



# City Council Report

**Date:** November 5, 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, based on estimated usage.

## Background / Discussion

This contract provides 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, pneumatic and hydraulic 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).

The City 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, and safety) to 45% (air filters). Mesa has developed a customized core list to include additional discounted items based solely on our usage.

The National IPA cooperative contract was competitively bid by City of Tucson. City of Mesa receives better pricing based on volume purchases made nationally under this cooperative contract bringing economies of scale to the City. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

## Purchase Information

Action: Renewal (2<sup>nd</sup> of 2 possible)  
Procurement Type: Cooperative Contract Use  
Contract Number: 2015105

Contracting Agency/Contract Number – Contract Term: City of Tucson/141003 Contract  
Amendment 8 – 1/1/2019 to 12/31/2019  
Original Council Award Date: 11/17/2014  
Initial Contract Term: Three years  
Funding Source: Materials and Supply operating budget through the Warehouse Internal  
Services Fund and Department's operating budget purchasing from the contract