
File ID: 2024-01919

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**Agreement: OMNIA Cooperative Agreement with W.W. Grainger for Purchase of MRO Products
[Published for 10-Day Review on 11/27/2024]**

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Location: Citywide

Recommendation: Pass a **Motion:** 1) approving the use of Omnia Partners' cooperative purchasing agreement No. 240078-01 with W.W. Grainger, for the purchase of maintenance, repair, and operations (MRO) products in an amount not-to-exceed \$7,000,000 for an initial three-year term beginning January 1, 2025 through December 31, 2027; and 2) authorize two one-year renewal options through December 31, 2029.

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Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Agreement

Description/Analysis

Issue Detail: City departments use competitively solicited cooperative purchase agreements by other governmental jurisdictions or public agencies to maximize cost savings and efficiently use staff resources when purchasing goods and services. The City of Tucson, Arizona awarded Contract No. 240078-01 to vendor W.W. Grainger as a result of Request for Proposals (RFP) No. 240078 for MRO supplies. This contract is available to the City of Sacramento through Omnia Partners, a group purchasing organization. The MRO products in this contract include machinery hardware, electrical equipment and supplies, safety equipment, and welding equipment.

Policy Considerations: The recommendations in this report are in accordance with City Code Section 3.56.240 which authorizes the City Manager, when it's advantageous to the City, to use

cooperative purchasing agreements approved by the Council to purchase supplies or nonprofessional services through legal contracts of other governmental jurisdictions or public agencies, eliminating the need to perform additional competitive bidding by the City of Sacramento.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d.) mandate that unless waived by a 2/3 vote of the Council, all labor agreements and all agreements greater than \$1 million shall be made available to the public at least ten (10) days prior to council action. This item was published for 10-day review on November 27, 2024, in compliance with the City Code.

Economic Impacts: None.

Environmental Considerations: This report concerns administrative activities and governmental fiscal activities that do not constitute a “project” as defined by the California Environmental Quality Act (CEQA) Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

Sustainability: W.W. Grainger offers a catalog of green products through this recommended agreement. Under the City of Sacramento’s Climate Action Plan, all applicable “green” alternatives will be considered prior to the purchase of their products.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: To maximize cost savings and staff resources, many governmental jurisdictions or public agencies combine their contracting efforts through cooperative purchase agreements which increases pricing competitiveness and lowers operating costs through significant volume discounts. When comparing the administrative costs required, such as product research, vendor research, advertising, awarding, and creating the contract, it’s often more cost-effective to make purchases through a cooperative purchase agreement. The pricing terms and conditions for this agreement were determined through a competitive solicitation that was conducted by the City of Tucson, Arizona. The City of Sacramento has been using the City of Tucson’s agreement since its inception in 2019 and intends to continue use throughout the life of the contract.

Financial Considerations: Departments will use their operating budgets in the appropriate fiscal year and project funding to purchase these MRO products as required and as budget allows. Each division will submit their own purchase orders to authorize the purchases as required.

Local Business Enterprise (LBE): W.W. Grainger is not a local business enterprise.

ADDITIONAL TERMS AND CONDITIONS COOPERATIVE PURCHASE AGREEMENT – PRC003305

The City of Sacramento ("City") and W.W. GRAINGER, INC. ("Contractor"), hereby agree to these Additional Terms and Conditions ("Additional Terms"), effective January 1, 2025.

WHEREAS, Contractor entered into Contract No. 240078-01 for the purchase of Maintenance Repair and Operations (MRO) Supplies, Parts, Equipment, Materials, and Related Services with the CITY OF TUSCON on behalf of National Intergovernmental Purchasing Alliance Company, a Delaware corporation d/b/a OMNIA Partners, Public Sector, dated October 2, 2024 ("Cooperative Contract"), in which Contractor agreed to sell Maintenance Repair and Operations (MRO) Supplies, Parts, Equipment, Materials, and Related Services to governmental agencies that are members of OMNIA'S Cooperative Purchasing Program ("Participating Public Agencies"); and

WHEREAS, the City is a member of OMNIA'S Cooperative Purchasing Program; and.

NOW THEREFORE, Contractor and the City agree as follows:

1. The City agrees to purchase Maintenance Repair and Operations (MRO) Supplies, Parts, Equipment, Materials, and Related Services, in an amount not-to-exceed \$7,000,000.00, and the Contractor agrees to provide Maintenance Repair and Operations (MRO) Supplies, Parts, Equipment, Materials, and Related Services pursuant to the terms of the Cooperative Contract.
2. The City shall have all the same rights and obligations as CITY OF TUSCON under the Cooperative Contract. The terms of the Cooperative Contract shall apply to this purchase and shall control over any contrary terms included in the attached quotation.
3. Contractor warrants and represents that the person or persons executing this Agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the terms hereof.
4. Except as specifically modified herein, all terms and conditions of the Cooperative Contract shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by these Additional Terms.



Maintenance Repair and Operations (MRO) Supplies, Parts, Equipment, Materials, and Related Services
Executive Summary

Lead Agency: City of Tucson, AZ

Solicitation: 240078

RFP Issued: February 7, 2024

Pre-Proposal Date: February 20, 2024

Response Due Date: March 28, 2024

Proposals Received: #5

Awarded to: W. W. Grainger, Inc.



The City of Tucson, AZ Business Services Department, Shared Services – Procurement issued RFP #240078 on February 7, 2024, to establish a national cooperative contract for Maintenance Repair and Operations (MRO) Supplies, Parts, Equipment, Materials, and Related Services.

The solicitation included cooperative purchasing language in **Section C.2, National Cooperative Contract – OMNIA Partners:**

*The City of Tucson, AZ, as the Principal Procurement Agency, defined in **ATTACHMENT E**, has partnered with OMNIA Partners, Public Sector (“OMNIA Partners”) to make the resultant contract (also known as the “Master Agreement” in materials distributed by OMNIA Partners) from this solicitation available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit (“Public Agencies”), through OMNIA Partners’ cooperative purchasing program. The City of Tucson, AZ is acting as the contracting agency for any other Public Agency that elects to utilize the resulting Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with OMNIA Partners (a “Participating Public Agency”) and by using the Master Agreement, any such Participating Public Agency agrees that it is registered with OMNIA Partners, whether pursuant to the terms of a Master Intergovernmental Cooperative Purchasing Agreement, a form of which is attached hereto on **ATTACHMENT E**, or as otherwise agreed to. **ATTACHMENT E** contains additional information about OMNIA Partners and the cooperative purchasing program.*

Notice of the solicitation was sent to potential offerors, as well as advertised in the following:

- City of Tucson website/OpenGov
- OMNIA Partners website
- USA Today, nationwide
- Arizona Business Gazette, AZ
- San Bernardino County Sun, CA
- Honolulu Star-Advertiser, HI
- The Herald-News – Will County (IL)

- The Advocate – New Orleans, LA
- Albany Times Union, NY
- Daily Journal of Commerce, OR
- The State, SC
- Deseret News, UT
- Richmond Times-Dispatch, VA
- Seattle Daily Journal of Commerce, WA
- Helena Independent Record, MT
- Las Vegas Review-Journal
- Kennebec Journal, ME

Socio-economic Outreach: To encourage participation of small businesses, minority owned businesses and women owned businesses were notified of the Request for Proposal.

On March 28, 2024 proposals were received from the following offerors:

- Geary Pacific Supply
- Interplay Learning, Inc.
- W. W. Grainger, Inc.
- Hi-Line Electric Co.
- Mallory Safety & Supply

The proposals were evaluated by an evaluation committee. Interplay Learning, Inc. was determined to be non-responsive. Using the evaluation criteria established in the RFP, the committee elected to enter into negotiations with W.W. Grainger, Inc. and proceeding with contract award(s) upon successful completion of negotiations.

Geographic Preferences: No geographic preferences were included in the evaluation of the responses

The City of Tucson, OMNIA Partners and W.W. Grainger, Inc. successfully negotiated a contract, and the City of Tucson executed the agreement with a contract effective date of January 1, 2025

Contract includes:

- Nearly 2 million available products and approximately 4,000 sales representatives
- Grainger.com website and Branch/Store ordering service channels available
- Direct-to-Customer and Physical Pickup fulfillment options
- Customer Managed Inventory (CMI) and Vendor Managed Inventory (VMI)
- Product sourcing, consulting services
- Additional incentives for annual volume purchases

Term:

Initial three-year agreement from 1/1/2025 through 12/31/2027 with the option to renew for two (2) additional one-year periods through 12/31/2029.

Pricing/Discount:

Category discounts range from 5% to 32% off catalog prices

**CITY OF TUCSON, RFP #240078;
 MAINTENANCE, REPAIR AND OPERATIONS (MRO) SUPPLIES,
 PARTS, EQUIPMENT, MATERIALS AND RELATED SERVICES
 Attachment B - Category Discounts**

Category	Percentage Discount off List Price (%)
Abrasives	10%
Adhesives, Sealants, and Tape	10%
Cleaning	22%
Electrical	23%
Electronics, Appliances, and Batteries	19%
Fasteners	32%
Fleet and Vehicle Maintenance	8%
Furniture, Hospitality and Food Service	5%
Hand Tools	14%
Hardware	5%
HVAC and Refridgeration	17%
Lab Supplies	7%
Lighting	22%
Lubrication	10%
Machining	7%
Material Handling	15%
Motors	19%
Office Supplies	5%
Outdoor Equipment	12%
Paint, Equipment and Supplies	12%
Pipe, Hose, Tubing & Fittings	20%
Plumbing	20%
Pneumatics	11%
Power Tools	11%
Power Transmission	19%
Pumps	7%
Safety	19%
Security	15%
Test Instruments	7%
Welding	10%
(Other)	5%

