



# City Council Report

**Date:** February 5, 2018  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Term Contract for Electrical and Lighting Supplies 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 \$100,000.00, 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 used Border States for many years and is highly satisfied with their product offering and available services.

On 2/1/2014, the State of Arizona awarded a contract to Border States for Industrial and MRO Supplies. This State contract was competitively bid, meets procurement requirements and prices are competitive due to nationally based volume contract pricing. It is unlikely that competitive bidding would result in better pricing than through this cooperative contract. Mesa is eligible to utilize this contract as a State Purchasing cooperative member.

Purchasing has not previously sought Council approval because annual expenditures have been less than the Purchasing threshold of \$25,000.00. Purchasing recently conducted a spend analysis and determined the citywide expenditures with Border States exceeded the threshold and now requires Council approval.

## Purchase Information

Action: Award  
Procurement Type: Cooperative Contract Use  
Contract Number: 2018118

Contracting Agency/Contract Number: State of Arizona/ADSPO14-064762

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: The purchase is funded in the Materials and Supply operating budget through the Warehouse Internal Services Fund and in the Department's operating budget purchasing from the contract

<b>AWARD RECOMMENDATION</b>
<p>Industrial and Maintenance, Repair and Operations (MRO) Supplies (Electrical and Lighting) per Contract No. 2018118 and State of Arizona Contract ADSPO14-064762</p> <p><b>Annual Contract Amount: <u>\$100,000.00</u></b></p>