



# City Council Report

**Date:** October 20, 2014  
**To:** City Council  
**Through:** Alex Deshuk, Manager of Technology and Innovation  
**From:** Edward Quedens, MPA, C.P.M., CPPO, Business Services Director  
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator  
**Subject:** One Year Renewal of the Term Contract for Fasteners, Hardware and Electrical Supplies for Fleet Services and various City Departments  
(Citywide)

## Purpose and Recommendation

Council is requested to approve a one-year Renewal of the Term Contract for Fasteners, Hardware and Electrical Supplies as recommended.

Fleet Services and Purchasing recommend authorizing a one-year renewal with Fastenal Company (a Mesa business) at \$78,000.00 annually, based on estimated requirements.

## Background / Discussion

The City maintains approximately 1,500 types of nuts and bolts required for vehicle maintenance. This contract provides fasteners, related hardware and electrical supplies commonly used for in an automotive repair facility, and general repairs for the Fleet Services, Fire, Communications and Water Resources Departments.

The vendor is responsible for maintaining an inventory of the specific items and quantities as designated by the City, supplying materials that equal or exceed the quality stated in the specifications, orders and stocks items on an as needed basis, and maintains inventory as directed by the City. Fleet Services currently employs the use of onsite vending machines through the catalog discount provided in this contract.

The cost of parts purchased from Fastenal Company has not increased for a majority of the parts purchased. The overall unit price for the bulk of items has decreased from the previous year. The City is currently working to create a new Citywide Contract for all onsite vending machines. Removing this contract prior to the new contract being awarded would require Fleet Services to discontinue its use of the onsite vending machines which has proven to be very beneficial to the department. Also there are high costs associated with changing vendors, and initial system implementation for this contract. The City has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

## Alternatives

Council may choose not to authorize the purchase and new bids will be obtained.

## **Fiscal Impact**

The annual contract amount is funded by the Fleet Services, Fire, Communications and Water Resources department operating budgets.

## **Coordinated With**

Fleet Services and Purchasing

## **PURCHASING INFORMATION**

Action: Renewal

Procurement Type: Request for Proposals

Solicitation Number: 2011198

Responses Received: Seven, and One No Bid response

Initial Contract Term: Three Years

Renewal Term: One Year

Renewal Terms Remaining: 1 One-Year

## **PROPOSAL EVALUATION SUMMARY (November 7, 2011)**

<b>Offeror</b>	<b>Evaluation Results (1,100 points possible)</b>
Fastenal Company – Mesa, AZ	930 points
Southwestern Supply Company, Inc. – Mesa, AZ	918 points
Barnes Group dba Barnes Distribution – Reno, NV	911 points
Grainger – Phoenix, AZ	597 points
Mel's Auto, LLC – Mesa, AZ	407 points
Copper State Bolt & Nut, Co. – Mesa, AZ	130 points
General Parts Distribution, LLC – Mesa, AZ	130 points

The following "No Bid" was received: Rush Enterprises – New Braunfels, TX

**RENEWAL RECOMMENDATION**  
***Fastenal Company***  
**Mesa, AZ**

Description
Fasteners, Hardware and Electrical Supplies per Terms and Conditions, Specifications and Pricing as offered
<b>Annual Contract Amount: <u>\$78,000.00</u></b>