



City Council Report

Date: April 6, 2020
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: One-Year Term Contract with Four Years of Renewal Options for MRO Supplies (Industrial, Building, Plumbing, Electrical and HVAC Materials) for the Materials and Supply Warehouse (for Citywide Departments) **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Business Services Department and Purchasing recommend authorizing the purchase using the State of Arizona cooperative contract with Border States Industries, Inc., at \$300,000 annually, based on estimated usage.

Background / Discussion

Multiple departments use this citywide contract. Materials and Supply, Water Resources and Energy Resources purchase their miscellaneous electrical equipment and supplies from Border States. Border States has over 1,300 line items on the core list of products based upon the buying patterns of users and offer a discount off list price ranging from 10% to 70% (general catalog equipment and supplies, electrical, lighting, and wire and cable) plus free freight. Users can order online for desktop delivery or go to their location in Mesa for pick-up orders.

The City has been using the State of Arizona cooperative contract ADSP014-064762 for Industrial and MRO Supplies; this expired 1/31/2019. The State re-solicited and awarded contract CTR047672 to Border States. A review of cooperative contracts found that no other cooperatives have Border States under contract. The cooperative contract meets procurement requirements and prices are competitive due to state-wide based volume contract pricing. It is unlikely that the City could obtain better pricing and rebates by issuing its own solicitation.

Purchase Information

Action: Award
Procurement Type: Cooperative Contract Use
Contract Number: 2020169
Contracting Agency/Contract Number: State of Arizona/CTR047672
Local Consideration: Policy did not apply to this procurement method
Protests Received: None
Initial Contract Term: One year
Possible Renewals: Four, one-year renewals subject to Administrative review and renewal
Funding Source: Business Services Department - Materials and Supply operating budget through the Warehouse Internal Services Fund and individual Department's operating budget