



City Council Report

Date: August 17, 2026
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 Industrial Plumbing Supplies for the Water Resources and Facilities Management Departments **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Water Resources and Facilities Management Departments and Procurement Services recommend increasing the dollar limit with Ferguson Enterprises, Inc., by \$300,000, from \$100,000 to an amount not to exceed \$400,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

This contract provides critical water system components, such as valves, pipe fittings, fire hydrants, and repair parts, needed to support both routine maintenance and emergency repairs within the City's water distribution system and City-owned hydrants. These materials are used daily by Water Resources crews to maintain reliable water service, perform scheduled maintenance, repair leaks, replace aging infrastructure, and ensure hydrants remain fully operational for fire protection. Immediate access to these components is essential for preventing service interruptions, reducing water loss, and safeguarding public health and safety.

A dollar limit increase is needed due to the Facilities Management Department being added to the contract. Facilities Management maintains over 400 city buildings and most require plumbing services. Materials are needed to support both routine maintenance and emergency repair activities. Maintaining a ready inventory will enable Facilities Management to respond quickly to system failures, manage costs effectively, and avoid delays associated with sourcing materials on an as-needed basis.

The State of Arizona cooperative contract has been competitively bid and meets the City's procurement requirements. Utilizing the State of Arizona contract allows the City to receive competitive rates based on a formally solicited agreement. The City believes the pricing is fair and reasonable and soliciting for these products would not result in the City receiving more favorable pricing or terms.

Purchase Information

Action: Amendment

Procurement Type: Cooperative Contract Use

Contract Number: 2026174

Contracting Agency/Contract Number: State of Arizona/CTR074549

Local Consideration: Policy did not apply to this procurement method

Initial Contract Term: 8/17/2026– 12/31/2026

Possible Renewals: Up to a maximum of three years, subject to Administrative review and approval

Funding Source: Water & Wastewater Operations and Maintenance Fund, and Facilities Management Operating Budget through the General Fund

Dollar Limit History

Original Award Amount (6/4/2026):	\$100,000.00
This increase request:	\$300,000.00
New Annual Contract Value:	\$400,000.00