



Legislation Text

File #: 24-649, Version: 1

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SUBJECT: Approval to Waive the Competitive Bidding Process, Allow the City to Piggyback onto Existing Contracts for Office Supplies and Maintenance Repair and Operations (MRO) Supplies, and Authorize Purchases in a not to Exceed Amount of \$620,000 Per Fiscal Year Through the Life of the Contracts with Staples, Amazon, Fastenal, Lowe's, and The Home Depot

REPORT IN BRIEF

Considers approving to waive the competitive bid process, piggybacking onto existing contracts, and authorizing procurements by various City departments in an amount not to exceed \$620,000 per fiscal year through the life of Sourcewell and OMNIA Partners' multiyear competitively bid contracts for office and MRO supplies and other miscellaneous tools and equipment with Staples, Amazon, Fastenal, Lowe's, and The Home Depot.

RECOMMENDATION

City Council - Adopt a motion:

- A. Waiving the competitive bidding requirements pursuant to Merced Municipal Code Section 3.004.210 due to piggybacking; and,
- B. Approving piggybacking onto the Staples contract 012320-SCC expiring October April 6, 2025, for a not to exceed amount of \$60,000 per fiscal year; and,
- C. Approving piggybacking onto the Prince William County Public Schools, VA Amazon contract R-TC-17006 expiring January 18, 2022, to be renewed for three (3) additional two-year terms through January 18, 2028, for a not to exceed amount of \$220,000 per fiscal year; and,
- D. Approving piggybacking onto Fastenal contract 091422-FAS expiring November 8, 2026, to be renewed for two (2) additional one-year term through November 8, 2028, for a not to exceed amount of \$120,000 per fiscal year; and,
- E. Approving piggybacking onto the Region 4 ESC - TX Lowe's contract R192006 expiring March 31, 2023, to be renewed for two (2) additional one-year term through March 31, 2025, for a not to exceed amount of \$70,000 per fiscal year; and,
- F. Approving piggybacking onto the Maricopa County, AZ Home Depot contract 16154 expiring December 31, 2021, to be renewed yearly through 2025 for a not to exceed amount of \$150,000 per fiscal year; and,

- G. Authorizing the City Manager to execute the necessary documents; and,
- H. Authorizing the Finance Officer to make necessary budget adjustments.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions as specified by the City Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items as requested by the Council.

AUTHORITY

Charter of the City of Merced, Article II, Section 200 and Article XI, Section 1111.
Merced Municipal Code, Section 3.04.210

CITY COUNCIL PRIORITIES

As provided for in the FY 24/25 Adopted Budget.

DISCUSSION

The City purchases a variety of miscellaneous goods through the aforesaid vendors each fiscal year. The total, combined purchases amount tends to exceed the City's bid threshold for supplies, services and equipment currently set at \$37,000. To ensure compliance with competitive bid requirements and secure the best possible price for these goods, the City can utilize several competitively bid contracts from other government agencies. These contracts cover thousands of items offered through these vendors' conventional as well as online marketplace.

All contracts available have been competitively solicited and publicly awarded by a government entity serving as the lead agency while utilizing industry best practices and processes. They have been verified to comply with City of Merced formal procurement policies. These contracts are made available to other government agencies through Sourcewell (formerly NJPA) and OMNIA Partners. These are two national cooperative procurement organizations for state and local governments, K-12 education, colleges and universities. With these contracts, the City can leverage economies of scale in order to obtain transparent, best and/or value-driven pricing. By utilizing these competitively bid contracts the City has no obligation to purchase goods from these vendors since it is only piggybacking onto them.

Additionally, this approval helps departments comply with charter and municipal code regulations regarding purchases above the bid threshold. City staff will continue to get quotes for goods from several vendors and buy from the vendor that offers best pricing while utilizing these contracts.

HISTORY OF PAST ACTIONS

City Council previously authorized the original piggybacking and spend request in 2021 (21-471). The current authorization is a follow up request to add Staples to the list, update the spend amounts for Amazon, Fastenal, Lowes and Home Depot as they have been exceeded in fiscal year 2023-24. It appears that some of the purchasing has been shifted from one vendor to another, i.e. Office Depot (now ODP) to Amazon and Staples. Additionally, recent years' historic rates of inflation have

increased the cost all MRO supplies making the previous spend authorizations inadequate for City Departments.

IMPACT ON CITY RESOURCES

The City is projected to spend the amounts stated in the recommendation section for each of these vendors during a fiscal year. These amounts account for spending across all City departments. Thus, it would be prudent to authorize these expenditures for each vendor in fiscal year 2024/2025 and through the life of the contracts, including renewals. Staff will seek Council authorization for any additional expenditures should the need arise. This authorization does not encumber or spend any funds, it only grants the authority to spend funds for goods as needed. If the City spends below this authorized threshold amount, no funds will be lost.

ATTACHMENTS

1. Staples contract 012320-SCC
2. Prince William County Public Schools, VA Amazon contract R-TC-17006
3. Fastenal contract 091422-FAS
4. Region 4 ESC Lowe's contract R192006
5. Maricopa County, AZ Home Depot contract 16154
6. Membership OMNIA
7. Membership Sourcewell