



TITLE

PACE Supply Annual Purchase Order

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to approve a purchase order for Pace Supply not to exceed \$200,000 annually.

CONTACT

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Norman Woods, Assistant Public Works Director - Utilities and Environmental Services

Jemelyn Cruz, Finance Director

BACKGROUND & ANALYSIS

PACE Supply has served as a key vendor for the City's Public Works Department, providing essential equipment and materials used in emergency repairs and maintenance of the City's water treatment plant and water distribution infrastructure. This includes critical items such as replacement valves, clamps, couplings, pipes, leak detection devices, and personal protective equipment (PPE), which are necessary for responding to water main breaks, leaks, and related emergencies.

Historically, the City has established an annual purchase order with PACE Supply in the amount of \$100,000. However, in recent years, rising material costs driven by inflation, increased demand for construction materials, and the impacts of tariffs have significantly affected the cost of essential water system components. For example, the cost of hydrant repair has doubled from \$5,000 to \$10,000 per unit. These increases, combined with a higher volume of emergency repair activity due to ongoing infrastructure projects and aging assets, have resulted in increased costs.

To continue to meet the City's urgent water system maintenance needs without disruption and avoid delays in emergency response, it is necessary to increase the annual purchase order limit for PACE Supply. Staff recommends increasing the not-to-exceed amount from \$100,000 to \$200,000 annually and asks that Council allow the City Manager authority to approve this PO. Staff will review usage and budget appropriately each Fiscal Year in Water Enterprise, General Repairs and Maintenance. This increase represents a proactive investment in the City's ability to maintain continuity of service, reduce downtime during emergency events, and ensure public health and safety by minimizing the impact of water service disruptions.

COUNCIL PRIORITY PROGRAMS AND PROJECTS

Infrastructure: "Develop and maintain infrastructure resources to support sustainable growth."

FISCAL IMPACT

The Water Enterprise budget for FY25/26 has sufficient funds for the requested action. Future funding for this purchase order will be evaluated annually during the budget development process, based on actual expenditures and operational needs, with invoice reviews guiding adjustments in future fiscal years.

ENVIRONMENTAL REVIEW

None

ATTACHMENTS:

[1. Resolution - PACE Supply](#)