



# City Council Report

**Date:** December 10, 2018  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** Dollar Limit Increase 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 amendment as recommended.

The Business Services Department and Purchasing recommend increasing the dollar limit using the City of Tucson / National IPA cooperative contract with Grainger by \$60,000, from \$525,000 to \$585,000, for Year 4 of the term contract.

## Background / Discussion

Multiple departments use this citywide contract to perform their work. 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).

On 11/8/2018, the contract had a remaining balance of \$60 and management administratively approved two increases totaling \$25,000 to pay for outstanding invoices. Purchasing has estimated an additional increase of \$60,000 is needed to pay for various City Departments' purchases through the fourth year of the term contract through 12/31/2018.

The increase is needed because of Water Resources additional expenditures. The Signal Butte Water Treatment Plant spent approximately \$140,000 for its initial set-up and supply stock for the Process Controls, SCADA and Water Supply shops.

## Purchase Information

Action: Amendment (Year 4 – 1/1/2018 to 12/31/2018)  
Procurement Type: Cooperative Contract Use  
Contract Number: 2015105  
Contracting Agency/Contract Number – Contract Term: City of Tucson/141003  
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

Original Council Award Date: 11/17/2014

Dollar Limit History

Original Award Amount:	\$500,000.00
Administratively approved increase 11/8/2018:	\$10,772.16
Administratively approved increase 11/8/2018:	\$14,227.84
<b>Increase request 12/10/2018:</b>	<b>\$60,000.00</b>
New Contract Amount (Year 4 – 1/1/2018 to 12/31/2018:	<u>\$585,000.00</u>