



City Council Report

Date: December 9, 2024
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 Term Contract for Hardware Supplies and Related Services for Citywide Use **(Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Business Services Department and Procurement Services recommend increasing the dollar limit with Home Depot U.S.A., Inc. by \$200,000, from \$500,000 to \$700,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract supplies various City Departments with Hardware Supplies in a walk-in or internet purchase manner. Home Depot offers a robust selection of products in all maintenance supplies, hardware and building categories. Home Depot has local stores in Mesa, provides volume pricing programs and tiered annual rebates to the City.

The dollar limit increase is needed due to increased usage by departments and product cost increases.

This is a Maricopa County cooperative contract through Omnia Partners. As a nationally bid contract, it is unlikely that the City will receive better pricing by issuing a solicitation. This contract also offers annual rebates based on spend.

Purchase Information

Action: Amendment
Procurement Type: Cooperative Contract Use
Contract Number: 2018009
Contracting Agency/Contract Number: Maricopa County – U.S. Communities/#16154
Initial Contract Term: 52-Months (8/21/2017 through 12/31/2021)
Possible Renewals: None. Contract was already renewed through 12/31/2026
Funding Source: Various City Department's operating budgets purchasing MRO supplies

Dollar Limit History

Five Year Renewal Amount - Approved 11/1/2021:	\$400,000.00
Administrative Increase - Approved 9/26/2024:	<u>\$100,000.00</u>
Current Contract Value:	\$500,000.00
This increase request:	<u>\$200,000.00</u>
New Annual Contract Value (Years 8 – 10):	\$700,000.00