



City Council Report

Date: September 11, 2014
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Dollar Limit Increase to the Term Contract for Rock and Concrete Materials for the Energy Resources Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve a Dollar Limit Increase for the Term Contract for Rock and Concrete Materials for Energy Resources as recommended.

Energy Resources and Purchasing recommend authorizing a dollar limit increase of \$200,000, increasing the annual contract amount from \$970,000 to \$1,170,000 annually.

Background / Discussion

This contract provides rock and concrete materials for the Energy, Water Resources, Transportation and PRCF Departments. On April 23, 2012, Council awarded the contract to eight vendors (as primary and/or secondary vendors for Group I to III) and by individual line items, for the combined contract award of \$798,000 annually.

On March 4, 2013, Council approved a dollar-limit increase of \$122,000 due to unanticipated and additional needs by the respective departments through the first contract year, April 2013, which increased the annual contract amount from \$798,000 to \$920,000 annually. On April 15, 2013, Council approved a dollar-limit increase of \$50,000 for Energy Resources to continue providing materials to job sites including, Stonegate in Mesa, Johnson Farms, Phases 3 & 7 in Queen Creek and Ironwood Crossing, Phase 3C in Queen Creek, which increased the annual contract amount from \$920,000 to \$970,000.

Energy Resources requests the increase of \$200,000 to support future and any additional project needs through FY 14/15. The department currently has seventeen projects scheduled for the fiscal year (Mesa and Magma). Approximately 105,474 linear feet of gas mains and services will be installed which will require an additional 8,789.5 tons of sand (\$161,897.45). A contingency of \$40,000 is included to cover any unanticipated, additional projects. The revised contract amount of \$1,170,000.00 will be effective through April 2015.

Alternatives

Council may choose not to authorize the increase.

Fiscal Impact

The annual contract amount is funded cumulatively by the various City Departments utilizing the contract for purchases.

Coordinated With

Energy Resources and Purchasing

PURCHASING INFORMATION

Action: Dollar Limit Increase

Solicitation Number: 2012101

Contract Term: 5/1/2012 through 4/30/2015

DOLLAR LIMIT INCREASE RECOMMENDATION

Description	
Eight vendors (primary and/or secondary vendors for Group I to III) by individual line items as awarded on April 23, 2012:	
1. Edw. C. Levy Co. dba Mesa Materials (a Mesa business)	
2. Fort McDowell Yavapai Materials	
3. Pioneer Landscape Materials dba Pioneer Sand	
4. A & A Materials Inc.	
5. Cemex Construction Materials	
6. Red Mountain Mining (a Mesa business)	
7. Arizona Metro Mix	
8. Rock Solid	
Original Award 4/23/2012	\$798,000.00
Dollar Increase Council approved 3/4/2013	\$122,000.00
Dollar Increase Council approved 4/15/2013	<u>\$50,000.00</u>
<u>Current Annual Contract Amount</u>	<u>\$970,000.00</u>
Dollar Increase Request 9/8/2014	\$200,000.00
Revised Annual Contract Amount (through April 2015)	<u>\$1,170,000.00</u>