

## **CITY MANAGER PROCUREMENT AWARD**

### **ACTION REQUESTED:**

Approve the award of Cooperative Contract 19-211, Janitorial Supplies, to W.W. Grainger Inc. for an amount not to exceed \$60,000 and for a one-year term

**DEPARTMENT:** Department of Public Works

**SUBMITTED BY:** Richard Dublinski, Director

### **BOARD/COMMISSION REVIEW:**

N/A

### **BACKGROUND:**

The Department of Public Works – Public Building Operations Division (DPW-PBO) is responsible for maintaining the City's facilities and public spaces, including the Central Business District (CDB) and parking decks. As part of this responsibility, PBO obtains the janitorial supplies used at City facilities and distributed to the custodial contractors and staff for use.

In past years, PBO has secured these supplies via quotes. Over the last year, PBO conducted an internal assessment regarding the procurement and in-house inventory management of janitorial supplies in an effort to improve operations. The cleaning chemicals currently used at City facilities are difficult to source due to being proprietary to the manufacturer. Sourcing of these products have become increasingly difficult and limited to a few vendors. Based upon this evaluation, it was determined improvements were necessary.

### **DISCUSSION:**

DPW-PBO and Procurement staff developed a list of janitorial items for cleaning City facilities by categories: paper products, chemical products, cleaning supplies, and trash can liners. Due to the wide variety of products available within each category for each item, there was a concern that the resources invested in developing a bid may not produce the intended results to the benefit of the City.

DPW-PBO and Procurement staff evaluated several regional and national janitorial supply cooperatives to determine if it would be more advantageous for the City to conduct its own bid or use a competitively bid national cooperative. Among the cooperatives evaluated were: The Suburban Purchasing Cooperative (SPC), Sourcewell, and Omnia Partners. Staff determined it was more beneficial to the City to use a cooperative because vendors can provide better pricing due to economies of scale present when many individual agencies pool spending together.

Staff met with a number of the cooperative suppliers, W.W. Grainger (Grainger), Office Depot and HD Supply, Warehouse Direct, LaPort Inc. and Fastenal, to determine which cooperative could provide the greatest added value to further benefit the City.

Following the meetings, each cooperative was given the opportunity to submit a pricing proposal for comparable products that the City currently purchases as well as offer alternative products and solutions to issues such as inventory management. All vendors provided comparable pricing with some alternative products and also described their capabilities to assist with inventory management.

However, Grainger stood out for a number of reasons. First, after the meetings, Grainger immediately contacted DPW-PBO staff to evaluate the City's current janitorial supplies and product dispensers. Second, Grainger installed prototypes of paper product dispensers, soap dispensers to reduce excess waste and a prototype of a new chemical dispensing unit with chemicals for evaluation by City employees and janitorial staff. Overall staff response to the prototypes has been positive. Finally, staff was impressed with Grainger's customer managed inventory program, KeepStock. If DPW-PBO decided to modify its inventory management system, Grainger's KeepStock inventory solution would help City staff set minimum and maximum inventory restrictions, streamline purchasing using a barcode system and provide useful data intelligence.

Staff recommends the City use the National IPA, now OMNIA Partners Cooperative, Contract 141003 with Grainger Inc for the purchase of janitorial supplies. Benefits of this contract include:

- Free and same day shipping
- No order minimums
- Inventory management solutions (KeepStock)
- Deeper discounts on frequently purchased items

The term of this contract is one-year from July 1, 2019 through June 30, 2020. If the cooperative contract works well over the next year, staff intends to recommend continued use of the cooperative, which does not terminate until 2023.


**FISCAL IMPACT:**

CIP #: N/A

Janitorial supplies are expensed to the custodial supplies account listed below. A total of \$134,000 is budgeted for cleaning and sanitation supplies in 2019. The requested award is within budget.


Account Number	Fund Description	Total Budget Amount
31341100-541401	General Fund	\$110,000
22251500-541407	General Fund	\$685,600

**SUBMITTED BY:**

 6/11/19  
 Richard Dublinski, Director  
 Department of Public Works

 7/11/19  
 Rachel Mayer  
 Chief Procurement Officer  
 KAS  
 7/11/19

**APPROVED BY:**

 7/2/19  
 Douglas A. Krieger  
 City Manager