



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 7/6/2022
Agenda Section: Business Item

Department Origination: Public Works

Agenda Item: Approve the Northwest Asphalt & Maintenance Crack Seal Invoice in the amount of \$184,400.90

Approval Required: Simple Majority Vote

BACKGROUND

Anderson Brothers notified the City of Baxter their company is no longer providing the service of crack sealing roads, as a company they're only crack sealing trails and parking lots. Crack sealing is the most important form of maintenance for bituminous roadways, because it helps to prevent larger maintenance projects down the road and premature failure. Even the smallest cracks can easily turn into larger cracks, craters, and dangerous potholes. Done properly and frequently, bituminous crack sealing easily extends the life of a bituminous roadway.

Six quotes were solicited and are listed below:

- | | |
|-----------------------------------|--------------|
| • Lakes Pavement Maintenance | \$813,400.00 |
| • ASTECH | \$406,000.00 |
| • Lot Pros, Inc. | \$360,000.00 |
| • Fahrner Asphalt Sealers | \$281,050.00 |
| • Allied Blacktop Company | \$199,560.00 |
| • Northwest Asphalt & Maintenance | \$254,800.00 |

In January of 2022 all quotes came in over the 2022 crack sealing budget of \$103,000.00. Staff reached out to the low quoter of Allied Blacktop Company and asked if they would be willing to break their quote out to separate the road segments which were proposed for route and seal and the road segments proposed as blow and go only. Allied Blacktop Company was not willing to split their bid as requested by staff so the next low quoter of Northwest Asphalt & Maintenance was contacted. Northwest Asphalt & Maintenance were willing to work with the City's budget constraints.

Staff was concerned with varying from the crack sealing practice of the past which included crack sealing all roads that are eligible. Staff started negotiations with Northwest Asphalt & Maintenance to crack seal the road segments proposed for router and seal. All new cracks in roads constructed since 2014 are specified for route and seal, existing cracks get blown out with air and then sealed. By route and sealing the new cracks it allows the sealant to provide a durable joint by providing elasticity which is required with bituminous pavement (also referred to as flexible pavement). Thin cracks that are sealed pull apart much easier than a crack that is route and sealed. After the route and seal road segments were complete Northwest Asphalt & Maintenance agreed to continue crack sealing at the discretion of the Streets & Utilities Supervisor and the Public Works Director/City Engineer. Through a joint cooperation between staff and the contractor, all roads were crack sealed for \$184,400.90. Staff new this was over the budgeted amount but had to decide to either keep the contractor in town to finish all road segments or let them leave when they reached the budgeted amount with the emphasis on the newer roads. The Public Works Director Trevor Walter was not willing to sacrifice the unreversible damage that would have likely resulted from not crack sealing and considered the crack sealing the highest priority. Mr Walter authorized the contractor to finish crack sealing the remaining road segments in the original proposal throughout City. By providing regular

communication and instruction to the contractor, crack sealing was completed for approximately \$70,400 less than their quote.

Project costs have seen an increase of 30% due to increased oil, fuel, equipment, and personnel costs. Staff has been reviewing the streets general maintenance budget to offset the budget deficit of \$81,490.00.

- Funding allocated for contracted shouldering could be reallocated, with staff doing shouldering in the highest concern areas which would save \$48,000.00.
- Eagle Ridge and Eagle Drive one inch overlay for 2022, which came in at \$50,000.00 which is \$10,000.00 over the project cost, could be delayed one year and the \$40,000.00 could be reallocated to crack sealing.
- Possible funding from the City's 2022 Contingency Fund.

It should be noted there may be additional unbudgeted costs from the recent storms that will need to be paid from the 2022 Street Enterprise Fund as well. It is unknown at this item if the City will receive any Emergency Disaster Relief Funding. The city has seen five severe storms this spring/summer, the total expected cleanup cost of the five storms is estimated between \$50,000 - \$60,000.

FINANCIAL IMPLICATIONS

The financial implications are outlined in the background, the intent of this item is to discuss priorities of other budgeted items vs potentially requesting City Council to use funds from the City's 2022 Contingency Fund.

STAFF RECOMMENDATIONS

Staff is looking for discussion from the Utilities Commission on how to proceed with the budget amendment needed to pay for the crack sealing.

COUNCIL ACTION REQUESTED

Approve the Northwest Asphalt & Maintenance Crack Seal invoice in the amount of \$184,400.90