



Legislation Text

File #: 20-042, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to Cooperative Contract 19-211, Janitorial Supplies, to Grainger Inc. for an amount not to exceed \$85,000 and a total award of \$145,000.

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 distributes the supplies to the custodial contractors and staff for use.

In July 2019, the City Manager awarded Cooperative Contract 19-211 for a one-year term from July 1, 2019 to June 30, 2020. The purpose of this contract is to facilitate the purchase and distribution of janitorial supplies used at City facilities by custodial contractors and City staff.

DISCUSSION:

Prior to 2019, DPW-PBO procured janitorial supplies through multiple contracts by the following product type: paper products, chemical products, chemical dilutions and trash can liners. In addition, some janitorial supplies were purchased on procurement cards. To improve procurement practices and overall efficiency, staff worked to consolidate the contracts into one. After interviewing multiple suppliers on national cooperatives and evaluating products, pricing and service, Grainger was awarded the contract for janitorial supplies.

The historical known spend for janitorial supplies has been approximately \$94,000, \$24,000 funded by the Fire Department, \$60,000 funded by DPW and an estimated \$10,000 through procurement cards. When the consolidated contract was awarded to Grainger in July 2019, it was awarded for the incorrect amount of \$60,000 based solely on DPW's historical spend. The 2020 operating budget reflects the correct aggregated amount of \$149,000 required for janitorial supplies.

DPW is asking for an additional \$77,000 as outlined below:

- \$34,000 to correct the contracted award amount by adding the \$24,000 historically funded by the Fire Department as well as the estimated \$10,000 in supplies previously obtained through the use of procurement cards.

- \$43,000 due to a 30% increase in the cost of chemical product (\$15,000) and 100% increase in the cost of paper products (\$28,000) compared to the most recent contracts, quoted in 2016 through 2018.

DPW is also asking for an additional \$8,000 to add expenses associated with the continued maintenance of the downtown to this contract. To offset this cost, the City is terminating the agreement with the vendor that provides supplies for the maintenance of the Central Business District due to the cost associated with this service totaling over \$20,000. Grainger will provide the required supplies for less than half of the cost of the current vendor.

Grainger's service includes Keepstock, an inventory management solution to help staff streamline purchasing using a barcode system as well as trend buying patterns to set minimum and maximum inventory restrictions. This data intelligence will allow for more accurate budgeting and ordering in the future. Grainger also offers free and same day shipping directly to the individual sites. In the past, PBO staff would pick inventory requested through paper forms and manage deliveries. Without this time consuming task, PBO staff time can be focused on related repairs and seasonal cleaning requests.

DPW-PBO staff will be working with Procurement to evaluate ways to restructure the janitorial supplies contract, within the purchasing guidelines, to seek more favorable pricing before recommending the continued use of the cooperative.

To prevent future overspend in the current term, the change order amount will be allocated proportionally to each location served. Using the order history, PBO will work with Grainger to establish both a monthly spending allowance and product ordering limits at each site using the Keepstock program.

This change order, in the amount of \$85,000, is requested to procure supplies necessary to continue to maintain City facilities for the remainder of the contract term.

FISCAL IMPACT:

CIP #: N/A

Janitorial supplies are expensed to the custodial supplies account listed below. A total of \$149,000 is budgeted for cleaning and sanitation supplies in 2020. The requested award is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
31341100-541401	General Fund	\$110,000
22251100-541407	General Fund	\$674,050
31254300-541407	SSA #26	\$96,750