



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

CONSENT
NOVEMBER 25, 2008

**Honorable Mayor and
Members of the City Council**

Title: Purchase/Cooperative Agreement: Electrical Supplies

Location/Council District: Citywide

Recommendation: Adopt a **Resolution 1)** approving the use of U.S. Communities Purchasing Alliance (U.S. Communities) cooperative contract MA-IS-43272-6 to purchase electrical supplies from Graybar Electrical in an amount not to exceed \$750,000 through January 31, 2010 or until the contract is no longer available for use; and 2) authorizing the City Manager or the City Manager's designee to execute purchases in the amount specified above provided that sufficient funds are available in the budgets adopted for the applicable fiscal years.

Contact: Craig Lymus, Interim Procurement Services Manager, 808-5524

Presenters: Not applicable

Department: General Services

Division: Procurement Services

Organization No: 13001061

Description/Analysis

Issue: The City of Sacramento has ongoing requirements for electrical supplies used in various departments such as Utilities, Transportation, Information Technology, General Services, Convention Center, and Parks and Recreation.

In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing agreements approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.

Policy Considerations: The recommendations in this report are in accordance with City Code section 3.56.240.

Committee/Commission Action: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The Environmental Services Manager has determined that the action of purchasing supplies does not have the potential for causing a significant effect on the environment and is therefore exempt under CEQA Guidelines, Categorical Exemption Section 15061 (b)(3).

Sustainability Considerations: None

Rationale for Recommendation: In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program.

The City has used both regional and national cooperative purchasing agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments and the Procurement Services Division to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

On October 31, 2006, City Council adopted Resolution No. 2006-802, awarding contract no. 41902 to Graybar Electrical in an amount not to exceed \$750,000. Estimated annual spending is based on a historical usage rate of \$375,000 annually which has been verified with the using departments.

The use of U.S. Communities Contract MA-IS-43272-6 with Graybar Electrical will maximize cost savings and staff resources.

Financial Considerations: Funding for electrical supplies will be provided from the various City departments that make use of the contract, either by department operating budgets or capital improvement projects. Purchases made during FY2009/10 are subject to funding availability in that year.

Emerging Small Business Development (ESBD): Cooperative purchasing agreements are created, evaluated and awarded by other government agencies that may or may not have similar emerging and small business programs. However, the Department of General Services, Procurement Services Division shall consider other alternatives if it is determined that using cooperative contracts may have a negative impact on small businesses.

As of May 31, 2008, the Department of General Services achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully Submitted by: Craig B. Lymus
Craig B. Lymus
Interim Procurement Services Manager

Approved by: Reina J. Schwartz
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:

Ben Mat
Ray Kerridge
City Manager

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RESOLUTION NO. 2008-xxxx

Adopted by the Sacramento City Council

November 25, 2008

**APPROVING THE USE OF A COOPERATIVE PURCHASING AGREEMENT FOR
THE PURCHASE OF ELECTRICAL SUPPLIES**

BACKGROUND

- A. The City of Sacramento has ongoing requirements to purchase electrical supplies and through a cooperative purchasing contract with U.S. Communities Purchasing Alliance (U.S. Communities), the City has an opportunity to obtain lower pricing on these items through volume purchasing.
- B. In accordance with City Code 3.56.240, the City Manager may, by cooperative purchasing approved by City Council, purchase supplies through contracts of other governmental jurisdictions without separate competitive bidding, where it is advantageous to the City.
- C. Using the U.S. Communities contract MA-IS-43272-6 to purchase electrical supplies from Graybar Electrical is advantageous to the City as the agreement will result in cost and time savings.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The use of U.S. Communities contract MA-IS-43272-6 with Graybar Electrical is approved for the purchase of electrical supplies, in an amount not to exceed \$750,000 through January 31, 2010 or until the contract is no longer available for use.
- Section 2. The City Manager or the City Manager's designee is authorized to execute the necessary purchases in the amount specified above provided that sufficient funds are available in the budgets adopted for the applicable fiscal years.