



City of Austin

Recommendation for Action

File #: 24-6505, **Agenda Item #:** 30.

1/30/2025

Posting Language

Authorize an amendment to a contract for continued purchase of asphalt emulsion products for the Transportation and Public Works Department with Ergon Asphalt & Emulsions Inc. to increase the amount by \$700,520 for a revised total contract amount not to exceed \$6,950,520. Funding: \$2,500,000 is available in the Transportation and Public Works Department's Operating Budget. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Financial Services Department.

Client Department(s)

Transportation and Public Works Department.

Fiscal Note

Funding in the amount of \$2,500,000 is available in the Fiscal Year 2024-2025 Operating Budget of Transportation and Public Works.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

MBE/WBE:

This contract was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the goods required for this contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

Prior Council Action:

January 27, 2024 - Council approved a contract for asphalt emulsion products with Ergon Asphalt & Emulsions Inc.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

This contract provides asphalt emulsion products for general street maintenance, such as pothole repairs, spot-paving level-up, utility cut repairs, and annual service plans associated with overlays, seal coat, and fog seal resurfacing.

Additional authorization is needed because asphalt prices across the industry have increased in the past six

years due to the increased cost of raw materials, transportation costs, and the demand for waterproof manufactured goods. Additionally, the annual estimate of \$1,250,000 provided in September 2021 for this contract was based on the previous contract use, and did not account for the increased prices due to the changing market conditions.

A delay in contract approval could impact the City's ability respond timely to street maintenance and repairs.