



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-8

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

March 21, 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 Lowe's Home Centers, LLC, of Mooresville, NC, for furnishing and delivering hardware, building and related products, on the same terms and conditions afforded to Region 4 Education Service Center (ESC), of Texas, through The Cooperative Purchasing Network (TCPN), in an annual amount of \$70,000, with the option to add expenditures up to 10 percent (or \$7,000), for a total annual amount not to exceed \$77,000, 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 an annual contract with Lowe's Home Centers, LLC (Lowe's), for furnishing and delivering hardware, building and related products. The award represents the combined annual requirements as estimated by various City department users.

The Purchasing Division investigated procurement options for hardware, building and related products. The Lowe's Home Centers, LLC, 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. Lowe's is able to manage high frequency, small volume, will call orders made via Purchase Orders for a wide variety of materials used for special projects that would be impractical to bid individually. Purchases under this contract are to be made at two Long Beach stores, located at the Long Beach Towne Center and Los Altos Gateway. The TCPN contract was competitively bid in 2014.

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.

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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 Amy R. Webber on February 15, 2017 and by Assistant Finance Director Lea Eriksen on February 28, 2017.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and award a contract concurrently is requested on March 21, 2017, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total annual amount will not exceed \$77,000, 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 162 employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:MLA:KL
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APPROVED:



PATRICK H. WEST
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH LOWE'S HOME CENTERS, LLC ON THE SAME TERMS AND CONDITIONS AFFORDED TO REGIONAL 4 EDUCATION SERVICE CENTER THROUGH THE COOPERATIVE PURCHASING NETWORK, FOR AN ANNUAL TOTAL NOT TO EXCEED AMOUNT OF \$70,000

WHEREAS, the Charter of the City of Long Beach, Section 1801, 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 for actual emergency work when authorized by resolution; and

WHEREAS, the City desires to purchase hardware and building and related products; and

WHEREAS, Region 4 Education Service Center through The Cooperative Purchasing Network has a Contract with Lowe's Home Centers, LLC for the purchase of hardware and building and related products, Contract No. R142104 ("TCPN Contract"); and

WHEREAS, the City's participation in the TCPN Contract will facilitate acquisition of the hardware and building and related products as well as provide considerable cost benefits to the City; and

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

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

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

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Section 1. The City Manager is hereby authorized to enter a contract with Lowe's Home Centers, LLC for hardware and building and related products, in an annual amount not to exceed Seventy Thousand Dollars (\$70,000), for a period of one (1) year, with the option to extend the term for two (2) additional one-year periods, at the discretion of the City Manager.

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

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

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk