



Legislation Text

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REQUEST FOR CITY COUNCIL ACTION

DATE: 06/16/2021

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

Authorize the issuance of a purchase order with Grainger for the purchase of industrial supplies and equipment using the Sourcewell National Cooperative Master Price Agreement Number #121218-WWG.

EXECUTIVE SUMMARY:

The Finance Department is recommending the issuance of a purchase order for the purchase of industrial supplies and equipment - for Fiscal Years 2021, 2022 and 2023. The recommended award will allow all departments to purchase necessary supplies and equipment to maintain City facilities and efficiently support their operations in a timely manner.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the use of the Sourcewell Master Price Agreement Number #121218-WWG for the purchase of industrial supplies and equipment in the amount of \$275,000 for fiscal years 2021, 2022 and 2023.
- b. Make a determination under Corona Municipal Code Section [3.08.140\(C\)](#), that competitive bidding has been otherwise accomplished as provided for in the "Basis for Exception to Competitive Bidding" section of this agenda report.
- c. City Council authorize the City Manager and City Attorney or their designees to negotiate and execute non-substantive extensions, change orders and amendments up to \$27,500 or 10% of the original purchase order amount as authorized in Corona Municipal Code Section [3.08.080\(I\)](#).
- d. City Council authorize the Purchasing Manager to issue purchase orders to Grainger in the

amount of \$275,000 for an initial fiscal year ending June 30, 2021, with two optional two-year renewals.

BACKGROUND & HISTORY:

The City has purchased industrial supplies and equipment from Grainger since Fiscal Year 2003, utilizing various cooperative purchasing agreements awarded to Grainger. Use of the Sourcewell contract 121218-WWG gives access to the following types of goods and services:

- 1.9 million items, including hard-to-find products
- 24/7 online ordering with no minimum order
- Pre-paid freight on orders shipped via ground
- Same-day shipping on 99% of in-stock items
- KeepStock Inventory Management Solutions
- Facility MRO supplies & services
- Safety supplies
- Police and First Responder supplies
- Distributor Alliance Small Business Program

ANALYSIS:

Grainger is used Citywide primarily by the departments of Water and Power and Maintenance Services. A wide variety of industrial items are purchased from drill bits and electrical tape to lab coats. These items used by City staff to maintain operations for the public utilities and City facilities.

Sourcewell is a cooperative purchasing agency that establishes an approved vendor list for the use by public entities through nationwide competitive bid processes. On October 25, 2018, Sourcewell, formerly the National Joint Powers Alliance® (NJPA), on behalf of Sourcewell and its current and potential member agencies issued RFP #121218. The solicitation was advertised in the USA Today newspaper and posted on the Sourcewell website. The solicitation was distributed to approximately 112 potential vendors. On December 13, 2018, Sourcewell received 16 proposals on the bid opening date. The proposals were evaluated on eight criteria with a total point value of 1,000. Grainger was ranked number one receiving a total point value of 894.

On January 22, 2019, a four-year contract term was awarded to Grainger by the Sourcewell Board of Directors in response to this RFP. Staff is recommending the City take advantage of the pricing as provided through the Sourcewell contract. Grainger was selected because this firm has a cooperative purchasing agreement that allows the City to purchase items online and have them delivered the next day, at a competitive price. Grainger has items in stock that would not be available at a local hardware store that are necessary to maintain operations at the City's water utility facilities.

Basis for Exception to Competitive Bidding:

Staff believes that an exception to competitive bidding is warranted for this purchase under Corona Municipal Code ("CMC") Section 3.08.140(C), which states as follows:

(C) Competitive bidding already completed. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determines that:

- (1) A competitive bid procedure has been conducted by another public agency including, but not limited to, another local agency, the state through the California Multiple Award Schedule (CMAS), the federal government through the General Services Administration (GSA), the U.S. Communities Government Purchasing Alliance, or the Western States Contracting Alliance (WSCA); and
- (2) The price to the city is equal to or better than the price to that public agency.

The City of Corona is a member agency of Sourcewell, and staff recommends approval of a purchase order with Grainger in the amount of \$275,000 for fiscal year 2021 with two optional two-year renewals. Staff believes awarding this contract is in the best interest of the City because the City is receiving prices that have been competitively bid consistent with Sourcewell's contract price and there would be no competitive advantage gained from conducting a bid inhouse.

FINANCIAL IMPACT:

Funding for the recommended action is included in the individual departmental FY 2021 Operating Budgets and Proposed FY 2022 Operating Budgets. Funding in future fiscal years will be requested through the annual budget process.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301 of the Guidelines for the California Environmental Quality Action (CEQA), which states that "operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the CEQA determination" and is therefore exempt from CEQA. This action involves repairs/rehabilitation to existing infrastructure to maintain public health and safety and therefore is exempt from the requirements of CEQA. Therefore, no environmental analysis is required.

PREPARED BY: SCOTT BRIGGS, PURCHASING SPECIALIST V

REVIEWED BY: NORMAN BUSH, PURCHASING MANAGER

Attachments:

1. Exhibit 1 - Request for Proposal (RFP)
2. Exhibit 2 - Contract Acceptance & Award
3. Exhibit 3 - Contract Forms
4. Exhibit 4 - Competitive Solicitation Documentation
5. Exhibit 5 - Affidavit of Advertisement
6. Exhibit 6 - Proposal Opening Record Page
7. Exhibit 7 - Proposal Evaluation

- 8. Exhibit 8 - Evaluation Committee Comment & Review
- 9. Exhibit 9 - Board Minutes
- 10. Exhibit 10 - Contract Price Information