



# City Council Report

**Date:** January 8, 2018  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Renewal to the Term Contract for Industrial Supplies for the Materials and Supply Warehouse (for Citywide Departments) **(Citywide)**

## Recommendation

Council is requested to approve the contract renewal as recommended.

The Business Service Department and Purchasing recommend authorizing the renewal using the City of Tucson / National IPA cooperative contract with Grainger at \$500,000.00 annually, based on estimated usage.

## Background

This contract supplies maintenance, repair and operations (MRO) supplies, parts, equipment, materials and related services including test instruments, hand tools and vehicle maintenance supplies, shelving and storage equipment, safety equipment and materials, power tools and metalworking, pneumatics and hydraulics and pumps and plumbing and HVAC equipment (e.g. air circulator fans, sump pumps, drill bits, conspicuity tape, timers, ball valves, casters, hand trucks, eyewash stations, pressure gauges and hand tools).

On 10/6/2014, City of Tucson, as the lead agency, awarded a National IPA cooperative contract (initial three-year contract with two, one-year renewal options) to Grainger. Mesa uses this cooperative contract as a National IPA member. Tucson has extended the contract with Grainger from 1/1/2018 through 12/31/2018 and the City would like to exercise a one-year renewal through the same expiration.

Mesa has used Grainger for many years and is highly satisfied with their product offering and available services. Multiple departments use this citywide contract to perform their work. Grainger has an 800-line core list of products based on buying patterns of users, and offer a discount off catalog prices ranging from 10% to 25% (general catalog equipment and supplies, tools, lighting, HVAC, plumbing, electrical, safety) to 45% (air filters). Mesa has developed a customized core list to include additional discounted items based solely on our usage.

The City of Tucson contract was competitively bid, meets procurement requirements and prices are competitive due to nationally based volume contract pricing. It is unlikely that competitive bidding would result in better pricing than through this cooperative contract.

## **Purchase Information**

Action: Renewal (1<sup>st</sup> of 2 possible)

Procurement Type: Cooperative Contract Use

Contract Number: 2015105

Contracting Agency/Contract Number: City of Tucson/141003 Contract Amendment 5

Original Council Award Date: 11/17/2014

Initial Contract Term: Three years

Funding Source: The purchase is funded in the Materials and Supply operating budget through the Warehouse Internal Services Fund and in the Department's operating budget purchasing from the contract