

MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager

DATE: August 18, 2015

SUBJECT: Lumber, Building Materials, Tools and Miscellaneous Hardware - Countywide Blanket Purchase Orders with Multiple Firms

ACTION REQUESTED

1. Approve Countywide Blanket Purchase Order renewals with multiple firms for lumber, building materials, tools, and miscellaneous hardware, at the maximum aggregate amount of \$200,000, for the period of October 1, 2015 to September 30, 2016. Funding is provided by County departments in the FY 2015-16 Proposed Budget.

BACKGROUND

The County requires an annual countywide blanket purchase order (BPO) for the purchase of lumber, building materials, tools, and miscellaneous hardware on an as-needed basis for maintenance repair and operation of approximately 130 county facilities. On August 26, 2014, your Board approved the award of countywide blanket purchase orders (BPOs) with Home Depot, Diamond Pacific and Auburn Hardware & Rental for lumber, building materials, tools and miscellaneous hardware for the period through September 30, 2015.

The vendors have agreed to renew the BPOs at the same pricing and terms. The services with Home Depot, Diamond Pacific, and Auburn Hardware have been good and the provisions of the existing BPOs still represent the County's current needs. Section 1.3(o) of the Purchasing Policy Manual allows the County to renew these contracts based on satisfactory services and reasonable pricing offered by the vendors. The resulting BPOs will be effective from October 1, 2015 through September 30, 2016.

The County will use the U.S. Communities Contract with Home Depot, which is valid through July, 2017. There is no fee to the County to use the U.S. Communities contract. In lieu of product discounts, Home Depot offers an annual rebate to participating agencies each year based on the agency's annual net purchases as outlined below:

- 1 percent rebate for annual net purchases of \$10,000 - \$25,000
- 2 percent rebate for annual net purchases over \$25,000 - \$100,000
- 3 percent rebate for annual net purchases over \$100,000

The Purchasing Policy Manual (PPM) Section 1.3(e) (3) allows the County to purchase goods or services from a vendor that has a contract with another public agency and can provide sufficient evidence that the contract is current, was awarded as a result of a competitive process, and the price and quality of the goods to be purchased are equal to the pricing, terms, and specifications listed in the contract. The U.S. Communities contract meets these criteria.

The remaining two BPOs with Auburn Hardware and Diamond Pacific Lumber are the result of negotiated pricing. Both stores are located within a reasonable distance of the County's site of

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operations. PPM Section 7.2 allows for negotiated contracts for operational services/supplies based on geographical location to the County's site of operations.

Therefore, your Board's approval is required to proceed with the renewal of the countywide BPOs in the maximum aggregate amount of \$200,000.

FISCAL IMPACT

The cost of the BPOs for lumber, building materials, tools, and miscellaneous hardware is \$200,000. Each department is responsible for budgeting properly for its own expenditures from the Countywide BPOs. For those instances when department staff may need to purchase supplies and is not in close proximity of one of these stores, the department will use their delegated purchasing authority to place orders at other locations within a reasonable distance.