

R-23

August 9, 2022

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary documents including any necessary subsequent amendments, with Home Depot U.S.A., of Atlanta, GA, for furnishing and delivering maintenance, repair, and operations supplies and miscellaneous materials on an as-needed basis, on the same terms and conditions afforded to Maricopa County, AZ, through Omnia Partners, in a total annual amount of \$1,000,000, with a 20 percent contingency in the amount of \$200,000, for a total annual contract amount not to exceed \$1,200,000, until the Omnia Partners contract expires on December 31, 2026, with the option to renew for as long as the Omnia Partners contract is in effect, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Home Depot U.S.A (Home Depot) for furnishing and delivering maintenance, repair, and operations supplies and miscellaneous materials on an as-needed basis for various City of Long Beach (City) Departments.

The Purchasing Division within the Department of Financial Management researched procurement options for as-needed maintenance, repair, and operations supplies and miscellaneous materials and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed cooperative agreement options and determined that the contract between Maricopa County, AZ, through Omnia Partners, and Home Depot, provided the best value to the City.

Purchases under this contract are to be made at the two Signal Hill store locations. Currently, the City purchases these supplies and materials through a vendor with stores located within the City. Sales tax (including Measure A) generated from City purchases are then allocated to the City. Home Depot was selected based on its competitive pricing, service level, and breadth of product offerings. Home Depot also offers a rebate incentive up to 5 percent cash back on purchases over \$100,000 and a volume price program on orders more than \$2,000. Home Depot can manage high frequency, small volume, and will-call orders for a wide variety of materials used for special projects that would be impractical to bid individually.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other government agencies on a voluntary and selective basis, when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on July 18, 2022, Purchasing Agent Michelle Wilson on July 7, 2022, and by Revenue Management Officer Geraldine Alejo on July 14, 2022.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on August 9, 2022 to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total annual contract amount will not exceed \$1,200,000, inclusive of a 20 percent contingency, and is budgeted across various fund groups and departments. The contract will be used citywide on an as-needed basis. The City's current vendor has local stores with sales tax (including Measure A) generated from City purchases allocated to the City. Based on the City's recent purchases made under the current contract, the estimated annual sales and use tax revenue loss (including Measure A) is \$8,000. This estimate is considered to be on the high-range with the actual revenue impact dependent on transaction-type and associated state tax distribution rules. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The award of this contract will provide continued support to our local economy by assisting in the preservation of 344 local jobs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KEVIN RIPER
DIRECTOR OF FINANCIAL MANAGEMENT

Attachment – Resolution

APPROVED:



THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE A CONTRACT WITH HOME DEPOT U.S.A. INC., FOR FURNISHING AND DELIVERING MAINTENANCE, REPAIR, AND OPERATIONS SUPPLIES AND MISCELLANEOUS MATERIALS ON AN AS-NEEDED BASIS, ON THE SAME TERMS AND CONDITIONS AFFORDED TO MARICOPA COUNTY, ARIZONA, THROUGH OMNIA PARTNERS, IN AN ANNUAL AMOUNT OF \$1,000,000, WITH A 20% CONTINGENCY OF \$200,000, FOR A TOTAL ANNUAL AMOUNT NOT TO EXCEED \$1,200,000, UNTIL THE OMNIA CONTRACT EXPIRES ON DECEMBER 31, 2026, WITH THE OPTION TO RENEW FOR AS LONG AS THE OMNIA CONTRACT IS IN EFFECT, AT THE DISCRETION OF THE CITY MANAGER

WHEREAS, the Charter of the City of Long Beach, Section 1802, permits the City Manager to enter into a contract on behalf of the City, in writing or otherwise, without advertising for bids, for services, supplies, materials, equipment or labor, with other government agencies, when authorized by resolution; and

WHEREAS, the City requires maintenance, repair, and operations supplies and miscellaneous materials on an as-needed basis; and

WHEREAS, Maricopa County, Arizona, through Omnia Partners, has a contract with Home Depot U.S.A., Inc. for maintenance, repair, operating supplies, industrial supplies, and related products and services, Contract No. Serial 16154-RFP

1 (“Maricopa County Contract”); and

2 WHEREAS, the City’s participation in the Maricopa County Contract will
3 facilitate timely acquisition of the maintenance, repair, and operations supplies and
4 miscellaneous materials on an as-needed basis as well as provide considerable cost
5 benefits to the City; and

6 WHEREAS, if the City had to go to formal bid rather than participate in the
7 Maricopa County Contract considerably more funds would be required;

8 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
9 follows:

10 Section 1. The City Manager or designee is hereby authorized to enter an
11 agreement with Home Depot U.S.A., Inc. for maintenance, repair, and operations supplies
12 and miscellaneous materials on an as-needed basis, of the same kind identified in the
13 Maricopa County Contract in an annual amount of One Million Dollars (\$1,000,000) with a
14 twenty percent (20%) contingency of Two Hundred Thousand Dollars (\$200,000), for a
15 total annual not to exceed amount of One Million Two Hundred Thousand Dollars
16 (\$1,200,000), until Maricopa County Contract No. Serial 16154-RFP expires on December
17 31, 2026, with the option to renew for as long as Maricopa County Contract No. Serial
18 16154-RFP is in effect, at the discretion of the City Manager.

19 Section 2. This resolution shall take effect immediately upon its adoption
20 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
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Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council
of the City of Long Beach at its meeting of _____, 2022 by the
following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers _____

City Clerk