



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

MEMO NO. ST08-032

1. Agenda Item Number:

44

2. Council Meeting Date:
May 8, 2008

TO: MAYOR & COUNCIL

3. Date Prepared: March 20, 2008

THROUGH: CITY MANAGER

4. Requesting Department: Public Works

5. SUBJECT: Approve utilization of Arizona Department of Transportation (ADOT) Contract No. T02-21-B0012 for the purchase of asphalt rubber crack sealant material from Crafcro Inc. in an amount not to exceed \$200,000.

6. RECOMMENDATION: Recommend approval of the utilization of ADOT Contract No. T02-21-B0012 for the purchase of asphalt rubber crack sealant material from Crafcro Inc. in an amount not to exceed \$200,000.

7. HISTORICAL BACKGROUND/DISCUSSION: Streets Division needs to purchase 750,000 pounds of asphalt rubber crack sealant material for the City's upcoming crack sealing projects. The Poly Flex III material manufactured by Crafcro Inc., a Chandler based company, is an approved material for crack sealing work on City streets and has been used the past seventeen years for the following reasons:

1. Poly Flex 111 is specially formulated to withstand the high temperatures of Arizona.
2. The product does not track on the streets and does not pick up and get carried into driveways or houses, reducing the amount of complaints the City receives when this work is performed.
3. The material is a very stable and durable product.

Based on the past twenty year history of utilizing this product and the above noted benefits, the Streets Division recommends continued use of this material. In FY 07/08 we also used the ADOT contract and paid \$0.2223 per pound plus delivery. The new ADOT price is \$0.2348 per pound, plus taxes of 7.8% and delivery. National escalating construction and material costs are reflected in this 5.6% bid price increase.

The City of Chandler benefits from using ADOT's contract because of the price reduction received by ADOT for the high volume of material that ADOT uses. Staff believes that the Crafcro product is a superior product, the majority of other municipalities in the valley also use this product, and ADOT has an existing contract that was bid that we can utilize.

8. EVALUATION PROCESS: By utilizing the ADOT contract, the City will save costs associated with the bid process and have the opportunity to participate in discounts not normally available to the City. A purchase order will be used as the contract to purchase these items and the City has an approved intergovernmental agreement with the State of Arizona.

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 Fund	Street Maintenance	N/A	\$200,000*

*Contingent upon approval of the 2008/09 budget.

10. PROPOSED MOTION: Approve by utilization of ADOT Contract No. T02-21-B0012 for purchase of asphalt rubber crack sealant material from Crafcro Inc. in an amount not to exceed \$200,000 per staff recommendation.

APPROVALS

11. Requesting Department



Daniel W. Cook, Deputy Public Works Director

12. Department Head



R.J. Zeder, Public Works Director

13. Procurement Officer



Sharon Brause, CPPB

14. City Manager



W. Mark Pentz, City Manager