

#19

## MEMORANDUM

TO: Brian C. Blad, Mayor and Members of the City Council  
FROM: Rich Diehl, Deputy City Attorney  
RE: Purchase of GSB-88 2:1 + Latex from Asphalt System, Inc. (Streets Department)  
DATE: March 17, 2021

I have reviewed the documents pertaining the declaration of "sole source" purchase from Asphalt System, Inc., (ASI) for the GSB. Idaho Code requires that the City Council make the declaration that we will be going "sole source" on this purchase and then the City needs to publish notice of the sole source procurement in the Idaho State Journal at least fourteen (14) days before awarding the contract.

Idaho Code § 67-2808 (2) (a) (v) allows for sole source procurement where there is "no functional equivalent" and since the GSB is a trademarked product, there is no functional equivalent. I would recommend that the Council to declare this a "sole source" purchase as this is a trademarked product and it is impractical to obtain three (3) bids.

It is appropriate to follow the recommendation of Tom Kirkman, Deputy Public Works Director. If you have any questions, please feel free to contact me.

#19



Street Operations Department  
2405 Garrett Way  
Pocatello, Idaho 83201  
Ph. 208.234.6250  
Fax 208.478.7152

---

MEMO

DATE: March 12, 2021  
TO: Mayor Brian Blad and City Council  
FROM: Tom Kirkman, Deputy Public Works Director  
SUBJECT: Recommendation for Purchase of GSB-88 2:1 Emulsion – Sole Source

It is my recommendation that the City of Pocatello Street Operations Department be able to purchase GSB-88 (Gilsonite Sealer-Binder Rejuvenator) 2:1 Emulsion from Asphalt Systems Inc. for use in the 2021 pavement maintenance program. Asphalt Systems Inc. is the only company who makes this proprietary, trademarked material, making it impractical/impossible to obtain three (3) bids.

GSB-88 is a GreenCircle Certified environmentally friendly restorative pavement sealer. The unique chemistry of GSB slows molecular aging (oxidation) and deterioration reactions in pavement binder oil, resists cracks, and binds aggregate. GSB-88 greatly extends pavement service life without the use of other, more expensive treatments.

The quantity requested is approximately 125 tons (~30,000 gallons at \$3.62 per gallon) for a total oil price of **\$108,600** (F.O.B. Salt Lake City, Utah), which is the same price per gallon as FY2019 and FY2020. This price has been budgeted for in Street Operation's FY2021 budget line 003-2002-500.80-01.

If a sole source is declared, The Street Operations Department will publish the *Notice of Sole Source* at least fourteen (14) days before the award of the contract. The *Sealing Agreement* and supporting documentation are attached hereto for Mayor and Council approval. Upon completion of publication, Council may wish to authorize the Mayor to sign the necessary documents to effectuate the purchase.

**LEGAL NOTICE  
SOLE SOURCE PROCUREMENT**

The City of Pocatello hereby publishes notice of intent to award a sole source expenditure pursuant to *Idaho Code §67-2808*. The sole source expenditure is between the City of Pocatello and Asphalt Systems, Inc. (ASI). The City intends to purchase GSB-88 2:1 Emulsion from ASI. The Pocatello City Council declared this work to be a valid sole source expenditure in accordance with Idaho Code, where competitive solicitation is impractical, disadvantageous, or unreasonable under the circumstances, at a regular meeting held on April 1, 2021. Any contractor may challenge this sole source expenditure. Notice must be filed within 14 days following this publication by sending such notice to: City Clerk, City of Pocatello, PO Box 4169, Pocatello, ID 83205-4169, or email [kkendell@pocatello.us](mailto:kkendell@pocatello.us).



GSB Products

February 17, 2021

Attn: Tom Kirkman  
City of Pocatello Street Department  
Pocatello, Idaho

To whom it may concern,

This letter is to confirm that we manufacture and supply our GSB-88® sealer/binder emulsion as a Sole Source pavement preservation material. Moreover, GSB-88® is a registered and trademarked product of Asphalt Systems Inc.® (ASI), located in Salt Lake City, Utah.

If you have any further questions or concerns, please do not hesitate to contact myself at 801-972-2757, or you may also contact Rick LaBelle at 208-313-3455 for further assistance.

Sincerely,

Phil Manning – General Manager  
Asphalt Systems, Inc.  
Salt Lake City, Ut.

Sealing Agreement #ASIRL-PC030421: City of Pocatello, ID

Updated 3-04-21  
By Rick LaBelle  
Asphalt Systems, Inc. (ASI)

Attn: Tom Kirkman

---

Product: GSB-88 2:1 Emulsion  
(Gilsonite Sealer-Binder Rejuvenator)

I. Oil Cost: F.O.B Salt Lake City, UT

- \* Quantity: 125 tons = approx. 30,000 gallons
- \* Application Rate: .09 gallons per sq. yd.
- \* Square Yardage: 333,333 sq. yds.
- \* Cost Per Gallon: \$3.62
- \* Total Oil Cost: \$108,600
- \* = \$0.32 per sq. yd.

II. Anticipated Job Dates: July (5 loads total)

III. Freight Cost

- \* F.O.B. Salt Lake City, UT

---

3/04/2021

Rick LaBelle  
Sales & Marketing  
Asphalt Systems, Inc. (ASI)

Accepted By:

---

Brian C. Blad, Mayor  
City of Pocatello