



City Council Report

Date: March 23, 2015
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 Refurbishing and Galvanizing Services for Traffic Signal Poles for the Materials and Supply Warehouse (for the Transportation Department) **(Single Bid) (Citywide)**

Purpose and Recommendation

Council is requested to approve the Term Contract for Refurbishing and Galvanizing Services for Traffic Signal Poles as recommended.

Business Services and Purchasing recommend awarding the contract to single bidder, Cem-Tec, at \$29,200.00 annually, based on estimated requirements.

Background / Discussion

This contract will provide refurbishing and galvanizing services for used painted traffic signal poles and arms. Materials and Supply Warehouse stores the poles and mast arms that have been turned in from various projects. These items if still in useable condition and can be refurbished to like-new condition. This saves the City a considerable amount of money compared to purchasing new.

The City solicited bids on January 21, 2015, with the due date of February 10, 2015. The City received one bid response from Cem-Tec. Purchasing contacted several vendors identified by Mesa Purchasing for their reason for not submitting a bid. These are the reasons several vendors did not end up submitting a bid: one vendor was unsure about the condition of the poles, two vendors did not want to deal with the galvanization portion of the project.

The City had a contract for these services with Cem-Tec from 2006 through 2011. Cem-Tec and Southwest Fabrications were the only bidders in 2006. Cem-Tec's pricing for the same line items has increased 3.7% since 2011. Inflation (Consumer Price Index) has increased by 2.1%. Cem-Tec's pricing with an overall increase of 1.6% is reasonable.

Alternatives

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

Fiscal Impact

The annual contract amount is funded by the Materials and Supply operating budget through the Warehouse Internal Service Fund.

Coordinated With

Business Services – Materials and Supply, and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Request for Bids

Solicitation Number: 2015136

Vendors Registered on Bid List: ProcureAZ (378) and Vendor Self Service (22)

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

Downloads: 17

Responses: 2 (including 1 No Bid response)

Local Consideration: Not applicable as there was a 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 Consumer Price Index

Pricing Available to Other Cooperative Agencies: Yes

February 10, 2015 Single Response:

Cem-Tec Corporation
Phoenix, AZ

\$29,189.00 (Recommended)

No Bid Response received from:

Traffic Parts.com

AWARD RECOMMENDATION

Cem-Tec Corporation
Phoenix, AZ

Description
Refurbishing and galvanizing services for used painted traffic signal poles and mast arms per Terms and Conditions, Mesa Standard Details and Specifications and Pricing as offered
Annual Contract Amount: <u>\$29,200.00</u>