



Agenda Report Details (With Text)

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On agenda: 2/26/2020 **Final action:** 2/26/2020
Title: COOPERATIVE PROCUREMENT WITH W.W. GRAINGER
Sponsors: Rob Thompson
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Attachments: 1. Agenda Report, 2. File Summary

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|--------------------------|--------|
| 2/26/2020 | 1 | BOARD OF DIRECTORS | | |
| 2/5/2020 | 1 | OPERATIONS COMMITTEE | Recommended for Approval | |

FROM: James D. Herberg, General Manager
 Originator: Rob Thompson, Assistant General Manager

SUBJECT:

COOPERATIVE PROCUREMENT WITH W.W. GRAINGER

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve 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.

BACKGROUND

In order to properly maintain and repair Orange County Sanitation District (Sanitation District) 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 the Sanitation District'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 W.W. Grainger, Inc. (Grainger) expires February 29, 2020. Without this agreement in place, procurement of parts and supplies necessary for day-to-day repairs could be delayed and could result in higher individual procurement costs.

PROPOSED SOLUTION

Approve a Blanket Purchase Order with Grainger thereby allowing quick procurement and stable pricing of necessary small tools and equipment for day to day repairs.

TIMING CONCERNS

The current Blanket Purchase Order contract for Grainger expires on February 29, 2020. Approval of a new contract with Grainger, proposed to start on March 1, 2020, will alleviate the burden on Purchasing and Maintenance to individually procure miscellaneous parts and supplies.

RAMIFICATIONS OF NOT TAKING ACTION

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

PRIOR COMMITTEE/BOARD ACTIONS

January 2019 - Approved an increase of \$35,000 to Blanket Purchase Order No. 105577-OB with W.W. Grainger, Inc. for the ratification of purchases of maintenance tools and supplies, in accordance with Ordinance No. OCSD-52, Section 2.03(B): Cooperative Procurement, for the period beginning March 1, 2018 through February 28, 2019, for a total amount not to exceed \$310,000.

February 2016 - Approve a Blanket Purchase Order with W.W. Grainger, Inc. for the purchase of maintenance tools and supplies, in accordance with Ordinance No. OCSD-47, Section 2.03(B): Cooperative Procurement; for the period beginning March 1, 2016 through February 28, 2017 with three one-year renewal option years, for a total amount not to exceed \$275,000 per year.

ADDITIONAL INFORMATION

The National Association of State Procurement Officers (NASPO, formerly WSCA-NASPO) agreements are available to all State of California governmental entities (e.g. state agencies, cities, counties, special districts, school districts, universities) that expend public funds for the acquisition of both goods and services.

The State of California purchases a wide variety of goods and services ranging from pencils to temporary labor under these agreements. Annual purchases total nearly \$10 billion. The Procurement Division is the central purchasing authority for all State departments and local government agencies. With a massive marketplace and billions of dollars in purchasing power they are able to offer a lower procurement cost to California's state, county, city, special districts, education and other government entities through their Leveraged Procurement Agreements. Leveraged Procurement Agreements allow entities/agencies to buy directly from suppliers through

existing contracts and agreements. One of these that the state offers to California governmental agencies is the National Association of State Procurement Officers for Commodities, IT Goods & Services, and Telecommunication Goods and Services.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the Sanitation District's Purchasing Ordinance. This recommendation will be funded under the Repair and Maintenance line item for Operations and Maintenance Department (Budget Update Fiscal Year 2019-20, Page 47). The available funding is sufficient for this action.

| <u>Date of Approval</u> | <u>Contract Amount</u> | <u>Contingency</u> |
|-------------------------|------------------------|--------------------|
| 02/26/2020 | \$275,000 | \$0 |

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A

RM:dh:ab