



City of San Antonio

Agenda Memorandum

File Number: 16-3081

Agenda Item Number: 5.

Agenda Date: 6/9/2016

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: CityWide

SUBJECT:

Annual Contract for Electrical and Lighting Parts and Supplies - Citywide

SUMMARY:

An ordinance authorizing a contract with Graybar Electric Company, Inc. to provide the City with the purchase and delivery of electrical and lighting parts and supplies for an estimated annual cost of \$700,000.00. The initial term of the contract is upon award through March 31, 2017 with a one year renewal option. No funds will be encumbered by this ordinance which provides for the procurement of electrical and lighting parts and supplies as required, based upon the Department's available budget.

BACKGROUND INFORMATION:

Submitted for Council consideration and action is the offer from Graybar Electric Company, Inc. This contract will provide the City with the purchase and delivery of electrical and lighting parts and supplies such as conduit, connectors, couplings, bushings, transformers, electrical switches, fuses, lamps, lamp fixtures, bulbs, wire, cable and circuit breakers for use by City departments. Graybar Electric Company, Inc. will deliver orders on an as-needed basis with a minimum of twice a week delivery.

The City previously released an Invitation for Bid for Electrical and Lighting Parts and Supplies. Four bid responses were received and all were deemed non-responsive due to bidders taking exceptions to the City's material terms and conditions. In addition, three bidders could not provide pricing for the wide selection of

most commonly used core items contained in the bid. However, Graybar could provide pricing for a wide range of electrical parts and supplies, including all 529 core items identified in the bid.

Since all bids received were deemed non-responsive, an analysis of available purchasing cooperatives was performed. Graybar Electric Company, Inc. provides the greatest selection of electrical parts and supplies at the overall lowest price through the US Communities Cooperative Program MA-IS-1340234. Graybar Electric Company, Inc. agreed to honor the more aggressive bid discounts for the 529 most commonly used core items through the US Communities contract resulting in an average discount of 54.19% off catalog list price for the core items.

ISSUE:

The City issued a Request for Offer for an “Annual Contract for Electrical and Lighting Parts and Supplies” (RFO 6100007391) on April 8, 2016, with a submission deadline of April 15, 2016. One offer was received from Graybar Electric Company, Inc. through the US Communities Cooperative Program MA-IS-1340234.

This contract will provide the City with the purchase and delivery of the most commonly used City core items for electrical and lighting parts and supplies such as conduit, connectors, couplings, bushings, transformers, electrical switches, fuses, lamps, lamp fixtures, bulbs, wire, cable and circuit breakers for use by City departments. The scope of service in this Request for Offer does not include any services component such as retrofitting, lighting audits, installation, removal or disposal of product, or any repair services.

Graybar Electric Company, Inc. offers additional discounted pricing for the City’s 529 most commonly used core items. The core items have an average discount of 54.19% off catalog list price.

Additionally, Graybar Electric Company, Inc. offers discounts in the following categories: Connectors, Tape & Straps, Couplings, Covers & Bushings, Receptacles, Bolts & Insulation, Transformers, Switches & Fuses, Lamps, Lamp Fixtures & Bulbs, Hardware, Boxes, Enclosures & Breaker Circuits: 92% or less off catalog list price. Conduits, Plugs & Nipples, Lamp Fixtures and Wire, Cable: cost plus not to exceed 18-30%.

The ability to “punch-out” to the Graybar Electric Company, Inc. online catalog through the City’s electronic procurement system will ensure a reliable and efficient ordering process for City departments to use with consistently applied contractual discount pricing. Additionally, Graybar Electric Company, Inc. provides a volume incentive program of a 0.5% rebate based on all net purchases made in excess of one million dollars. This rebate, issued annually, will be achieved through the aggregate spend of all COSA Graybar contracts.

This purchase is made in accordance with the US Communities Cooperative Program MA-IS-1340234 passed on Ordinance 98797, dated 2/12/2004.

This contract is within the scope of the SBEDA Program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool was applied.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, the City would be required to purchase electrical and lighting parts and supplies as needs arise thereby negating the price advantage associated with consolidating the City's purchasing power through one solicitation. Establishing the contract based upon catalog discounts will secure substantial savings from the published prices, especially for the high use core items.

FISCAL IMPACT:

The estimated annual cost for this contract is \$700,000.00. No funds are encumbered by this ordinance which provides for the procurement of specified electrical and lighting parts and supplies as required, based upon the Department's available budget.

RECOMMENDATION:

Staff recommends the approval of this contract with Graybar Electric Company, Inc. to provide the City with the purchase and delivery of electrical and lighting parts and supplies for an estimated annual cost of \$700,000.00.

This contract was procured by means of a cooperative purchasing and a Contracts Disclosure Form is not required.