

ARIZONA GAME AND FISH DEPARTMENT

DETERMINATION FAIR AND REASONABLE PRICE INCREASE

CONTRACT NUMBER: CTR054410

LE Duty Gear

In accordance with the Arizona Procurement code, Rules and Regulations § 41-2542, Change Orders, Section R2-7-604 Contract Change Orders and Amendments and § 41-2543 Cost or pricing data, Section R2-7-702 Determination of Fair and Reasonable Price, it is determined that approval for a price increase for LE Duty Gear submitted by GALLS LLC is in the best interest of the state.

Pricing is considered fair and reasonable based upon the supporting documentation describing increased manufacture supply costs from ASP Inc. of 20% to 25%, Safariland Group/Binachi Brand increase of 3% to 6% and Streamlight Inc. increase of 6% since the inception of the contract.

The requested and approved price increase is as follows;

Item Description

GALLS LLC ** 20% off Catalog Pricing	Requested Adjustment	Contracted Price	Increase Adj.
Compact Light Holder Basketweave	\$11.55	\$10.50	9%
Compact Light Holder	\$12.10	\$11.00	9%
Accumold Ballistic Bianchi 7200 Duty Belt, 2-1/4 inches wide	\$36.30	\$33.00	9%
Accumold Elite Bianchi 7950 Duty Belt, 2-1/4 inches wide, black basketweave	\$42.90	\$39.00	9%
Accumold Ballistic Bianchi 7205 Liner Belt, nylon in black	\$15.95	\$14.50	9%
Accumold Elite Bianchi 7906 Gun Belt Keepers, 4-pack, hidden snap in black basketweave	\$10.01	\$9.10	9%
Accumold Ranger Bianchi 7406 Gun Belt Keepers, 4-pack	\$9.63	\$8.75	9%
Accumold Ballistic Bianchi 7302 Magazine Pouch, double, hidden snap, size 2 for SIG Sauer P226 and P229	\$24.20	\$22.00	9%
Peerless 700 on Chain Handcuffs, 3 link chain and two (2) Peerless handcuff keys	\$20.90	\$19.00	9%
Accumold Ballistic Bianchi 7300 Handcuff Case, covered, hidden snap, size 1 for one pair standard handcuffs	\$20.08	\$18.25	9%
Accumold Elite Bianchi 7900 Handcuff Case, covered, hidden snap, in black basketweave, in size 1 for one pair of handcuffs	\$22.83	\$20.75	9%
Accumold Ballistic Bianchi 7307 OC Spray Pouch, hidden snap for small canister size	\$16.50	\$15.00	9%
Accumold Elite Bianchi 7907 OC Spray Pouch, hidden snap, small canister size in black basketweave	\$21.73	\$19.75	9%

Steel Friction Loc Baton, 26 inches long with foam handle	\$114.08	\$92.00	19%
Accumold Elite Bianchi 7912 Baton Holder, expandable, in black basketweave, large and small sizes	\$19.80	\$18.00	9%
Accumold Ballistic Bianchi 7312 Baton Holder, expandable for large and small size batons	\$14.03	\$12.75	9%
Protac HL-X USB Streamlight Flashlight, 100 lumens, 300-meter beam	\$73.84	\$71.00	4%
Streamlight SL-B26 Protected Li-Ion USB Rechargeable Battery Pack, CR123A Lithium	\$27.82	\$26.75	4%

This price increase request and approval for LE Duty Gear is within the boundaries stated in the Arizona Procurement Code and in the best interest of the State.

Julie Tolby

Julie Tolby
Procurement Technician

March 4, 2022

Date

Elizabeth Burgard

Kristen Micurescu, CPPB
Procurement Branch Chief

For:

March 07, 2022

Date



Julie Tolby <jtolby@azgfd.gov>

State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM0032241 message

Sears, Bradlee <Sears-Bradlee@galls.com>

Mon, Feb 21, 2022 at 1:52 PM

To: "JTolby@azgfd.gov" <JTolby@azgfd.gov>

Cc: "Rose, Matthew" <Rose-Matthew@galls.com>, "Hickey, Tim (GALLS)" <Hickey-Tim@galls.com>

Good afternoon,

Please find attached renewal request accompanied with request for price increase on the State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM003224 Contract. Galls appreciates the partnership we have built with the agency over the years and throughout the pandemic. We would appreciate the consideration and look forward to continuing to build our relationship with the State of Arizona

Please direct any questions to Matt Rose, or myself.

Thank you,

Bradlee Sears (He/Him/His) | Strategic Contract Management Specialist

1340 Russell Cave Road | Lexington, KY 40505

Phone: 859-800-1401 | Sears-Bradlee@galls.com**Proud To Serve America's Public Safety Professionals**

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3 attachments**State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM003224- Price Increase Request 2022.pdf**
1238K**State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM003224- Renewal Request 2022.pdf**
273K**State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM003224- Pricing 2022.pdf**
137K

	GALLS LLC ** 20% off Catalog Pricing	Catalog Price		2021 & 2022 Catalog Price Dif	Requested Adjustment	Contracted Price	Increase Adj. Percentag e Difference
Item #	Description:	2021	2022				
7926	Compact Light Holder Basketweave	\$18.50	\$20.25	-\$1.75	\$11.55	\$10.50	9%
7326	Complact Light Holder	\$19.50	\$21.25	-\$1.75	\$12.10	\$11.00	9%
7200	Accumold Ballistic Bianchi 7200 Duty Belt, 2-1/4 inches wide	\$59.00	\$62.00	-\$3.00	\$36.30	\$33.00	9%
7950	Accumold Elite Bianchi 7950 Duty Belt, 2-1/4 inches wide, black basketweave	\$69.00	\$71.00	-\$2.00	\$42.90	\$39.00	9%
7205	Accumold Ballistic Bianchi 7205 Liner Belt, nylon in black	\$25.50	\$27.50	-\$2.00	\$15.95	\$14.50	9%
7906	Accumold Elite Bianchi 7906 Gun Belt Keepers, 4-pack, hidden snap in black basketweave	\$16.00	\$17.75	-\$1.75	\$10.01	\$9.10	9%
7406	Accumold Ranger Bianchi 7406 Gun Belt Keepers, 4-pack	\$15.50	\$17.25	-\$1.75	\$9.63	\$8.75	9%
7302	Accumold Ballistic Bianchi 7302 Magazine Pouch, double, hidden snap, size 2 for SIG Sauer P226 and P229	\$39.50	\$41.25	-\$1.75	\$24.20	\$22.00	9%
ASP	Peerless 700 on Chain Handcuffs, 3 link chain and two (2) Peerless handcuff keys	MFG Statement of cost +			\$20.90	\$19.00	9%
7300	Accumold Ballistic Bianchi 7300 Handcuff Case, covered, hidden snap, size 1 for one pair standard handcuffs	\$32.00	\$33.75	-\$1.75	\$20.08	\$18.25	9%
7900	Accumold Elite Bianchi 7900 Handcuff Case, covered, hidden snap, in black basketweave, in size 1 for one pair of handcuffs	\$37.00	\$38.75	-\$1.75	\$22.83	\$20.75	9%
7307	Accumold Ballistic Bianchi 7307 OC Spray Pouch, hidden snap for small canister size	\$26.00	\$27.75	-\$1.75	\$16.50	\$15.00	9%
7907	Accumold Elite Bianchi 7907 OC Spray Pouch, hidden snap, small canister size in black basketweave	\$36.00	\$37.75	-\$1.75	\$21.73	\$19.75	9%
	Steel Friction Loc Baton, 26 inches long with foam handle	MFG Statement of cost +			\$114.08	\$92.00	19%
7912	Accumold Elite Bianchi 7912 Baton Holder, expandable, in black basketweave, large and small sizes	\$32.00	\$37.75	-\$5.75	\$19.80	\$18.00	9%
7312	Accumold Ballistic Bianchi 7312 Baton Holder, expandable for large and small size batons	\$22.50	\$24.25	-\$1.75	\$14.03	\$12.75	9%
ASP	Protac HL-X USB Streamlight Flashlight, 100 lumens, 300-meter beam	MFG Statement of cost +			73.84	\$71.00	4%
Streamlight	Streamlight SL-B26 Protected Li-Ion USB Rechargeable Battery Pack, CR123A Lithium	MFG Statement of cost +			27.82	\$26.75	4%



Customer: State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM003224 Date: 2/21/2022
 Attn: _____ Quote Number: _____
 Rep Name: _____
 Acct #: 5292967

GQ Item#	MFG Model #	MFG	Description	Current Price	New Price
BA078	52613	ARMAMENT SYSTEMS AND PROCEDURE	Steel Friction Loc Baton, 26 inches long with foam handle	\$ 92.00	\$ 114.08
NP160 BLK	7200	BIANCHI/SAFARI LAND LLC	Accumold Ballistic Bianchi 7200 Duty Belt, 2-1/4 inches wide	\$ 33.00	\$ 36.30
ZM170	7950	BIANCHI/SAFARI LAND LLC	Accumold Elite Bianchi 7950 Duty Belt, 2- 1/4 inches wide, black basketweave	\$ 39.00	\$ 42.90
NP161	7205	BIANCHI/SAFARI LAND LLC	Accumold Ballistic Bianchi 7205 Liner Belt, nylon in black	\$ 14.50	\$ 15.95
NP354	7906	BIANCHI/SAFARI LAND LLC	Accumold Elite Bianchi 7906 Gun Belt Keepers, 4-pack, hidden snap in black basketweave	\$ 9.10	\$ 10.01
ZM011 BLK	7406	BIANCHI/SAFARI LAND LLC	Accumold Ranger Bianchi 7406 Gun Belt Keepers, 4-pack	\$ 8.75	\$ 9.63
ZD458	7302	BIANCHI/SAFARI LAND LLC	Accumold Ballistic Bianchi 7302 Magazine Pouch, double, hidden snap, size 2 for SIG Sauer P226 and P229	\$ 22.00	\$ 24.20
NP166 BLK	7300	BIANCHI/SAFARI LAND LLC	Accumold Ballistic Bianchi 7300 Handcuff Case, covered, hidden snap, size 1 for one pair standard handcuffs	\$ 18.25	\$ 20.08
NP351 BW HS	7900	BIANCHI/SAFARI LAND LLC	Accumold Elite Bianchi 7900 Handcuff Case, covered, hidden snap, in black basketweave, in size 1 for one pair of handcuffs	\$ 20.75	\$ 22.83
NY540 BLK HS	7307	BIANCHI/SAFARI LAND LLC	Accumold Ballistic Bianchi 7307 OC Spray Pouch, hidden snap for small canister size	\$ 15.00	\$ 16.50
NP1898 BLK BW HS	7907	BIANCHI/SAFARI LAND LLC	Accumold Elite Bianchi 7907 OC Spray Pouch, hidden snap, small canister size in black basketweave	\$ 19.75	\$ 21.73
LP793 BW BLK	7912	BIANCHI/SAFARI LAND LLC	Accumold Elite Bianchi 7912 Baton Holder, expandable, in black basketweave, large and small sizes	\$ 18.00	\$ 19.80
NP580/NP581	7312	BIANCHI/SAFARI LAND LLC	Accumold Ballistic Bianchi 7312 Baton Holder, expandable for large and small size batons	\$ 12.75	\$ 14.03
NP363 BLK BW	7926	BIANCHI/SAFARI LAND LLC	Accumold Elite Bianchi 7926 Compact Light Holder size 1 in black basketweave for a Strion brand flashlight	\$ 10.50	\$ 11.55
ZS645 01	7326	BIANCHI/SAFARI LAND LLC	Accumold Ballistic Bianchi 7326 Compact Light Holder in black, size 1 for a Strion brand flashlight	\$ 11.00	\$ 12.10
RS001	700	PEERLESS HANDCUFF COMPANY	Peerless 700 on Chain Handcuffs, 3 link chain and two (2) Peerless handcuff keys	\$ 19.00	\$ 20.90
FL1380	88084	Streamlight	Protac HL-X USB Streamlight Flashlight, 100 lumens, 300-meter beam	\$ 71.00	\$ 73.84
FL1860	SL-B26	Streamlight	Streamlight SL-B26 Protected Li-Ion USB Rechargeable Battery Pack, CR123A Lithium	\$ 26.75	\$ 27.82



1340 Russell Cave Road
Lexington, KY 40505

02/17/2022

Via *electronic mail*

Attn: Julie Tolby
Arizona Game and Fish Department
Purchasing Office
5000 W. Carefree Hwy
Phoenix, AZ 85086

Re: State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM003224
Request for Price Increase

Dear Julie:

Due to increased costs from our suppliers and changes to market conditions affecting labor, utility, and shipping costs, Galls is requesting a price increase on the affected goods and services provided by Galls on the State of Arizona Game and Fish Department- Law Enforcement Duty Gear #BPM003224 Contract Items.

As evidence of the above and for your records, please find enclosed documentation from our vendor partners supporting this request. Additionally, Galls is requesting a 4% increase due to market condition changes. Also enclosed is an updated pricing schedule detailing the increase.

This request will be effective upon written approval from the agency. If you have any questions, please contact Bradlee Sears at Sears-Bradlee@Galls.com.

We appreciate your attention to this important matter.

Regards,

A handwritten signature in black ink, appearing to read 'B. Sears', followed by a horizontal line.

Bradlee Sears
Strategic Contract Management Specialist
Galls, LLC

Enclosure: Vendor Price Increase Letters
Updated Pricelist



1340 Russell Cave Rd
Lexington, KY 40505
www.galls.com

Friday, November 19, 2021

Dear Customer,

This historic inflationary environment continues to put significant pressure on Galls business. Despite our best efforts to absorb all of these cost increases the continuing pressures has left us little choice but to pass at least some of these costs to our customers. We are being assailed from all sides, but particularly in three areas. Freight expense, labor expense and ongoing increases from suppliers.

FREIGHT EXPENSE

- The Covid-19 pandemic has driven a **long-lasting surge** in transportation costs, putting pressure on many businesses already confronting higher wages and raw-material prices. Experts are saying they expect elevated freight costs stretching into 2023.
- **Parcel Freight** – FedEx, UPS, and the US Postal Service have already announced record high price increases for 2022. Overall when factoring in the 4.9% rate increase and all other surcharge increases including the COVID surcharges, parcel freight costs are up 8% in 2021
- **Ocean Freight** – Container prices have skyrocketed in 2021, up 300-400% on the low end and as high as 1000%+ on the high end.
- **Truck Freight** – Truckload costs are up 28.5% in 2021 and Less than Truckload (LTL) costs are up 9.1%.
- **Fuel Costs** – All freight costs are further impacted by the rising cost of Diesel Fuel. Diesel fuel is up 20%+ in 2021 and recently reached the highest levels since 2014. Fuel Surcharges have basically doubled for all modes; for Parcel freight this represents an additional 5% increase in cost on top of rate increases described above.

LABOR EXPENSE

- The ongoing pandemic coupled with a lack of job applicants has caused labor rates to soar. Our distribution center wages have risen over 50 percent in the last six months as we try to keep pace with the job market to stay fully staffed and attract strong talent.

SUPPLIER INCREASES

- The number and size of increases being passed along from our suppliers is at an unprecedented level. Manufacturers of everything from uniforms to tactical pants to boots to duty belts are all passing on increases and at levels never seen before, in many cases double digits.

Thank you,

A handwritten signature in blue ink that reads 'Mike Fadden'.

Mike Fadden, CEO



Wednesday, December 22, 2021

1340 Russell Cave Road
Lexington, KY 40505

RE: Galls Price Increase

Dear Customer,

As you have seen in a recent letter from our CEO Mike Fadden, we're in an unprecedented inflationary environment that we do not expect to see abating anytime soon.

As a result, in addition to our supplier increases on products that we provide to you, we're asking for an additional 4% increase on your pricing. This is driven by two major factors, our freight costs which have risen over 8% in 2021 and our labor costs which have risen over 50% to allow us to keep pace with the job market.

While Galls is not immune to the outside effects of the Pandemic, we're working closely with our supplier partners to increase our inventory and improve service across our network.

We appreciate your support and partnership as we work together to provide great service to your end users.

Thank You,

A handwritten signature in black ink that reads 'Jim Dugan' in a cursive script.

Jim Dugan, CRO



1 December 2021

To whom it may concern:

Like companies in most industries, ASP has been at the receiving end of a continuing barrage of cost increases this year. These unprecedented price hikes have touched almost every area of our business, including (but by no means limited to):

- **Raw materials:** From the steel and aluminum used in our batons and handcuffs to the circuit components that drive our flashlights, to the polymer found in our Red Guns, virtually every raw material and component we use has been hit by double or even triple digit increases. In just one example, a single section of finished steel tubing increased by over 10X overnight. We make every effort to negotiate, place bigger buys and exert friendly pressure on our supply chain. But because we use highly-specialized (often exclusive) materials to maintain the quality demanded of us, there is often no option for "shopping around" for cheaper substitutes.
- **Labor:** It's no secret that willing workers have been hard to come by, and therefore the cost of labor has climbed. Both we, and our worldwide suppliers, are faced with labor shortages and substantial related cost increases. This extends to labor-related costs like health insurance as well.
- **Transportation:** This has been a huge area of concern, with the cost of ocean containers increasing by 500% or more, and other modes of transportation following suit. We take advantage of our domestic material and production resources wherever possible. However, much of what we need is simply not available domestically (gold plated flashlight circuit boards, 7075 aluminum tubing from Japan and 4140 German steel tubing).

It is important to note that unlike many companies, *we have not issued a single interim price increase in 2021*. While others have issued one or more increases this year, we have held off—in fact, our prices are all within 3% of where they were almost 2 years ago. But unfortunately, we can no longer absorb the cost changes, and we have no choice but to pass along significant selling price increases across most of our products, effective January 1, 2022. In most cases, these increases will average 20-25%, though wherever possible we have tried to minimize the impact. We sincerely hope that this is the only increase that will be necessary in the coming year, but we are watching global supply chain developments closely and must be prepared to react again if unavoidable.

We appreciate your understanding.

Sincerely,

ASP, INC

Daryell Harmon
Vice President of Sales

mh

Safariland, LLC

13386 International Parkway
Jacksonville, FL 32218
904-741-5400

December 29, 2021

Re: Price Increase

Dear Valued Distributor,

As you are aware, volatility and inflation in the global economy continue to impact businesses everywhere and have resulted in significant increases in the cost of raw materials, labor and logistics. While we are working diligently to minimize the impact on our customers by partnering with suppliers and improving our own efficiencies, we are unfortunately not immune to these pressures.

As a result, we issued new pricing along with our 2022 programs that include price increases across all product lines. Most of the increases range from 3-6% however, some specific products may be impacted even more due to specific circumstances or supply chain challenges.

We value your support as we work to minimize these impacts but remain committed to producing products of uncompromising quality in order to keep our first responders safe. Should you have any questions, please feel free to contact our Account Manager or Regional Sales Director.

Regards,



Nick Gorsky
Vice President – US Sales



January 1, 2022

Dear Streamlight Distributor,

If we considered 2020 a disruptive year due to the impact of Covid-19 on the business environment, 2021 can only be considered *incredibly* disruptive. Streamlight has always taken a very strategic view of pricing. We have worked to limit price increases whenever possible (no increase in 2020 or 2021) by focusing on value engineering within our product line, coupled with ongoing efforts to improve operational and supply chain efficiencies. Despite these efforts, 2021 has brought challenges in several areas:

- Transportation/Freight/Logistics – we have seen significant delays in 2020 and 2021 as well as cost increases in these areas. Instead of immediately passing on these higher costs, we waited to determine how much of these increased costs are permanent vs. transient/temporary in nature.
- Direct Labor – continued labor shortages have created a strain on both retaining our existing employees and in the recruitment of new employees. Our overall cost of labor has increased significantly since 2019.
- Cost Increases – our suppliers have been passing on price increases for many months now for products including: raw materials, packaging materials, batteries (alkaline & rechargeable), electronic components, MRO supplies, office supplies and others.

Based on what we consider to be permanent increases to the cost of doing business, we will be implementing a 6% price increase effective March 1, 2022. We have worked to maintain our normal price list cycle to help reduce disruption to your business as much as possible.

We look forward to working together for a successful 2022.

Regards,

A handwritten signature in black ink, appearing to read 'Michael F. Dineen'.

Michael F. Dineen
Vice President, Sales & Marketing
Streamlight, Inc.