



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

CONSENT
January 6, 2009

Honorable Mayor and
Members of the City Council

Title: Purchase/Cooperative Agreement: Industrial Supplies

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) increasing the spending authority and approving the use of Western States Contracting Alliance (WSCA) cooperative contract no. 7066 for the purchase of industrial supplies from Grainger Industrial Supply by \$1,500,000 in a total contract amount not to exceed \$2,700,000 through November 30, 2010, or until the contract is no longer available for use; and 2) authorizing the City Manager or the City Manager's designee to execute purchases in the amount specified above provided that sufficient funds are available in the budgets adopted for the applicable fiscal years.

Contact: Craig Lymus, Interim Procurement Services Manager, 808-5524

Presenters: Not applicable

Department: General Services

Division: Procurement Services

Organization No: 13001061

Description/Analysis

Issue: The City of Sacramento has ongoing requirements for industrial supplies used in various departments such as Utilities, Transportation, Information Technology, General Services, Convention Center, and Parks and Recreation.

In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing agreements approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.

Policy Considerations: The recommendations in this report are in accordance with provisions of the City Code Section 3.56.240.

Commission/Committee Action: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The Environmental Services Manager has determined that the action of purchasing industrial supplies does not constitute a project and is therefore exempt from review.

Sustainability Considerations: None

Rationale for Recommendation: In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program.

The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments and the Procurement Services Division to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

On October 31, 2006, City Council adopted Resolution No. 2006-802, authorizing the use of contract no. 7066, in an amount not to exceed \$1,200,000. The contract has since been extended from the original expiration date and additional funding is requested to continue to use this contract for three additional contract years. Therefore, staff now requests an additional \$1,500,000 in funding to continue to utilize this contract.

The use of the WSCA contract with Grainger Industrial Supply will maximize cost savings and staff resources.

Financial Considerations: Funding for industrial supplies will be provided by the various operating budgets or capital improvement project (CIP) budgets of the departments that utilize the service. Sufficient funding is available in the FY2008/09 operating and capital improvement project budgets to purchase industrial supplies through June 30, 2009. Purchases made after June 30, 2009 through the end of the contract are subject to funding availability in the adopted budget for the applicable fiscal

year(s).

Emerging Small Business Development (ESBD): Cooperative Purchasing Agreements are created, evaluated and awarded by other government agencies that may or may not have similar emerging and small business programs. However, the Department of General Services, Procurement Services Division shall consider other alternatives if it is determined that using cooperative contracts may have a negative impact on small businesses.

As of May 31, 2008, the Department of General Services achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully Submitted by: Craig B. Lymus
Craig B. Lymus
Interim Procurement Services Manager

Approved by: Reina J. Schwartz
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:

Cassandra A. B. Jennings
Ray Kerridge
City Manager

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RESOLUTION NO. 2009-XXXX

Adopted by the Sacramento City Council

January 6, 2009

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR
THE PURCHASE OF INDUSTRIAL SUPPLIES**

BACKGROUND

- A. The City of Sacramento has ongoing requirements to purchase industrial supplies. By purchasing through a cooperative purchasing contract with the Western States Contracting Alliance (WSCA), the City has an opportunity to obtain lower pricing on these items through volume purchasing.
- B. In accordance with City Code Section 3.56.240, the City Manager may, by cooperative purchasing approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.
- C. Using WSCA contract no. 7066 to purchase industrial supplies from Grainger Industrial Supply is advantageous to the City as it will result in cost and time savings.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The use of WSCA contract no. 7066 with Grainger Industrial Supply is increased by \$1,500,000 and approved for the purchase of industrial supplies, in a total amount not to exceed \$2,700,000 through November 30, 2010, or until the contract is no longer available for use.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the necessary purchases in the amount specified above provided that sufficient funds are available in the budgets adopted for the applicable fiscal years.

