

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

TO: Honorable Board of Supervisors  
FROM: Brett Wood, Purchasing Manager  
DATE: September 24, 2013  
SUBJECT: Lumber, Building Materials, Tools and Miscellaneous Hardware - Countywide Blanket Purchase Orders with Multiple Firms

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**ACTION REQUESTED**

1. Approve the award of countywide blanket purchase orders with Home Depot Inc of Roseville, Diamond Pacific Auburn, and Auburn Hardware & Rental LLC of Auburn for lumber, building materials, tools, and miscellaneous hardware in the maximum aggregate amount of \$300,000, funded by FY 2013-14 department budgets with no new net county cost, and authorize the Purchasing Manager to sign the resulting blanket purchase order and to transfer funds between BPOs as needed.

**BACKGROUND**

Placer County Departments require vendors to provide lumber, building materials, tools, and miscellaneous hardware on an as-needed basis. On September 11, 2012 your Board approved countywide Blanket Purchase Orders with Home Depot, Diamond Pacific and Auburn Hardware & Rental for lumber, building materials, tools and miscellaneous hardware for the period through September 30, 2013.

Procurement Services is requesting to renew the BPOs for another year. Service with Home Depot, Diamond Pacific and Auburn Hardware has been good and the provisions of the existing agreement still represent the County's current needs. The vendors have agreed to renew the BPOs at the same pricing and terms. 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, 2013 through September 30, 2014.

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 these criteria.

Board Memo  
Re: Hardware and Building Supplies  
Page 2 of 2

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, new BPOs will be awarded to Home Depot Inc., Auburn Hardware and Diamond Pacific in the maximum aggregate amount of \$300,000.00. The BPOs will be effective October 1, 2013 to September 30, 2014. 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.