



MEMORANDUM
ADMINISTRATIVE SERVICES
PROCUREMENT DIVISION
County of Placer

TO: Board of Supervisors
FROM: Brett Wood, Purchasing Manager
SUBJECT: Lumber, Building Material, Tools and Miscellaneous Hardware – Multiple Firms

DATE: August 23, 2016

ACTION REQUESTED

Approve Countywide blanket purchase orders with multiple firms for lumber, building materials, tools and miscellaneous hardware in the maximum aggregate amount of \$220,000 for the period of October 1, 2016 to September 30, 2017.

Approve the option to renew the resulting blanket purchase orders on a year-to-year basis for two (2) additional one-year periods in the maximum aggregate amount of \$220,000 annually.

Authorize the Purchasing Manager to sign all required documents.

BACKGROUND

The County requires annual countywide blanket purchase orders 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. The current blanket purchase orders (BPOs) will expire on September 30, 2016.

The vendors have agreed to renew the BPOs at the same pricing and terms. The products and supplies provided by Home Depot, Diamond Pacific and Auburn Hardware have met the County's requirements and the provisions of the existing BPOs still represent the County's current needs. The Purchasing Policy Manual Section 1.3(o) 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, 2016 through September 30, 2017.

The County accesses the U.S. Communities contract with Home Depot. 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 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 (2) 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 operations. The Purchasing Policy Manual 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 Countywide BPOs in the maximum aggregate amount of \$220,000.

FISCAL IMPACT

Departments utilizing any Countywide blanket purchase orders are responsible for budgeting properly within their respective operating budgets. Funds are not encumbered until services are rendered against the BPOs. In those instances when department staff may need to purchase supplies and are not in close proximity of one of these stores, staff will utilize their delegated purchasing authority to place orders at other locations within a reasonable distance of the work location.