



City Council Report

Date: January 27, 2020
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 / Omnia Partners (formerly National IPA) cooperative contract with Grainger by \$13,000, from \$721,000 to \$734,000 annually, for Year 5 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).

This contract expired on 12/31/2019, however, the contract balance is insufficient to pay for the remaining invoices. These supplies are heavily used and there has been an overall increase in spend across all City Departments. Two departments have approximately \$7,000 in invoices that have not been processed. Administrative increases have been exhausted. Staff estimates this increase will provide the amount known to be needed as well as provide a bit extra to cover any other purchases from other departments.

Purchase Information

Action: Amendment (Year 5)
Procurement Type: Cooperative Contract Use
Contract Number: 2015105
Contracting Agency/Contract Number – Contract Term: City of Tucson/141003
Original Council Award Date: 11/17/2014
Initial Contract Term: Three years
Funding Source: Materials and Supply operating budget through the Warehouse Internal Services Fund and individual Department's operating budget purchasing from the contract

Dollar Limit History

Renewal Award 11/5/2018 (Year 5):	\$500,000.00
Council approved Increase 9/23/2019:	\$196,000.00
Management approved Increase 12/17/2019:	<u>\$25,000.00</u>
Current Contract Value (Year 5):	\$721,000.00
Increase Request 9/23/2019:	<u>\$13,000.00</u>
New Contract Value (Year 5 – 1/1/2019 to 12/31/2019):	<u>\$734,000.00</u>