


City Council Staff Report

Meeting Date: 4/15/2024

Item: 4

Report Prepared by: Adam Dorrell, Public Works Director

Recommended Motion: To approve a Resolution of the City Council of the City of Kirksville, Missouri, authorizing the purchase of asphalt cement (AC) oil from Marathon Petroleum Company, Chatham, Illinois, through October 31, 2024.

Background: AC oil is the oil that is used to make asphalt at the asphalt plant. The City solicited bids for AC oil with the bid opening date of March 7, 2024. There were two bids submitted with Marathon Petroleum submitting the low bid. Marathon Petroleum's pricing for PG58-28 is Missouri index pricing plus \$5.00 and PG64-22 is Missouri index pricing plus \$5.00 and \$49.95 per ton freight on both product types. It is estimated that it will take 120 pounds of oil per ton of asphalt based on a 6% mix design. The asphalt plant is expected to produce over 9,000 tons of asphalt in 2024. In 2023 the City spent \$201,876 on AC oil

As with other petroleum-based products, there is a provision for price changes. Marathon Petroleum has agreed to honor the Missouri Asphalt Oil Price Index numbers that are updated monthly to ensure proper pricing is maintained by the vendor.

Citizen Impact: Authorization of this project is in line with Chapter 5: THINK Infrastructure & Public Facilities, Objective 5.1. "Improve the sustainability of infrastructure, making it more reliable, efficient, and affordable in the long run," of the THINK Kirksville Comprehensive Plan. This allows the City to continue to provide reliable and consistent internal infrastructure support.

Fiscal Impact: Based on current estimates for this year, it is expected that the City will purchase approximately \$300,000 or more worth of oil. These funds have been budgeted in line 332-3251-7500.

Respectfully submitted,



Mari E. Macomber
City Manager