

**December 15, 2009**

**SUBJECT: Award of Contract for the Cooperative Purchase of Industrial and Commercial Supplies (F0912-51)**

**BACKGROUND**

The City uses a wide variety of industrial and commercial supplies to support all City operations. Purchased supplies include, but are not limited to thermostats, industrial exterior and landscape lighting, fixtures, restroom supplies, and tool attachments/accessories.

Grainger has been a City preferred vendor since 2005, utilizing the State of California Western State Contracting Alliance (WSCA) Master Price Agreement cooperative procurement contract. The master contract approach allows the City to leverage discounts typically offered to high volume purchasers, and creates multiple efficiencies as more fully explained below. Staff therefore recommends award of a one year contract, not to exceed citywide budgeted amounts, to Grainger of West Sacramento, for industrial and commercial supplies, and authorize the City Manager to extend the contract for an additional one year period if pricing and service remain acceptable to the City.

**DISCUSSION**

The Grainger contract offers a number of key advantages to the City, including discounted pricing, electronic ordering and direct delivery to City offices. As the City continues to look for ways to reduce costs and increase efficiencies, staff is in the process of implementing an electronic commerce initiative with Grainger. This includes elimination of paper invoices and use of City Purchasing cards, as well as exclusive use of online catalogs for ordering commercial and industrial supplies.

Section 2.08.220(b) of the Sunnyvale Municipal Code authorizes the use of a contract initiated by another governmental entity, provided that the original parties to the contract agree, the contract was awarded within twelve months of the date of authorization (WSCA re-authorized the contract on November 23, 2009), 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 Purchasing Ordinance. The WSCA contract with Grainger meets these criteria.

**FISCAL IMPACT**

Funds are budgeted in various operating accounts throughout the City.

**PUBLIC CONTACT**

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

**RECOMMENDATION**

It is recommended that Council:

1. Award a one-year contract, in substantially the same form as the attached draft, not-to-exceed budgeted amounts, for citywide industrial and commercial supplies, to Grainger, based upon the State of California Western State Contracting Alliance (WSCA) cooperative contract.
2. Authorize the City Manager to exercise an option to extend the contract for an additional one-year period, provided that pricing and service remain acceptable to the City.

Reviewed by:

Mary J. Bradley, Director of Finance

Prepared by: Pete Gonda, Senior Management Analyst, Finance

Approved by:

Gary M. Luebbbers  
City Manager

**Attachment**

Draft Blanket Purchase Order



<b>ORDERED FROM</b> 00332 - 003  Grainger 3169 Industrial Blvd West Sacramento, CA 95691  (916) 503-0229	<b>ORDER DATE</b>  	<b>BILL TO:</b>  City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	<b>EFFECTIVE DATE</b> 1/1/2010	
	<b>EXPIRATION DATE</b> 11/30/2010	
	<b>CONTRACT AMOUNT</b> NTE Budgeted Amount	
<b>REQUISITIONING DEPARTMENT</b>  ALL CITY DEPARTMENTS	<b>FOB</b>  	<b>FREIGHT CHARGES</b>  
	<b>PAYMENT TERMS</b> N/30	<b>BID NO</b>  

ITEM	DESCRIPTION	UNIT	UNIT COST
1	Blanket order to provide industrial and commercial supplies as required by the City of Sunnyvale for a one year period as follows:  Pricing per State of California Western States Contracting Alliance Master Price Agreement #7066 Category Discount Structure which is attached and incorporated herein by this reference.  Orders may be placed by phone or on-line via the Grainger web site (Grainger.com) with an option to pick-up or have the products delivered.  All invoices to show this order number and show the name of the department and City employee placing each order.  Account number: 810031823  Requisition Number: RQ005791  This purchase order replaces BL0001374	DLR	\$1.0000

AUTHORIZED DEPARTMENT(S)		
NO	DEPT NAME	RELEASE AMT



**BUYER:**

Howard, Dreama

**PHONE** (408) 730-7396

**FAX** (408) 730-7710