



City Council Report

Date: February 27, 2017
To: City Council
Through: Mike Kennington, Chief Innovation Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Re-Award of the Three-Year Term Contract for Spray Marking Paint for the Materials and Supply Warehouse (for various City Departments) **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Re-Award of the Term Contract for Spray Marking Paint as recommended.

The Business Services Department and Purchasing recommend re-awarding the contract to second-lowest responsive and responsible bidder, Border States Electric at \$57,300.00 annually, based on estimated requirements.

Background / Discussion

This contract provides various types of spray marking paint for the City of Mesa and the City of Chandler. Spray marking paint is used by various City Departments. The bid specifies Aervoe or an approved equal. Materials and Supply orders, receives delivery and maintains inventory of the spray marking paint.

On August 22, 2016, Council approved the initial three-year contract with Arizona Water Works Supply. After receiving shipment from the City's first order, the Product delivered did not meet specification and performance requirements. The City reached out to the vendor to address issues with the product supplied and the vendor supplied the City new paint. The new paint still did not meet specifications and a third batch of paint was provided by the vendor. After demonstrations were conducted, the third paint batch still was not meeting specifications. Effective December 20, 2016, the City terminated the Contract for Default in accordance with the terms and conditions listed in the contract. Pursuant to section 4.42 of the City of Mesa Procurement Rules, "If a contract is terminated within one (1) year of the Solicitations Due Date, the City may Award all or part of the Contract to: (i) the next lowest priced, Responsible and Responsive Respondent under a Request for Bids."

Alternatives

Council may choose not to authorize re-awarding the contract and new responses will be solicited.

Fiscal Impact

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

Coordinated With

Business Services – Materials and Supply and Purchasing

PURCHASING INFORMATION

Action: Re-Award

Procurement Type: Request for Bids

Solicitation Number: 2016253

Vendors Registered on Bid List: ProcureAZ (99) and Vendor Self Service (20)

Advertising: ProcureAZ and Purchasing Website

Downloads: 43

Responses: 2

Local Consideration: Not applicable as there were no Mesa responses

Protests Received: None

Initial Contract Term: 2/27/2017 through 8/31/2017

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

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

Pricing Available to Other Cooperative Agencies: Yes

June 13, 2016 Responses

Arizona Water Works Supply
Tempe, AZ

Group A – \$48,089.70*
Group B – \$4,783.76*

* Awarded 8/22/2016, Terminated 12/20/2016

Border States Electric
Phoenix, AZ

Group A – \$60,824.80**
Group B – \$6,871.80**

**** Recommended Re-Award 2/27/2017.**

RE-AWARD RECOMMENDATION

Border States Electric
Phoenix, AZ

Description
Spray Marking Paint per Agreement No. 2016253; Exhibits – Mesa Standard Terms and Conditions, Detailed Specifications and Other Exhibits; Solicitation including any addenda; and Contractor Response
Annual Contract Amount: <u>\$57,300.00</u>