such as pothole repairs, spot-paving level-up, utility cut repairs, and annual service plans associated with overlays and seal coat resurfacing. Asphalt emulsion products are environmentally friendly, water-based materials that can be used at low temperature to reduce emissions, fumes, and energy needs. The City performs maintenance on

approximately 10% of the roadway network each year and the use of asphalt emulsion products form a major portion of the maintenance effort.

The recommended contractor is the current provider for these products. The contract will replace a contract which expires January 30, 2027. This was solicited early due to the underestimated usage. The requested authorization is based on historical spending and departmental estimates of future needs.

If the contract is not approved, the City will not have the ability to properly maintain its streets, which will cause safety issues.

**Contract Details:**

Contract Term	Length of Term	Contract Authorization
Initial Term	2 years	\$5,770,536
Optional Extension 1	1 year	\$2,885,268
Optional Extension 2	1 year	\$2,885,268
Optional Extension 3	1 year	\$2,885,268
<b>Total</b>	<b>5 years</b>	<b>\$14,426,340</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage.