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SUBJECT: ASPHALTIC MATERIALS

BID #: SC-0260-21

OPEN DATE: 09/09/2020

GENERAL GOVERNMENT AWARDS COMMITTEE

KIND AND BASIS OF CONTRACT: SUPPLY CONTRACT – OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021 WITH TWO (2) ONE (1) YEAR RENEWAL OPTIONS

AGENCY: RIGHT OF WAY & STORMWATER MAINTENANCE DIVISION

BASIS OF AWARD: ALL OR NONE TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER

NUMBER OF BIDS INVITED: 5 **NUMBER RECEIVED:** 2 **OTHER:** 0

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Request approval of unit price increases for Duval Asphalt Products, Inc. due to documented material shortages. Total not-to-exceed award amount will remain unchanged at $340,000.00.

- Line Item 1: Asphaltic Mixture Type currently $64.00 / ton increased to $89.75 / ton
- Line Item 2: Emulsified Asphalt Type - 5 Gallon Pail currently $55.00 / pail increased to $60.00 / pail

Term will be from date of award through September 30, 2022 with one (1) one (1) year renewal option remaining.

Funding will be encumbered from account 00111.156007.552150.000000.00000000.00000.0000000 and executed by Purchase Orders(s).

ATTACHMENTS: Recommendation Memo, Bid Tabulation, Supplier Letters, Previous Awards

ANALYST: _____
DAVID KLAGES

RESPECTFULLY SUBMITTED: _____
GREGORY PEASE, CHIEF
PROCUREMENT DIVISION

CONCURRENCE BY: Stephen D. Long Jr., P.E., Chief, Right of Way and Stormwater Maintenance Division

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(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF GGAC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING _____ MEMBERS DISAPPROVING _____ DATE: _____

_____ _____ OTHER: _____

_____ _____

_____ _____

ACTION OF AWARDING AUTHORITY DATE _____

APPROVED _____ DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____

City of Jacksonville, Florida

Lenny Curry, Mayor

Department of Public Works
Right of Way & Stormwater Maintenance Division
609 St. Johns Bluff Road
Jacksonville, FL 32225
(904) 255-4300
www.coj.net

ONE CITY ONE JACKSONVILLE

TO: **Gregory W. Pease, Chief**
Procurement Division

THRU: **John P. Pappas, P.E., Director**
Department of Public Works

FROM: **Steven D. Long Jr., P.E., Chief**
Right of Way & Stormwater Maintenance Division

DATE: **May 11th, 2022**

SUBJECT: **Request to increase award unit pricing for SC-0260-21 Hot mix asphalt materials for RWSM field crews**
Vendor – Duval Asphalt Materials, Inc.

Please be advised that the supplier Duval Asphalt has reached out to the Right of Ways & Stormwater Maintenance Division regarding contract SC-0260-21 and has requested an increase in the unit pricing as follows:

- Line Item 1 asphaltic hot mix currently $64.00 would increase to $89.75
- Line item 2 emulsified asphalt 5-gallon bucket currently ~~$50.00~~ 55.00 DK would increase to $60.00

Duval Asphalt has requested this change due to the material shortages that are increasingly affecting their ability to acquire and produce material in a reliable manner. Documentation from the supplier has been received after an inquiry regarding the main issues of their pricing and is included.

We are not requesting any increase to the actual contract limit at this time.

Attachments: Letter from Duval Asphalt, internal memo from Duval Asphalt, Letter from Martin Marietta

SDL/jl

CC: David Klages, Purchasing Analyst

LD

BID TABULATION

Title:	ASPHALTIC MATERIALS			**Duval Asphalt Products, Inc.**		**Preferred Materials, Inc.**	
Bid No:	SC-01260-21						
Open Date:	SEPTEMBER 9, 2020						
Analyst:	DAVID KLAGES						
No. Invited:	(5) **No. Received:** (2) **Other:** (0)						
Recorded By:	RENATA BARNETT						
Item #	**Description**	**Est. Annual Quantity**	**Unit**	**Unit Price**	**Extended Price**	**Unit Price**	**Extended Price**
1	ASPHALTIC MATERIALS	2,000	Ton	$64.00	$128,000.00	$68.00	$136,000.00
2	EMULSIFIED ASPHALT TYPE	500	5 Gal. Pail	$55.00	$27,500.00	$60.00	$30,000.00
TOTAL BASE BID (Line Items 1 & 2):				**$155,500.00**		**$166,000.00**	
Terms:				No discount offered.		No discount offered.	
Delivery:				1 Business Day		Not stated.	
Signed Bid Form:				Yes		Yes	
Bid Proposal Form:				Yes		Yes	
Insurance Agent Acknowledgement Form:				Yes		Yes	
Conflict of Interest Certificate:				Yes		Yes	
Addenda:				N/A		N/A	

May 10, 2022

City of Jacksonville
Procurement Division
214 N. Hogan St., 8th floor
Jacksonville, FL 32202

To Whom It May Concern;

In response to your inquiry regarding increases in pricing of all our products and services, we will mention the main issues below:

1. Liquid AC was $425 a liquid ton in December 2021. Its current price is $700.
2. Our aggregate went up $2.00 a ton across the board in January. It's going up another $2.50 per ton.
3. Aggregates are currently in short supply. Asphalt and concrete plants across the state and southeast are running out.
4. Trucking was $68 per hour in December 2021. We currently pay $90 per hour.
5. We are getting hit across the board with 20% fuel surcharges on all invoices.
6. To retain and recruit labor, we were forced to raise our rates between $3 to $5 per hour.
7. Our minimum starting wage went from $10.50 per hour to $15.50 per hour.
8. Look at the price at the pump. Our product literally is petroleum.

We anticipate increases to continue in all areas.

As of today, current F.O.B. price for:

Regular hot asphalt mix SP9.5	$89.75 per ton
Tack Coat	$ 6.00 per gallon
5 gallon Container Tack	$60.00 per container

For all other products/services please contact us.
At present we cannot provide quotes for more than 10 calendar days duration. As previously mentioned, we cannot guarantee product to be available upon demand.

If you have any questions regarding this matter please contact us, we endeavor to support your needs as best we can during this situation.

Sincerely,

Marie E. Miller
Assistant Secretary
Duval Asphalt Products, Inc.

7544 Philips Highway Jacksonville, FL 32256 (904)296-2020 Fax:(904)296-6574

Moody, Joshua

From:	Marie Miller <mmiller@duvalasphalt.com>
Sent:	Tuesday, May 10, 2022 3 09 PM
To:	Marie Miller
Subject:	FW: Force Majeure Event Notice - for Contracts
Attachments:	Rock Shortage Letter pdf

Please dispatch this notice with attachment to all of our custpmer base.

Notice of Force Majeure event due to Material Shortage

The capability of Duval Asphalt Products, Inc. (Duval Asphalt) as a supplier of Hot Mix Asphalt is based on two pillars; (1) our ability to obtain the liquid AC to produce the product and (2) our ability to obtain the required aggregate (granite stone #89's, #78's, screenings, sand, RAP).

As a result of unprecedented supply chain issues, our aggregate suppliers have issued notification of unforeseen and historically unique shipping delays causing operational limitations. The lack of available railway freight, cargo ships, and truck hauling now has a direct and veriflable influence on our ability to perform our obligations under the contract due to lack of needed resources, major delays related to transportation, and other disruptions in supplies of raw materials and components from our sub suppliers.

Accordingly, this letter is to advise that Duval Asphalt is declaring a Force Majeure event due to the unforeseen material shortage issues. We have taken all reasonable measures to eliminate, remedy and mitigate the effects of the claimed Force Majeure event on our obligations under our contract

Duval Asphalt will not be liable for any causes of action for breach or damages that arise because of our inability to meet our delivery obligations due to this Force Majeure event. These circumstances continue to develop and at this time Duval Asphalt is unable to determine how long this Force Majeure will continue. We regret any inconvenience this situation may cause.

This will drastically slow down our ability to pave projects currently on our schedule. We will continue to pave projects on our schedule as long as we have stone in our yards and can continue to get stone. This is not a situation isolated to Duval Asphalt. This is a city, state, regional and possibly national crisis across the concrete and asphalt industries. We are all severally limited on Hot Mix Asphalt production.

If you have any questions regarding this matter please contact us, we endeavor to support your needs as best we can during this situation.

Attached is a copy of the official notice we received from Martin Marietta explaining the delays and shortage of material critical to our production.

Mitchell Gant
Vice President

April 25, 2022

Mitchell Gant
Vice President
7544 Philips Highway
Jacksonville, FL 32256
(904)-219-7454

Subject: Martin Marietta Material Shortage

To Whom It May Concern,

As you know, there have been granite shortages at various Martin Marietta locations throughout Florida and Georgia. The purpose of this letter is to provide information on the circumstances driving the shortages and the actions Martin Marietta is taking to reduce the impact of the shortages.

The following Martin Marietta supplying locations could continue to experience supply issues:

- **Wentworth Rail Terminal – 055V**
- **Savannah Rail Terminal – 052V**
- **Hinesville Rail Terminal – 018V**
- **Brunswick Rail Terminal – 058V**
- **Mulberry Rail Terminal – TM742**
- **Loughman Rail Terminal – TM778**
- **Jacksonville Rail Terminal – TM776**
- **Savannah Marine Terminal – 019V**
- **Port Manatee Marine Terminal – TM727**
- **Port Canaveral Marine Terminal – TM664**
- **Port of Tampa Marine Terminal – TM322**
- **Jacksonville Marine Terminal – TM579**

Sourcing quarries include:

Warrenton Quarry – 081C (GDOT)
Ruby Quarry – GA185 (FDOT) 054C (GDOT)
Junction City Quarry - GA383 (FDOT) 121C (GDOT)
Augusta Quarry - GA183 (FDOT) 041C (GDOT)
Porcupine Mountain Quarry, Nova Scotia - NS315 (FDOT) 131C (GDOT)
Bahama Rock Quarry, Grand Bahama – BA348 (FDOT) 104T (GDOT)

All granite consumed in the production of asphalt in Florida and coastal Georgia is imported from domestic sources via rail or truck, as well as offshore sources via maritime vessel. We continue to produce and have ample quantities of granite available at our source quarries to meet demand. However, in the case of railed granite, the "Class 1" railroads that maintain almost all of the railed imports to Florida and coastal Georgia have been and continue to experience significant constraints as supply chain problems have escalated to unprecedented levels. The recent supply chain bottlenecks have exacerbated conditions for the railroads which even prior to the supply chain problems were operating with little to no extra railcar hauling capacity. At least in the near term we anticipate that both the aggregates and asphalt industries in Florida and coastal Georgia will continue to experience granite shortages. Not only are the constraints on rail service affecting rail terminals, as noted above in the list of locations, the shortage of railed granite will likely force asphalt producers to pursue marine based granite which could cause shortages at some of Martin Marietta's marine terminals in the future.

Martin Marietta is committed to serving its customers and working to ensure that its granite supply line is made whole again. We hope to accomplish this by improving and increasing communication with the servicing railroad, extending our operational hours for loading and unloading trains, and increasing our marine based granite imports. The solution is not in our control due to rail service issues and will not be achieved immediately, but our goal is to return to more normal supply levels in a reasonable amount of time.

Your patience and understanding with this matter is greatly appreciated and you will be provided with periodic updates. If you have any questions please contact your local Martin Marietta sales representative.

Sincerely,

Todd Wilson
General Manager, South Georgia District

SUBJECT: ASPHALTIC MATERIALS

BID #: SC-0260-21

OPEN DATE: 09/09/2020

GENERAL GOVERNMENT AWARDS COMMITTEE

KIND AND BASIS OF CONTRACT: SUPPLY CONTRACT – OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021 WITH TWO (2) ONE (1) YEAR RENEWAL OPTIONS

AGENCY: RIGHT OF WAY & STORMWATER MAINTENANCE DIVISION

BASIS OF AWARD: ALL OR NONE TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER

NUMBER OF BIDS INVITED: 5 **NUMBER RECEIVED:** 2 **OTHER:** 0

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Subject bid was awarded to Duval Asphalt Products, Inc. on 10/2/20 in the amount of $125,000.00. Increase for the initial term awarded on 6/18/21 in the amount of $25,000.00; first renewal option awarded on 8/27/21 in the amount of $175,000.00.

Request approval to increase award to Duval Asphalt Products, Inc. in the amount of $15,000.00 to ensure sufficient funding for the remainder of FY21. Revised expenditure amount for FY21 not-to-exceed $165,000.00. Total revised award amount not-to-exceed $340,000.00. Term will be from date of award through September 30, 2022 with one (1) one (1) year renewal option remaining.

Funding will be encumbered from account 00111.156007.552150.000000.00000000.00000.0000000 and executed by Purchase Orders(s).

ATTACHMENTS: Recommendation Memo, Previous Awards

ANALYST: DAVID KLAGES

RESPECTFULLY SUBMITTED: GREGORY PEASE, CHIEF PROCUREMENT DIVISION

CONCURRENCE BY: Stephen D. Long Jr., P.E., Chief, Right of Way and Stormwater Maintenance Division

(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF GGAC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING 3 MEMBERS DISAPPROVING 0 DATE: 9/2/2021

Teresa R. Eihaerg

OTHER:

ACTION OF AWARDING AUTHORITY DATE 9-3-21

APPROVED ✓ DISAPPROVED

OTHER

SIGNATURE OF AUTHENTICATION

Brian Hughes
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No: 2019-02

SUBJECT: ASPHALTIC MATERIALS

BID #: SC-0260-21

OPEN DATE: 09/09/2020

GENERAL GOVERNMENT AWARDS COMMITTEE

KIND AND BASIS OF CONTRACT: SUPPLY CONTRACT – OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021 WITH TWO (2) ONE (1) YEAR RENEWAL OPTIONS

AGENCY: RIGHT OF WAY & STORMWATER MAINTENANCE DIVISION

BASIS OF AWARD: ALL OR NONE TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER

NUMBER OF BIDS INVITED: 5 **NUMBER RECEIVED:** 2 **OTHER:** 0

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Subject bid was awarded to Duval Asphalt Products, Inc. on 10/2/20 in the amount of $125,000.00. Increase in the amount of $25,000.00 awarded on 6/18/21.

Recommend approval to utilize the first renewal option with Duval Asphalt Products, Inc. in the annual not-to-exceed expenditure amount of $175,000.00. Total revised award amount not-to-exceed $325,000.00. Period of service will be October 1, 2021 through September 30, 2022 with one (1) one (1) year renewal option remaining.

Funding will be encumbered from account 00111.156007.552150.000000.00000000.00000.0000000 and executed by Purchase Orders(s).

This award is subject to appropriation by the City in the fiscal year beginning October 1, 2021. No funds have been appropriated to date. The City has no obligation for payment and work hereunder is not authorized unless funds are appropriated for work herein. A written notification will be provided in the event the funds are appropriated.

ATTACHMENTS: Recommendation Memo, Supplier's Letter, Basis of Award, Previous Awards

ANALYST: DAVID KLAGES

RESPECTFULLY SUBMITTED: GREGORY PEASE, CHIEF PROCUREMENT DIVISION

CONCURRENCE BY: Stephen D. Long Jr., P.E., Chief, Right of Way and Stormwater Maintenance Division

(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF GGAC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING 3 MEMBERS DISAPPROVING 0 DATE: 8/26/2021

OTHER:

ACTION OF AWARDING AUTHORITY DATE 8-27-21

APPROVED ✓ DISAPPROVED

OTHER

SIGNATURE OF AUTHENTICATION

Brian Hughes
Chief Administrative Officer
For Mayor Lenny Curry
Under Authority of
Executive Order No. 2019-02

SUBJECT: ASPHALTIC MATERIALS

BID #: SC-0260-21

OPEN DATE: 09/09/2020

GENERAL GOVERNMENT AWARDS COMMITTEE

KIND AND BASIS OF CONTRACT: SUPPLY CONTRACT – OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021 WITH TWO (2) ONE (1) YEAR RENEWAL OPTIONS

AGENCY: RIGHT OF WAY & STORMWATER MAINTENANCE DIVISION

BASIS OF AWARD: ALL OR NONE TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER

NUMBER OF BIDS INVITED: 5 **NUMBER RECEIVED:** 2 **OTHER:** 0

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Subject bid was awarded to Duval Asphalt Products, Inc. on 10/2/20 in the amount of $125,000.00.

Request approval to increase award to Duval Asphalt Products, Inc. in the amount of $25,000.00 to ensure sufficient funding for the remainder of FY21. Revised initial expenditure amount not-to-exceed $150,000.00 Term will be date of award through September 30, 2021 with two (2) one (1) year renewal options.

Funding will be encumbered from account 00111.156007.552150.000000.00000000.00000.0000000 and executed by Purchase Orders(s).

ATTACHMENTS: Recommendation Memo; Previous Award

ANALYST: DAVID KLAGES

RESPECTFULLY SUBMITTED: GREGORY PEASE, CHIEF PROCUREMENT DIVISION

CONCURRENCE BY: Stephen D. Long Jr., P.E., Chief, Right of Way and Stormwater Maintenance Division

(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF GGAC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING 3 MEMBERS DISAPPROVING 0 DATE: 6/17/2021

Jessica R. Eichen

OTHER:

ACTION OF AWARDING AUTHORITY DATE 6/18/21

APPROVED ✓ DISAPPROVED

OTHER

SIGNATURE OF AUTHENTICATION

Brian Hughes
Chief Administrative Officer
For Mayor Lenny Curry
Under Authority of
Executive Order No. 2019-02

SUBJECT: ASPHALTIC MATERIALS

BID #: SC-0260-21

OPEN DATE: 09/09/2020

GENERAL GOVERNMENT AWARDS COMMITTEE

KIND AND BASIS OF CONTRACT: SUPPLY CONTRACT – OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021 WITH TWO (2) ONE (1) YEAR RENEWAL OPTIONS

AGENCY: RIGHT OF WAY & STORMWATER MAINTENANCE DIVISION

BASIS OF AWARD: ALL OR NONE TO THE LOWEST RESPONSIVE, RESPONSIBLE BIDDER

NUMBER OF BIDS INVITED: 5 **NUMBER RECEIVED:** 2 **OTHER:** 0

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Recommend approval of award to Duval Asphalt Products, Inc. as the lowest responsive, responsible bidder. Term shall be from October 1, 2020 through September 30, 2021 with two (2) one (1) year renewal options. Estimated initial expenditure amount not-to-exceed $125,000.00.

Funding shall be encumbered from account 00111-156007-552150 and executed by Purchase Orders(s)

ATTACHMENTS: Recommendation Memo; Bid Tabulation; Terms & Conditions; Specifications

ANALYST: _____
DAVID KLAGES

RESPECTFULLY SUBMITTED: _____
GREGORY PEASE, CHIEF
PROCUREMENT DIVISION

CONCURRENCE BY: Stephen D. Long Jr., P.E., Chief, Right of Way and Stormwater Maintenance Division

(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF GGAC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING 3 MEMBERS DISAPPROVING 0 DATE: 10/01/2020

Teresa R. Eighmy _____ OTHER: _____

_____ _____

_____ _____

ACTION OF AWARDING AUTHORITY DATE 10-2-20

APPROVED VBH DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____