



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-34

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

March 5, 2019

HONORABLE MAYOR AND CITY CONCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute contracts with Lowe's Home Center, LLC, of Mooresville, NC, and Grainger W.W., Inc., of Lake Forest, IL, for furnishing and delivering hand tools, automotive tools, specialty tools, hardware, and miscellaneous items, on the same terms and conditions afforded to Region 4 Education Service Center, of Texas, through Omnia Partners, formerly National IPA, in an annual aggregate amount of \$800,000, with a 15 percent contingency of \$120,000, for total annual aggregate amount not to exceed \$920,000, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into contracts with Lowes Home Center, LLC (Lowe's), and Grainger W.W., Inc. (Grainger), for hand tools, automotive tools, specialty tools, hardware, and miscellaneous items, for use by various City departments.

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 voluntary and selective basis when authorized by a Resolution of the City Council.

The Purchasing Division in the Financial Management Department researched procurement options for hand tools, automotive tools, specialty tools, hardware, and miscellaneous items. Lowe's and Grainger were selected under the Region 4 Education Service Center (ESC) agreement, through Omnia Partners, formerly National IPA.

Lowe's was selected based on their competitive pricing, service levels, breadth of product offering, and local economic impact. Lowe's 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. Purchases under this contract are to be made at two Long Beach stores. Grainger offers convenient online ordering and has two stores within a ten-

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mile radius for will-call pickups. Purchases made are streamlined through an internal approval process and custom catalogs may be created to limit the purchase non-approved items. Grainger provides the necessary resources for departments to order specialty tools, as needed, for projects and job-related duties.

This matter was reviewed by Deputy City Attorney Amy R. Webber on February 11, 2019, by Purchasing and Business Services Manager Sandy Tsang-Palmer on February 13, 2019, and by Budget Management Officer Rhutu Amin Gharib on February 12, 2019.

TIMING CONSIDERATIONS

City Council action is requested on March 5, 2019, to ensure the contracts are in place expeditiously.

FISCAL IMPACT

The annual aggregate amount will not exceed \$920,000. The contracts will be used by various departments and allocated in different funds. The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for 72 full-time employees residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:STP:TY
K:\FM-ADMIN\CITY COUNCIL LETTERS\BUSINESS SERVICES\2019\03-05-19 CCL LOWES-GRAINGER.DOCX

ATTACHMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO PURCHASE HAND TOOLS, AUTOMOTIVE TOOLS, SPECIALTY TOOLS, HARDWARE AND MISCELLANEOUS ITEMS FROM LOWE'S HOME CENTERS, LLC AND W. W. GRAINGER, INC. ON THE SAME TERMS AND CONDITIONS AFFORDED TO REGION 4 EDUCATION SERVICE CENTER THROUGH OMNIA PARTNERS, FORMERLY NATIONAL IPA

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City desires to purchase hand tools, automotive tools, specialty tools, hardware and miscellaneous items; and

WHEREAS, the Region 4 Education Service Center through the National Intergovernmental Purchasing Alliance has a Contract with Lowe's Home Centers, LLC for the purchase of maintenance, repair and operations, and supplies and related services, Contract No. R142104 ("Lowe's Contract"); and

WHEREAS, the Region 4 Education Service Center through the Cooperative Purchasing Network has a Contract with W.W. Grainger, Inc. for the maintenance, repair and operations, and supplies and related services, Contract No. R142102 ("Grainger Contract"); and

WHEREAS, the City's participation in the Lowe's and Grainger Contracts will facilitate acquisition of the hand tools, automotive tools, specialty tools, hardware and

1 miscellaneous items as well as provide considerable cost benefits to the City; and

2 WHEREAS, if the City had to go to formal bid rather than participate in the
3 Lowe's and Grainger Contracts considerably more funds would be required;

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

6 Section 1. The above recitals are true and correct and are incorporated
7 herein by this reference.

8 Section 2. The City Manager of the City is hereby authorized to enter into
9 contracts with Lowe's Home Centers, LLC. and W.W. Grainger, Inc., to purchase hand
10 tools, automotive tools, specialty tools, hardware and miscellaneous items of
11 substantially the same type and kind purchased by the Regional 4 Education Service
12 Center through Omnia Partners, formerly National IPA pursuant to the Lowe's and
13 Grainger Contracts except as modified by mutual agreement of the City and Lowe's
14 Home Centers, LLC. and W.W. Grainger, Inc., and the purchase by the City shall be on
15 the same terms and conditions afforded to the Regional 4 Education Service Center
16 through Omnia Partners, formerly National IPA, in a combined annual amount not to
17 exceed Eight Hundred Thousand Dollars (\$800,000) including tax and shipping, for a
18 period of two (2) years, with the option to renew for three (3) additional one-year periods.

19 Section 3. 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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