



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/10/2023

ALL

Item Creation Date: 9/22/2023

E32941 - Maintenance, Repair, Operating (MRO) and Industrial Supplies and Equipment
(W.W. Grainger and MSC Industrial Supply Co.) - MOTION

Agenda Item#: 5.

Summary:

NOT A REAL CAPTION

APPROVE SPENDING AUTHORITY for the purchase of maintenance, repair, operating and industrial supplies and equipment for various departments, and that authorization be given to make purchases through the Interlocal Agreement for Cooperative Purchasing with Sourcwell contractors **W.W. GRAINGER** for **\$22,537,985.72.** and **SID TOOL CO., d/b/a MSC INDUSTRIAL SUPPLY CO.** for **\$11,740,290.58** - Enterprise, General, Grant and Other Funds

Background:

E32941 – Approve Spending Authority in the amount not to exceed \$34,278,276.30 for the purchase of maintenance, repair, operating (MRO), and industrial supplies and equipment through the Interlocal Agreement for Cooperative Purchasing with Sourcwell for various departments.

Specific Explanation:

The Chief Procurement Officer recommends that City Council approve spending authority in the amount not to exceed **\$34,278,276.30** for the purchase of maintenance, repair, operating (MRO), and industrial supplies and equipment for various departments, and that authorization be given to make purchases using purchase orders and the City's purchasing cards, as needed, through the Interlocal Agreement for Cooperative Purchasing with Sourcwell contractors **W.W. Grainger** and **Sid Tool Co., d/b/a MSC Industrial Supply Co.** The contract term for both Grainger and MSC is through **November 8, 2026.**

W.W. Grainger: Approve the award for the purchase of MRO supplies and equipment in the amount not to exceed **\$22,537,985.72.**

MSC Industrial Supply: Approve the award for the purchase of MRO supplies and equipment in the amount not to exceed **\$11,740,290.58.**

These contracts provide MRO supplies and equipment. Examples of MRO supplies and equipment are, but not limited to, pumps, motors, belts, electrical equipment and supplies, material handling equipment, fasteners, blowers, ventilators, lubricants, gaskets, repair tools, hand tools, power tools, bolts, bearings, batteries, safety and office supplies and equipment, etc.

Purchases will be made online through the City's Marketplace portal, or through the vendors website. This allows departments to compare item costs between vendors and significantly reduces paper transactions and overall delivery time. Shorter delivery times will reduce the amount of inventory needing to be stored on site. Most order deliveries will occur same or next business day.

This recommendation is made pursuant to subsection 271.102(c) of the Texas Local Government Code, which provides that "a local government that purchases goods or services from a cooperative purchasing program or organization satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.

M/WBE Subcontracting:

M/WBE Zero Percentage Goal Document approved by the Office of Business Opportunity.

Hire Houston First:

This procurement is exempt from the City's Hire Houston First Ordinance. Bids/proposals were not solicited because the department is utilizing an Interlocal/Cooperative Purchasing Agreement for this purchase.

Fiscal Note:

- Funding for this item is included in the FY24 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.
- No Fiscal Note is required on grant items.

DocuSigned by:

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10/4/2023

Jedediah Greenfield
Chief Procurement Officer

Chief Procurement Officer
FIN/Strategic Procurement Division

| Estimated Spending Authority: | | | |
|---------------------------------------|-----------------------|------------------------|------------------------|
| Department | FY2024 | Out Years | Total |
| Administration and Regulatory Affairs | \$0.00 | \$36,000.00 | \$36,000.00 |
| Fleet Management Department | \$350,070.19 | \$2,324,358.16 | \$2,674,428.35 |
| Mayor's Office | \$0.00 | \$2,000.00 | \$2,000.00 |
| General Services Department | \$209,828.74 | \$3,000,000.00 | \$3,209,828.74 |
| Houston Fire Department | \$415,000.00 | \$3,160,000.00 | \$3,575,000.00 |
| Houston Health Department | \$210,000.00 | \$1,160,000.00 | \$1,370,000.00 |
| Houston Information Technology | \$9,788.60 | \$39,154.40 | \$48,943.00 |
| Parks and Recreation | \$4,700.00 | \$2,083,162.00 | \$2,087,862.00 |
| Houston Police Department | \$120,000.00 | \$480,000.00 | \$600,000.00 |
| Solid Waste Department | \$35,000.00 | \$365,000.00 | \$400,000.00 |
| Houston Airport System | \$916,600.00 | \$4,083,400.00 | \$5,000,000.00 |
| Houston Public Works | \$2,668,736.21 | \$12,605,478.00 | \$15,274,214.21 |
| Total | \$4,939,723.74 | \$29,338,552.56 | \$34,278,276.30 |

Amount and Source of Funding:

\$12,691,319.21 - Water & Sewer System Operating Fund (8300)
 \$ 9,807,328.74 - General Fund (1000)
 \$ 5,000,000.00 - HAS - Revenue Fund (8001)
 \$ 2,674,428.35 - Fleet Management Fund (1005)
 \$ 1,798,226.00 - Dedicated Drainage & Street Renewal Fund – Metro et al (2312)
 \$ 1,030,000.00 - Federal Government Fund (5000)
 \$ 784,669.00 - Storm Water Fund (2302)
 \$ 271,162.00 - Parks Golf Special Fund (2104)
 \$ 136,200.00 - Park Special Revenue Fund (2100)

\$ 48,943.00 - Central Service Revolving Fund (1002)
 \$ 36,000.00 - BARC Special Revenue Fund (2427)
\$34,278,276.30 – TOTAL

Contact Information:

Jedediah Greenfield, Chief Procurement Officer
 Finance Department
Phone: (832) 393-9126

ATTACHMENTS:

| Description | Type |
|---|-----------------------|
| ARA Form A | Financial Information |
| FMD Form A | Financial Information |
| GSD Form A | Financial Information |
| HAS Form A | Financial Information |
| HFD Form A | Financial Information |
| HHD Form A | Financial Information |
| HITS Form A | Financial Information |
| HPARD Form A | Financial Information |
| HPD Form A | Financial Information |
| HPW Form A | Financial Information |
| MYR Form A | Financial Information |
| SWD Form A | Financial Information |
| Ownership Form - Grainger | Backup Material |
| Ownership Form - MSC | Backup Material |
| Grainger Cooperative Contract | Backup Material |
| MSC Cooperative Contract | Backup Material |
| MWBE Goal Waiver - Grainger | Backup Material |
| MWBE Goal Waiver - MSC | Backup Material |
| Tax Report - Grainger | Backup Material |
| Tax Report - MSC | Backup Material |
| Cooperative Justification Form - Grainger | Backup Material |
| Cooperative Justification Form - MSC | Backup Material |

Signed Coversheet
Budget vs Actual E32941
Verification of Grant Funding .YL

Signed Cover sheet
Financial Information
Backup Material