



City Council Report

Date: August 22, 2016
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Four-Year Term Contract for Consolidated Equipment Maintenance Program for the Police Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the Term Contract for Consolidated Equipment Maintenance Program as recommended.

The Police Department and Purchasing recommend authorizing a contract using the State of Arizona cooperative contract with Specialty Underwriters at \$127,000.00 annually, based on estimated requirements.

Background / Discussion

The Police Department Forensic Services Division relies on specialized equipment and instruments for state-of-the-art scientific examinations in support of investigations. When pieces of equipment are purchased, a manufacturer's warranty is in effect. When a warranty expires, Forensics continues to maintain the equipment through individual support agreements, maintenance contracts or extended warranties.

This contract will provide forensics equipment maintenance management by Specialty Underwriters. The vendor evaluated Forensic Services' equipment maintenance agreements and provided a consolidated equipment management system. Their program will reduce the number of contracts in place, allow for additions and deletions of equipment, track repair requests and monitor equipment performance.

By consolidating 22 pieces of forensics equipment under one contract with Specialty Underwriters, the City will realize a 20% decrease in maintenance costs (\$28,251.00). Other benefits of this program are:

- No contract required (the City can cancel anytime and add/remove service contracts at any time).
- The overall 27% discount obtained (\$42,980.00) for longer multi-year contracts without the multi-year commitment.
- Program creates a website for the City that inventories equipment, tracks maintenance logs, contract terms and dates.
- The program cost will remain the same for four years. Annual service contracts routinely increase 4% per year.

The Police Department has requested the annual contract amount of \$127,000.00. This amount covers the annual program cost for services and maintenance at \$115,191.00, and contingency of \$11,519.00 (10%) for maintenance not covered under 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 Police Department operating budget.

Coordinated With

Police and Purchasing

PURCHASING INFORMATION

Action: Initial Award

Procurement Type: Cooperative Contract

Contracting Agency: State of Arizona

Contracting Agency Contract Number: ADSPO14-065173

Mesa Contract Number: 2017004

Initial Contract Term: Four Years

Possible Renewals: None

AWARD RECOMMENDATION

SU Group
Oak Creek, WI

Description
Consolidated Equipment Maintenance Program per Contract No. 2017004, State of Arizona Contract No. ADSPO14-065173 and Quote TS29239R dated 5/23/2016
Annual Contract Amount: <u>\$127,000.00</u>