



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 18-0591, Version: 1

REPORT TO COUNCIL

SUBJECT

Authorize the Issuance of a Blanket Purchase Order for Cooperative Purchase of Industrial and Commercial Supplies (F18-249)

REPORT IN BRIEF

Approval is requested for the issuance of a blanket purchase order to award a contract to Grainger of West Sacramento in an amount not to exceed \$200,000 for the purchase of industrial and commercial supplies as required by the City, and to authorize the City Manager to increase the not to exceed amount to the amount of the budgeted appropriations and to renew the purchase order for up to four additional one-year periods if pricing and service remain acceptable.

EXISTING POLICY

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code (SMC), City Council approval is required for contracts for the procurement of goods and services exceeding \$100,000 in any one transaction.

Further, Section 2.08.220(b) of the Sunnyvale Municipal Code authorizes the purchasing officer to direct the city's participation with one or more governmental, public or quasi-public agencies in a cooperative agreement for the procurement of goods and/or services, provided that at least one of the agencies has solicited bids.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

Grainger has been a provider of industrial and commercial supplies such as lighting, restroom fixtures and supplies, and tool attachments to the City of Sunnyvale since 2005. Grainger recently entered into a cooperative procurement agreement, a ValuePoint Master Agreement (Attachment 1), with the State of California as a participant in the National Association of State Procurement Officials (NASPO). This agreement offers public agencies, such as the City, the ability to leverage larger discounts typically offered to high-volume purchasers.

Before authorizing the use of a cooperative agreement initiated by another governmental entity, the following criteria need to be met: the originating parties reach contractual agreement, the contract was awarded within twelve months of the date of authorization, the contract is for identical or nearly identical goods, and the contract resulted from a competitive bid using methods similar to those

required by the City's Methods of procurement (SMC Section 2.08.060). The NASPO ValuePoint Master Agreement with Grainger meets these criteria and is recommended for award.

FISCAL IMPACT

This type of supply contract is challenging to establish with not-to-exceed budgeted amounts because of the difficulty predicting exactly how many items will be needed throughout the year. Over the past three years, the City has averaged approximately \$191,255 in annual expenses on industrial and commercial supplies from Grainger. These expenditures are within amounts budgeted for such supplies in various departments throughout the City. For the above reasons, staff's recommendation includes authority for the City Manager to increase the not to exceed amount to the amount of the budgeted appropriations.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Approve the issuance of a blanket purchase order to Grainger for the purchase of industrial and commercial supplies in an amount not to exceed \$200,000, in substantially the same form as Attachment 2 to the report and in accordance with the State of California NASPO ValuePoint Master Agreement; 2) Authorize the City Manager to increase the not to exceed amount to the amount of the budgeted appropriations and to renew the purchase order for four additional one-year periods provided that pricing and service remain acceptable to the City.

Prepared by: Gregory S. Card, Purchasing Officer
Reviewed by: Timothy J. Kirby, Director of Finance
Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. NASPO ValuePoint Master Agreement
2. Draft Blanket Purchase Order