



City Council Report

Date: October 6, 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: Three-Year Term Contract for Slurry Seal Sand for the Transportation Department **(Single Bid) (Citywide)**

Purpose and Recommendation

Council is requested to approve the Term Contract for Slurry Seal Sand as recommended.

Transportation and Purchasing recommend awarding the contract to sole source vendor, Vulcan Materials Co. at \$625,000 annually, based on estimated requirements.

Background / Discussion

Transportation has been using slurry seal sand for the last twenty years to seal Mesa's road surfaces. The sand seals enrich weathered pavements, fill fine cracks in the pavement surface, and provides additional skid resistance to the pavement while inhibiting raveling. The City uses slurry seal sand, Type I, Type II and Type III per the M.A.G. (Maricopa Association of Governments) Specifications Section 715.

The current contract was bid in 2009, and only Vulcan Materials Co. and Mesa Materials bid on the contract at the time.

Purchasing recently attempted to solicit bids on three separate occasions. The first solicitation was conducted with the help of EASI (Electronic Auction Service, Inc.). EASI reached out to several vendors. Two vendors responded, Vulcan and Mesa Materials. The bid was cancelled due to insufficient competition for a reverse auction. The second attempt resulted in no vendors bidding on the contract. The third and final attempt resulted in Vulcan Materials being the single bidder. Since then, Vulcan has bought out Mesa Materials, which further narrows the suppliers of slurry seal sand.

Alternatives

Council may choose not to authorize the purchase and new responses will be solicited.

Fiscal Impact

This purchase is funded by the Transportation department operating budget.

Coordinated With

Transportation and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Request for Bids

Solicitation Number: 2015046

Vendors Registered: ProcureAZ 68, and Vendor Self Service 1

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Downloads: 9

Responses: 1

Local Consideration: Not applicable as there were no Mesa responses, single response.

Protests Received: None

Initial Contract Term: Three years

Possible Renewals: Two, one-year renewal subject to future Council consideration

Prices: Future price increases are capped by the Producer Price Index

Pricing Available to Other Cooperative Agencies: Yes

Single Response received on August 27, 2014:

Vulcan Materials Co
Phoenix, AZ

\$577,000 (Recommended)

AWARD RECOMMENDATION

Vulcan Materials Co.

Phoenix, AZ

Description
Slurry Seal Sand per Terms and Conditions, M.A.G. Specifications and Pricing as offered
Annual Contract Amount: <u>\$625,000</u>