



TO: Board of Contracts and Awards
FROM: Andrew Cherullo, Director, Finance Department
Patsy Best, Procurement and Payables Division Manager, Finance Department *AB*
Dawn Leischner, Purchasing Financial Manager, Finance Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator
SUBJECT: U.S. Communities Purchasing Alliance (U.S. Communities) Graybar Contract No.
MA-IS-1340234, SAP Contract 4600011639
DATE: April 18, 2017

SUMMARY:

The Finance Department, Purchasing Division requests Public Utility Board and City Council approval to increase citywide contract 4600011639 to Graybar Electric Company, Inc., Tacoma, WA, by \$310,000 plus sales tax, for the purchase of as needed electrical supplies. This increase will bring the contract to a cumulative aggregate total of \$660,000 plus sales tax through March 31, 2018.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an Open, Effective, Results-oriented Organization.

This contract promotes an Effective and Results-Oriented organization by providing supplies at a competitive cost.

BACKGROUND:

This increase allows for continuation of as needed purchases for electrical supplies.

ISSUE: Previous to the implementation of the citywide contract, Past purchases had been made utilizing informal solicitations for bids and departmental purchasing under their own delegated authority (\$5,000 and under). The Procurement and Payables Division moved toward making more strategic purchases to have contracts with fixed pricing and discounts readily available for all City departments. Graybar Electric Company can service the City through their local Tacoma warehouse.

ALTERNATIVES: The alternative course of action would be to not increase the contract and approach each phone as an individual purchase. This would result in a significant cost increase due to not utilizing the national discount. To issue our own competitive bid solicitation would not get us the volume discounted rates we are currently receiving because the current contract has nationwide use.

COMPETITIVE SOLICITATION: U.S. Communities Purchasing Alliance (U.S. Communities) Contract MA-IS-1340234 (issued per Request for Proposals No. IS-13255001) is a competitively solicited contract valid until March 31, 2018. The County of Los Angeles took the lead in issuing the solicitation. Three submittals were received on January 1, 2013. This contract meets Tacoma's competitive solicitation requirements by means of an interlocal cooperative purchasing agreement with U.S. Communities Purchasing Alliance (U.S. Communities). The contract term was for three years from the date of award (2013) with two (2) additional 12 month extension options. The contract offers fixed pricing on core items and discounts off manufacturer price lists for all other items, rebate options, free delivery, no minimum purchase requirement and no cost to use the contract.

CONTRACT HISTORY: This citywide contract for \$350,000, plus sales tax, approved per Resolution No. U-10857 on May 6, 2016, is based on the U.S. Communities Purchasing Alliance (U.S. Communities) Graybar Contract No. MA-IS-1340234 good through October 31, 2016. US Communities extended their contract to March 31, 2018 so the Citywide Contract was administratively extended to coincide with the expiration date of the US Communities contract. This increase will bring the contract to a cumulative total of \$7,400,000.00, plus applicable sales tax to be able to utilize the contract until the current expiration date. This is the first amendment to the contract

SUSTAINABILITY: Not applicable.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION: The Finance Department, Procurement and Payables Division requests Public Utility Board and City Council approval to increase citywide contract 4600011639 to **Graybar Electric Company, Inc., Tacoma, WA**, by \$310,000 plus sales tax, for as needed electrical supplies. This increase will bring the contract to a cumulative aggregate total of \$660,000 plus sales tax through March 31, 2018.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME*	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various departmental funds			\$310,000
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
N/A			
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Various Department Budgets

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes