



OPERATIONS COMMITTEE

Administration Building
10844 Ellis Avenue
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Agenda Report

File #: 2024-3573

Agenda Date: 5/1/2024

Agenda Item No: 3.

FROM: Robert Thompson, General Manager
Originator: Riaz Moinuddin, Director of Operations & Maintenance

SUBJECT:

COOPERATIVE PROCUREMENT WITH W.W. GRAINGER, INC.

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve a Blanket Purchase Order with W.W. Grainger, Inc. (Grainger, Inc.) for the purchase of maintenance tools and supplies, utilizing the Sourcewell Cooperative Agreement No. 091422-WWG in accordance with Ordinance No. OC SAN-61, Section 2.03(B), for the period beginning July 1, 2024, through June 30, 2025, with three one-year renewal options, for a total amount not to exceed \$375,000 annually.

BACKGROUND

In order to properly maintain and repair Orange County Sanitation District (OC San) facilities, the Operations and Maintenance Department requires miscellaneous parts and supplies which may be one-time purchases or purchased infrequently such that it is not appropriate to stock them in OC San's warehouse.

RELEVANT STANDARDS

- Participate in local, state, and national cooperative purchasing programs
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

The current Blanket Purchase Order with Grainger, Inc. expires on June 30, 2024. Without this agreement in place, procurement of parts and supplies necessary for day-to-day repairs could be delayed, resulting in higher individual procurement costs.

PROPOSED SOLUTION

Approve a Blanket Purchase Order with Grainger, Inc., through Sourcewell Cooperative Agreement (091422-WWG), thereby allowing quick procurement and stable pricing of necessary small tools and equipment for day-to-day repairs.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

Increased time to procure needed parts and supplies, and potential higher costs.

PRIOR COMMITTEE/BOARD ACTIONS

May 2023 - Approved a Blanket Purchase Order with W.W. Grainger, Inc. (Grainger, Inc.) for the purchase of maintenance tools and supplies, utilizing the National Association of State Procurement Officials (NASPO) Master Agreement No. 8496, for the period beginning July 1, 2023, through June 30, 2024, for a total amount not to exceed \$300,000.

February 2020 - Approved a Blanket Purchase Order with W.W. Grainger, Inc. for the purchase of maintenance tools and supplies, in accordance with Ordinance No. OCSD-52, Section 2.03(B): Cooperative Procurement; for the period beginning March 1, 2020, through February 28, 2021, with two one-year renewal options, for a total amount not to exceed \$275,000 per year.

ADDITIONAL INFORMATION

Grainger, Inc. has participated in NASPO agreements for Cooperative Contract Pricing for eight years. NASPO agreements are available to all State of California governmental entities (e.g., state agencies, cities, counties, special districts, school districts, and universities) that expend public funds for the acquisition of both goods and services. OC San is currently utilizing NASPO Master Agreement No. 8496 with Grainger, Inc., pursuant to Ordinance No. OC SAN-61, Section 2.03(B), Cooperative Purchases.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This recommendation will be funded under the Plant No. 1 and Plant No. 2 Maintenance Department, Budget Update 2023-24, Page 39. The available funding is sufficient for this action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
05/22/2024	\$ 375,000	\$0

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

N/A

RM:ls