



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

MEMO NO. ST12-001

1. Agenda Item Number:

34

2. Council Meeting Date:
July 28, 2011

TO: MAYOR & COUNCIL

3. Date Prepared: June 14, 2011

THROUGH: CITY MANAGER

4. Requesting Department: Transportation & Development

5. SUBJECT: Utilization of Arizona Department of Transportation (ADOT) Contract No. T0721A0067 for the purchase of asphalt rubber crack sealant material from Crafcoc Inc. in an amount not to exceed \$200,000.

6. RECOMMENDATION: Approval to use Arizona Department of Transportation (ADOT) Contract No. T0721A0067 for the purchase of asphalt rubber crack sealant material from Crafcoc Inc. in an amount not to exceed \$200,000.

7. BACKGROUND/DISCUSSION: The Streets Division needs to purchase 646,000 lbs. of asphalt rubber crack sealant material for the City's upcoming crack sealing and maintenance projects. The Poly Flex III material manufactured by Crafcoc Inc., a Chandler-based company, is an approved material for crack sealing work on City streets. It has been used for the past 20+ years since Poly Flex III is specially formulated to withstand the high temperatures of the Arizona heat, does not track on the streets, and does not pick up or get carried into driveways. This reduces the number of complaints the City receives when this work is performed. Poly Flex III crack seal material is a very stable and durable product that is widely used in Arizona because of its flexibility and resiliency. In the past, the City has used a cooperative contract available to us through ADOT. City staff elected to issue our own solicitation last year. Due to economic conditions this year, Crafcoc Inc. asked staff for a price increase. The City's current contract pricing of \$0.3759 per lb. plus a requested increase of \$0.066 per lb. would have been \$0.4419 per lb. under our contract compared to ADOT's \$0.3096 per lb. price. In April 2011, ADOT denied Crafcoc Inc. a price increase.

Based on our history of utilizing this product and the above noted benefits, the Streets Division recommends continued use of this material and enhanced pricing.

8. EVALUATION PROCESS: On July 29, 2010 Council approved a City-issued bid for Rubber Crack Seal Material. One response was received from Crafcoc Inc., our current provider. The delivered price for this contract period was \$0.3759 per lb. In May 2011, staff received a letter from Crafcoc Inc. requesting a \$0.066 per pound increase. Based upon this, we have elected to revert back to using the ADOT contract pricing of \$0.3096 per lb., or an instant savings of \$35,800 based on last year's quantity of 540,000 lbs. This will allow the City to purchase an estimated 106,000 lbs. of additional material.

The ADOT contract pricing is good until April 2012.

9. FINANCIAL IMPLICATIONS:

Cost: \$200,000

Savings: N/A

Long Term Savings: N/A

<u>Acct No.:</u>	<u>Fund:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Funds:</u>
101.3300.0000.6513	General Fun	Street Maintenance	N/A	\$200,000

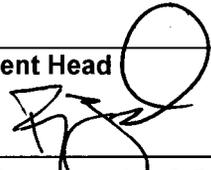
10. PROPOSED MOTION: Move to approve use of Arizona Department of Transportation (ADOT) Contract No. T0721A0067 for the purchase of asphalt rubber crack sealant material from Crafcoc Inc. in an amount not to exceed \$200,000.

APPROVALS

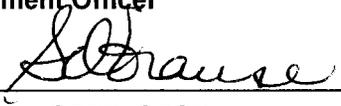
11. Requesting Department


Daniel W. Cook, Transportation Manager

12. Department Head


R.J. Zeder, Transportation & Development Director

13. Procurement Officer


Sharon Brause, CPPB, CPCP

14. City Manager


Rich Dlugas