

DEPARTMENT of PUBLIC WORKS

County of Lassen



PETE HEIMBIGNER, Director
Public Works/Transportation

707 Nevada Street, Suite 4
Susanville, CA 96130

☎ 530) 251-8288
FAX: (530) 251-2675

B-1
2022/81

July 29, 2022

TO: Board of Supervisors
Agenda Date: August 9, 2022

FROM: Department of Public Works

SUBJECT: Bid Award Cost Adjustment for Purchase of 3/8 Chip Seal Aggregate

RECOMMENDATION: That the Board of Supervisor's revise the bid award amount for purchase of 3/8 inch chips from Sierra Cascade Aggregate & Asphalt Products, Inc. due to cost increases for fuel and parts after bid award from \$39/ton to \$48.80/ton plus sales tax for a total not to exceed amount of \$176,379.

DISCUSSION: Formal bidding for 3/8 chip seal aggregate closed on April 21, 2022. One bid was received from Sierra Cascade Aggregate & Asphalt Products, Inc. (vendor) in the amount of \$39 ton for an estimated quantity of 3,370 tons. The award for the materials was made on June 28, 2022 and an agreement for purchase and hauling was submitted to vendor on July 11, 2022. After receiving the agreement the vendor informed the department that the cost of production had increased from time of bidding to notification to proceed and an adjustment to the unit cost was requested.

The primary driving factor for increase in production costs is diesel fuel. A breakdown of additional costs, by vendor, is attached. The original bid unit cost was \$39/ton. The increased cost is \$9.80/ton for a revised total unit cost of \$48.80/ton. The extra cost would add approximately \$33,026.00 to the purchase for a total amount of approximately \$164,456 plus sales tax.

ALTERNATIVE: Not Approve.

FINANCIAL IMPACT: SB-1 funding is budgeted in the road Budget Fund 122-1221 for this purchase.

OTHER AGENCY INVOLVEMENT: None

DEPARTMENT APPROVAL: _____

A handwritten signature in blue ink, appearing to read "Peter C. Heimbigner", is written over the line for Department Approval.

REVIEWED FOR AGENDA: _____