



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

38

2. Council Meeting Date:

June 25, 2009

TO: MAYOR & COUNCIL

3. Date Prepared: May 18, 2009

THROUGH: CITY MANAGER

4. Requesting Department: Management Services

5. SUBJECT: Approve increase of \$175,000 for the purchase of Industrial Supplies and Equipment utilizing the State of Arizona Contract #EPS060050-1-A3 with Grainger for a total amount not to exceed \$295,000.

6. RECOMMENDATION: Recommend increase of \$175,000 to purchase industrial supplies and equipment from Grainger utilizing the State of Arizona Contract #EPS060050-1-A3 for a total amount not to exceed \$295,000.

7. HISTORICAL BACKGROUND/DISCUSSION: On November 20, 2008, Council approved use of the State of Arizona's extended Contract with Grainger for the purchase of industrial supplies and equipment. The contract with Grainger covers everything in their catalog, including tools, shelving, safety supplies, fire extinguishers and material handling supplies. Most items are stocked in the City's Central Supply Division and used primarily by the Building and Facilities, Housing and Redevelopment, Reverse Osmosis, Water Distribution, Water Production, Wastewater Operations, Recreation and Park Development Divisions. The new location of the Parks and Facilities Division at 650 E. Ryan Road has caused the increased usage of industrial supplies and equipment. The Division utilized the contract to purchase shelving and other items to set up this new facility for a total amount of \$80,000. The Police Department also utilized the contract to purchase \$30,000 worth of respirators and other safety supplies as an emergency response to the recent outbreak of the swine flu. It is estimated that an additional \$175,000 will be required for the balance of the term contract through November 2009.

8. EVALUATION PROCESS: On November 20, 2008, Council approved use of the State of Arizona extended Contract #EPS060050-1-A3 with Grainger for the purchase of industrial supplies and equipment in an amount not to exceed \$120,000. Term of the contract extension is for a one-year period, December 1, 2008 through November 31, 2009. Most items are stocked in Central Supply and distributed upon request, while other items are ordered directly from Grainger and shipped directly to the requesting user. By utilizing this contract, it eliminates the bidding cost and obtains better pricing due to the purchasing discounts the State obtains on their bids and because of the nature of the thousands of miscellaneous items covered under this contract.

9. FINANCIAL IMPLICATIONS: Funds for the requested supplies will come from General Fund Inventory account (101.0000.0000.1516). Individual cost centers will be charged for the supplies as they are issued from Central Supply.

10. PROPOSED MOTION: Move to approve the increase of \$175,000 for the purchase of industrial supplies and equipment from Grainger utilizing the State of Arizona Contract #EPS060050-1-A3 for a total amount not to exceed \$295,000.

Robert Combs

APPROVALS

11. Requesting Department

Robert Combs, Purchasing & Materials Manager

12. Department Head

Dennis Strachota
Dennis Strachota, Management Services Director

13. Procurement Officer

Kristy Garcia
Kristy Garcia, CPPB

14. City Manager

W. Mark Pentz
W. Mark Pentz