



# City Council Report

**Date:** August 21, 2023  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Kristy Garcia, Procurement Administrator  
**Subject:** Dollar Limit Increase to the Cooperative Use Term Contract 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 contract amendment as recommended.

The Business Services Department and Purchasing recommend increasing the dollar limit using the State of Arizona cooperative contract with Border States Industries, Inc., Year 4 by \$120,000, from \$300,000 to \$420,000 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 items on the core list of products based upon the buying patterns of users and offers a discount off list prices 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.

This term contract was established in April 2020. The City is in Year 4 of the contract. The increase is needed for the Greenfield Water Reclamation Plant to replace the Variable Frequency Drive for Dewatering Centrifuge #1. Border States quoted \$105,185.73 for the purchase.

Purchasing did not find any other cooperatives that have Border States under contract. The State of Arizona cooperative contract meets procurement requirements and prices are competitive due to state-wide based volume contract pricing.

## Purchase Information

Action: Amendment (Dollar Limit Increase)  
Procurement Type: Cooperative Contract Use

Contract Number: 2020169

Contracting Agency/Contract Number: State of Arizona/#CTR047672

Initial Contract Term: One Year

Possible Renewals: Four, one-year renewal 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

Dollar Limit History

Management approved Renewal (Year 4) – 1/4/2023:	\$300,000.00
This Increase Request (for Year 4) – 8/21/2023:	<u>\$120,000.00</u>
New Annual Contract Value (Year 4):	<u>\$420,000.00</u>
One-Year Renewal (Year 5) upon Administrative Approval:	<u>\$300,000.00</u>