

**MEMORANDUM**  
**COUNTY OF PLACER**  
**ADMINISTRATIVE SERVICES DEPARTMENT**  
**PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors  
FROM: Brett Wood, Purchasing Manager  
DATE: September 11, 2012  
SUBJECT: Approve the Award of Multiple Countywide Blanket Purchase Orders with Multiple Firms for Lumber, Building Materials, Tools and Miscellaneous Hardware

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**ACTION REQUESTED**

1. Approve the award of countywide blanket purchase orders with Home Depot, Diamond Pacific and Auburn Hardware & Rental for lumber, building materials, tools and miscellaneous hardware in the maximum aggregate amount of \$300,000, funds are included in the FY 2012-13 department budgets for these expenses resulting in no additional net county cost, and authorize the Purchasing Manager to sign the resulting blanket purchase orders.

**BACKGROUND**

In 2011, Blanket Purchase Orders were awarded to various local Hardware and Lumber stores for the period through September 30, 2012. Procurement Services audited these Blanket Purchase Orders (BPOs) in which an assessment found that the annual expenditures for the majority of the BPOs were under \$2,500. Based on this review, Procurement determined that the County could make use of three Countywide BPO's with the most active vendors, Home Depot, Pacific Coast Supply LLC dba Diamond Pacific of Auburn, CA, and Auburn Hardware & Rental of Auburn, CA.

The County will use the U.S. Communities Contract with Home Depot, which is valid through July 31, 2014. 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 this criteria.

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

**FISCAL IMPACT**

Upon your Board's approval, BPOs will be awarded to Home Depot Inc., Auburn Hardware and Diamond Pacific in the maximum aggregate amount of \$300,000.00. The requested BPO amounts are as follows:

Vendor/Amount

Home Depot/\$200,000

Auburn Hardware/\$50,000

Diamond Pacific/\$50,000

The BPOs will be effective October 1, 2012 to September 30, 2013. 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.