



# City Council Report

**Date:** December 5, 2016  
**To:** City Council  
**Through:** Mike Kennington, Chief Financial Officer  
**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 Gradation Glass Beads for Pavement Markings for the Materials and Supply Warehouse (for the Transportation Department) **(Citywide)**

## **Purpose and Recommendation**

Council is requested to approve the Term Contract for Gradation Glass Beads for Pavement Markings as recommended.

The Business Services and Transportation Departments, and Purchasing recommend authorizing the contract using the State of Arizona cooperative contract with Potters Industries, LLC at \$55,000.00 annually, based on estimated requirements.

## **Background / Discussion**

This contract will provide gradation glass beads essential for the liquid application of pavement markings. Transportation - Field Operations group uses the product to enhance the reflectivity of pavement markings in the City. As the striping material wears, the glass beads that are blended in the material are exposed to give continuous retro-reflectivity, improving the durability and life of the material. Field Operations paints about 1,200 miles of lines per year and also paints crosswalks, stop bars, traffic symbols and curbs.

The State contract is considered extremely competitive and contains a most favored customer clause. This clause prohibits the successful bidder(s) from offering other Arizona customers a better price for similar items without extending that price to the State of Arizona as well. Because this clause exists, it is doubtful that the City could obtain a better price by obtaining separate bids.

On September 14, 2016, State of Arizona awarded a contract to Potters Industries, LLC with a one-year initial term and four, one-year renewal options available. Transportation and Purchasing are requesting approval for the three-year initial term subject to the State renewing its contract for the second and third years. Any renewals beyond this initial three-year term will be subject to future Council consideration.

## **Alternatives**

Council may choose not to authorize the purchase using the State contract.

## **Fiscal Impact**

The annual contract amount is available in the Materials and Supply budget through the Warehouse Internal Services Fund.

## **Coordinated With**

Business Services - Materials and Supply, and Purchasing

## **PURCHASING INFORMATION**

Action: Initial Award

Contracting Agency: State of Arizona

Contracting Agency Contract Number: ADSPO17-152518

Mesa Contract Number: 2017081

Initial Contract Term: Three-Years subject to the State renewing their contract (second and third year)

Possible Renewals: Two, one-year renewals subject to future State renewals and Council consideration

## **AWARD RECOMMENDATION**

***Potters Industries, LLC***  
**Valley Forge, PA**

| Description  |
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| <p data-bbox="297 1087 1349 1157">Gradation Glass Beads for Pavement Markings per Contract No. 2017081, and State of Arizona Contract No. ADSPO17-152518</p> <p data-bbox="574 1192 1141 1230"><b>Annual Contract Amount: <u>\$55,000.00</u></b></p> |