



November 27, 2023

From: Chris Cotta, Public Works Director
To: Steve Giesbrecht, Borough Manager
Cc: Mayor Jensen and Members of the Borough Assembly

Re: Rock-N-Road Quarry and Mud Dump Proposal

Steve,

As you know, Rock-N-Road Construction has proposed to make some modifications to the Borough's rock quarry and mud dump access road in exchange for use of up to 60,000 cubic yards of rock from the Borough's quarry, with the subject rock to be incorporated into the new hospital site. The proposal letter we received from Rock-N-Road is attached for reference.

Public Works is in favor of this proposal since it would allow further development in the Borough's quarry. At present all of the easily-accessible rock in the walls of the quarry has been exhausted. We had previously thought there was some more rock to develop on the east side of the quarry, however when this was investigated in 2022 it was found that there was a lot more overburden than usable rock in that area.

Since the quarry walls have been expanded as far as is safe and practical, in order to obtain more utilization of the Borough's quarry we will need to start developing the rock located in the quarry floor. The proper way to access this rock would be to lower the grade of the haul road and enable the quarry floor to be developed from the downhill side moving up, creating a usable working face from which to drill and shoot. This would allow for proper drainage of the quarry floor and avoid creating a new reservoir which would cause problems for future development.

Making these kinds of modifications is very costly and for this reason we had put it off for the time being, and instead elected to purchase shot rock from a local contractor as a more cost effective option. Rock-N-Road's recent proposal would remove this costly barrier to future development of the quarry and should in addition result in a significant savings to hospital site project.

As we understand it, the hospital project was bid out with the stipulation that any contractors bidding on the project would be using their own rock sources and structuring their bids accordingly. This is how the contract was initially bid and awarded. The proposal received from Rock-N-Road should result in significant savings to the hospital project since the Borough would be providing shot rock to the project which would otherwise be provided by Rock-N-Road at their contract price.

Public Works Department

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Royalty values of the Borough rock to be used are not a set price and could vary, but a value of \$1.50 per cubic yard does not seem unreasonable. This would put the value of the rock to be removed at up to \$90,000 which would be roughly equivalent to the cost of the necessary development work to access more rock from the Borough's quarry. Public Works views this as trade worth making since it is money the general fund would not have to spend in order to further develop the Borough's quarry. The rock obtained by Rock-N-Road would be emplaced at the future hospital site, which will be owned by the Borough. So ownership of the rock would not change, it would essentially be relocated by Rock-N-Road from one Borough facility to another.

For the reasons outlined above, Public Works recommends that Rock-N-Road's proposal be accepted and up to 60,000 cubic yards of rock from the Borough's quarry be allocated to the new hospital site, in exchange for road and quarry development as described. If you agree with this recommendation, please forward it to the Borough Assembly for consideration at their next regular meeting on December 4th, 2023. Thank you.

Attachment: Rock-N-Road proposal letter (1 page)

Public Works Department