

BELL & FLYNN LLC

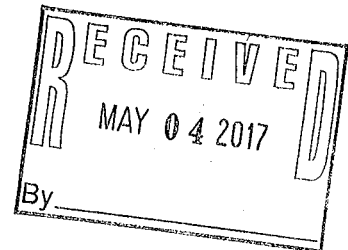
Pavement Reclamation
Engineers & Contractors

Planning	•	Testing	•	Design	•	Engineered/Reconstruction	•	Construction
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April 7, 2017

Town of Stratham
Mr. Paul Deschaines, Town Administrator
10 Bunker Hill Ave
Stratham, NH 03885



Dear Mr. Deschaines,

Despite continuing cost increases associated with wages/benefits, equipment/maintenance, transportation/energy and regulatory requirements which are customarily reflected in increased unit prices at the commencement of each construction season and despite a \$1.00 increase in the cost of bituminous concrete pavement as determined per NHDOT asphalt adjustment clause (Item 101.2), Bell & Flynn LLC is pleased to be able at this time to offer to extend the current contract for road reconstruction services under the previously approved 2016 pricing guidelines upon mutual agreement by the Town of Stratham.

The Unit Price of Pay Item #IA "Bituminous Concrete Pavement (machine method)" per ton, in place, per Project Manual and Specifications (Barker Rd, Willowbrook Ave) shall remain \$68.00 per ton thru July 15, 2017. The Unit Price of Pay Item #IB "Bituminous Concrete Binder Course" per ton, in place, per Project Manual and Specifications (Coach Rd, Merles Ln, Humes Ct, Brown Ave, Winding Brook Dr, Tall Pines Dr, Evergreen Way, Tansey Ave) shall remain \$67.00 per ton (the lowest unit price paid for pavement installed since the 2008 construction season!) thru July 15, 2017. The Unit price of Pay Item #I c "Bituminous Concrete Pavement (machine method-parking lots)" per ton, in place, per Project Manual and Specifications (Highway Dept/Garage) shall be \$78.00 per ton thru July 15, 2017. The unit price of Bituminous Concrete Pavement installed after July 15, 2017 shall be subject to adjustment per NHDOT asphalt cement adjustment clause (Item 1010.2). All other terms, conditions and prices including road reclamation, fine grading and compaction, and installation of additional asphalt stabilized base material shall remain unchanged.

In recent years, the Stratham Board of Selectmen has opted to extend the annual paving contract, thereby avoiding mid-season price increases of as much as \$6.00 per ton. Similarly 2017 spring startup pricing currently exceeds the highest price point of 2016 and normal seasonal demand exacerbated by macroeconomic/geopolitical dynamics in crude oil markets is anticipated to again increase the price of asphalt pavements through the summer months of 2017. While the fundamental market dynamics of liquid asphalt remain subject to volatility and hot mix asphalt producers are understandably reluctant to enter long-term price commitments, after extensive

negotiations with our suppliers Bell & Flynn LLC is currently able to guarantee pricing for all paving services completed prior to July 15, 2017, thereby securing pricing indexed to the NHDOT March 2016 asphalt cement adjustment and protecting the Town of Stratham from the repercussions of the April 15, May 15, and June 15 monthly adjustments. Considering these anticipated cost increases, in an attempt to provide price stability (at the lowest possible price!) it should again prove beneficial to the Town of Stratham to extend the current contract for road reconstruction services including paving and to complete as much work as possible prior to mid-July similarly to last year.

Thanking you in advance for your thoughtful consideration of this letter, I remain,
Sincerely,

A handwritten signature in dark ink, appearing to read "John T. Bell", written in a cursive style.

John T. Bell, Vice President