



Legislation Text

File #: 2020-116, Version: 1

Report to Mayor and City Council

Wednesday, March 04, 2020

Consent

SUBJECT:

CONSIDER APPROVING A COOPERATIVE PURCHASING AGREEMENT WITH HOME DEPOT FOR MAINTENANCE, REPAIR, AND OPERATION PRODUCTS NOT TO EXCEED \$200,000 PER YEAR (CITY COUNCIL)

I. SUMMARY

City departments use competitively solicited cooperative purchase agreements by other government jurisdictions or public agencies to maximize cost savings and efficiently use staff resources when purchasing goods and services. The County of Maricopa, Arizona awarded a Contract No. 16154 to the Home Depot as a result of request for proposal No. 16-154-RFP for maintenance, repair and operation supplies. This contract is available to the City of Carson through Omnia Partners, a group purchasing organization. Home Depot provides maintenance, hardware and paint supplies required by our City departments. Staff is recommending to approve the use of Omnia Partners' cooperative purchasing agreement with Home Depot for an amount not to exceed \$200,000 per fiscal year.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE the formal bidding procedures as defined by the Carson Municipal Code, Section 2610, as allowed by Section 2611 (g).
2. AUTHORIZE the City of Carson to use a Cooperative Purchasing Agency, The Home Depot Pro Institutional (formerly Interline Brands, Inc. d/b/a Supply Works) as allowed by Section 2611 (g) and issue purchase orders for an amount not-to-exceed \$200,000.
3. APPROVE the award of purchase contract for maintenance, hardware and paint supplies to Home Depot for the period beginning July 1, 2019 through December 31, 2026, for not to exceed amount of \$200,000 per fiscal year.

1.

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate.

IV. BACKGROUND

Home Depot has been the City of Carson's primary vendor for materials and supplies on an as-needed basis through will call and online ordering. The Home Depot Pro account has an online portal which allows departmental staff to create a quote or an item list and save the list through the Internet. The Finance department purchasing staff accesses the online portal, add items to the cart, and complete the purchase. This process has proven to be quick, convenient, and cost effective.

To maximize cost savings and staff resources, many governmental jurisdictions or public agencies combine their contracting efforts through cooperative purchase agreements, which increase pricing competitiveness and lowers operating costs through significant volume discounts. When comparing the administrative costs required, such as product research, vendor research, advertising, awarding, and creating the contract, it's often more cost-effective to make purchases through a cooperative purchase agreement. The pricing terms and conditions for this agreement were determined through a competitive solicitation that was conducted by County of Maricopa, Arizona.

The recommendations in this report are in accordance with the City Purchasing Code Section 2611 which authorizes the City departments, when it is advantageous to the City, to use cooperative purchasing agreements approved by the City Council to purchase supplies or nonprofessional services through legal contracts of other government jurisdictions or public agencies, eliminating the need to perform additional competitive bidding by the City of Carson.

This Cooperative Purchase Agreements was created, competitively bid, evaluated, and awarded by Maricopa County, Arizona. The agreement is shown as follows:

- Maintenance and Hardware Supplies - Lead Agency: Maricopa County, Arizona, Contract #16154, five (5) year initial term, February 1, 2017 - December 31, 2021, with option to renew for five (5) additional one (1) year periods;
- Paint and Paint Supplies - Lead Agency: Maricopa County, Arizona, Contract #170009, three (3) year initial term, March 9, 2017 - February 28, 2020 with option to renew for seven (7) additional one (1) year periods.

The Cooperative Purchasing Agreement will allow the City of Carson to:

- Meet requirements for competitive solicitation
- Eliminate the need for RFPs, making it easier and faster to receive needed supplies
- Gain access to thousands of products for same day purchasing through the

Maintenance, Repair, Operations (MRO) contract, including all in-stock items at the City of Carson's local Home Depot store, as well as special order items

- Gain access to savings up to 20% off paints, stains and primers through the paint contract

V. FISCAL IMPACT

There is no fiscal impact. Funds requested for the use of this cooperative agreement are already included in the Fiscal Year 2019-2020 adopted budget. Departments will use their own funding to purchase these MRO products as required.

VI. EXHIBITS

1. Executive Summary (pg 4)
2. Contract 16154-RFP (pg 6)
3. Contract Amendment 1 (pg 43)

Prepared by: Sander Huang, Purchasing Manager