

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	14169	Agenda Number	31.
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Meeting Date:	April 26, 2012
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Department:	Purchasing
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Subject

Authorize award and execution of Amendment No. 2 to a contract through the Cooperative Purchasing Network (TCPN) with GRAINGER, INC., for industrial supplies and equipment to increase the current contract period in an estimated amount not to exceed \$1,400,000, and increase extension options three and four in estimated amounts not to exceed \$3,149,250 and \$3,212,235 respectively, for a revised total estimated contract amount not to exceed \$11,558,361.

Amount and Source of Funding

Funding in the amount of \$1,400,000 is available in the 2011-2012 Operating Budget for various City Departments. Funding for the remaining extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Contract Amendment
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Prior Council Action:	December 16, 2010, Council approved award of the original contract.
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For More Information:	Cruz Banda, Buyer II /972-4022
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Boards and Commission Action:	Recommended by the Water and Wastewater Commission and Electric Utility Commission.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Additional Backup Information

This contract was approved by Council on December 16, 2010, under the Texas Cooperative Purchasing Network (TCPN), in an estimated amount not to exceed of \$421,875 for a 3-month period with four 12-month extension options in an estimated amount not exceed \$1,687,500 per extension option.

This contract provides a reliable source for the purchase of industrial supplies, equipment, and tools used by various City departments to repair and maintain facilities and equipment throughout the City. It will be used by most City departments to purchase small equipment and supplies on an as needed basis for the daily operations of the City. Staff will be able to have quick and reliable access to all products available from Grainger's on-line ordering system.

The list of items available to the City include a wide variety of repair and maintenance equipment and supplies that include, but are not limited to: electrical, plumbing, fleet vehicle maintenance shop and testing equipment, HVAC testing and maintenance equipment, janitorial equipment and cleaning supplies, electrical hand tools, hardware, safety equipment and supplies, small electrical motors and generators, lighting, security, and test instruments.

The recommended Council action is to approve increases for Option Years 2 through 4 in the amount of \$1,400,000 per year due to the increased usage of this contract by departments throughout the City. In addition, this proposed action would allow for a 2% increase annually to Options 3 and 4, to allow for any additional increase to the requirements of this contract that may occur.

City departments have used previous historical information and current budgets to determine the usage amount required for future annual procurements of this service.

Contract Summary	<u>Contract No. GC110000003</u>	
Description	Action	Amount
Original Contract	Award of a 3-month term in an estimated amount not to exceed \$421,875	\$ 421,875
Extension Option No. 1	Added Option No. 1 funding	\$ 1,687,500
Extension Option No. 2	Added Option No. 2 funding	\$ 1,687,500
Proposed Amendment No. 1	Increase Option No. 2 by \$1,400,000 changing total amount of this period to read \$3,087,500	\$ 1,400,000
Proposed Future Amendment Extension Option No. 3	Add 2% increase to Option No 3 changing the total amount not to exceed \$3,149,250	\$ 3,149,250
Proposed Future Amendment Extension Option No. 4	Add 2/% increase to Option No. 4 changing the total amount not to exceed \$3,212,235	\$ 3,212,236
TOTAL REVISED CONTRACT AMOUNT		\$11,558,361