



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-7

333 West Ocean Boulevard 7th Floor • Long Beach, CA 90802 • (562) 570-6200 • Fax (562) 499-1097

September 12, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract with Fastenal Company, of Winona, MN, for furnishing and delivering fasteners and miscellaneous hardware, on the same terms and conditions afforded to Region 4 Education Service Center (ESC), of Houston, Texas, through The Cooperative Purchasing Network (TCPN), in an annual amount of \$223,000, with the option to add expenditures up to 10 percent (or \$22,300), for a total annual amount not to exceed \$245,300, for a period of one year, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Fastenal Company (Fastenal), for furnishing and delivering fasteners and miscellaneous hardware. The award represents the combined annual requirements as estimated by various City department users.

The Purchasing Division reviewed procurement options for fasteners and miscellaneous hardware. The Fastenal Company, Region 4 Education Service Center (ESC) agreement, through The Cooperative Purchasing Network (TCPN), was selected based on their competitive pricing, service levels, breadth of product offering, and local economic impact. Fastenal is able to manage high frequency, small volume, will call orders made via Purchase Orders for a wide variety of fasteners and hardware used for special projects that would be impractical to bid individually. Purchases under this contract are to be made at the Long Beach store, located on Airport Way. The TCPN contract was competitively bid in 2014 is valid until 2018, with two additional one-year extension options.

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 by purchasing under their contracts on a voluntary and selective basis when authorized by a Resolution of the City Council.

The use of cooperative purchasing contracts provides agencies with opportunities for greater efficiencies in acquiring goods, reduces the City's administrative burden of conducting a competitive bid process, and provides greater cost savings by leveraging multiple-agency buying volumes.

This matter was reviewed by Deputy City Attorney Linda T. Vu on August 14, 2017 and by Assistant Finance Director Lea Eriksen on August 9, 2017.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and award a contract concurrently is requested on September 5, 2017, to ensure the contract is in place expeditiously.

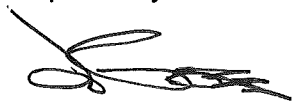
FISCAL IMPACT

The total annual amount of this contract will not exceed \$245,300, and is budgeted in various funds and departments. The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for five employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:MLA:TF
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APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER OR DESIGNEE TO EXECUTE A CONTRACT
6 WITH FASTENAL COMPANY ON THE SAME TERMS AND
7 CONDITIONS AFFORDED TO REGIONAL 4 EDUCATION
8 SERVICE CENTER THROUGH THE COOPERATIVE
9 PURCHASING NETWORK, FOR AN ANNUAL AMOUNT
10 NOT TO EXCEED \$223,000
11

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

16 WHEREAS, the City desires to purchase fasteners and miscellaneous
17 hardware; and

18 WHEREAS, Region 4 Education Service Center through The Cooperative
19 Purchasing Network has a contract with Fastenal Company for the purchase of fasteners
20 and miscellaneous hardware, Contract No. R142101 ("TCPN Contract"); and

21 WHEREAS, the City's participation in the TCPN Contract will facilitate
22 acquisition of the fasteners and miscellaneous hardware as well as provide considerable
23 cost benefits to the City; and

24 WHEREAS, if the City had to go to formal bid rather than participate in the
25 TCPN Contract considerably more funds would be required;

26 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
27 follows:

28 Section 1. The City Manager or designee is hereby authorized to enter a

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 contract with Fastenal Company for fasteners and miscellaneous hardware, in an annual
2 amount not to exceed Two Hundred Twenty-Three Thousand Dollars (\$223,000), for a
3 period of one (1) year, with the option to extend the term for two (2) additional one-year
4 periods, at the discretion of the City Manager.

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

7
8 I hereby certify that the foregoing resolution was adopted by the City
9 Council of the City of Long Beach at its meeting of _____, 2017
10 by the following vote:

11
12 Ayes: Councilmembers: _____

13 _____

14 _____

15 _____

16 Noes: Councilmembers: _____

17 _____

18 Absent: Councilmembers: _____

19 _____

20 _____

21 _____

22 _____

City Clerk

23
24
25
26
27
28