



CONSENT CALENDAR

Agenda Item # 2

AGENDA REPORT SUMMARY

Meeting Date: July 14, 2020

Subject: Cooperative Master Purchasing Agreements

Prepared by: Dave Brees, Special Projects Manager

Reviewed by: Jim Sandoval, Engineering Services Director

Approved by: Chris Jordan, City Manager

Attachment: None

Initiated by:
City Staff

Previous Council Consideration:
None

Fiscal Impact:
Possible significant cost savings on City purchases

Environmental Review:
Not applicable

Policy Question(s) for Council Consideration:

- Does the Council wish to utilize cooperative purchasing agreements to allow for the maximum purchasing value of public funds in procurement and to provide safeguards for maintaining a procurement system of quality and integrity?

Summary:

- The City currently utilizes cooperative purchasing of fleet vehicles
- The City will be purchasing a significant quantity of furnishings and equipment for the new community center
- The proposed cooperative purchasing authority is authorized under the City's Purchasing Policy

Staff Recommendation:

Approve the use of cooperative purchasing agreements and authorize the City Manager to enter into Master Purchasing Agreements with Omnia Partners and the National Cooperative Purchasing Alliance

Reviewed By:

City Manager

City Attorney

Finance Director

CJ

JH

SE



Subject: Cooperative Purchasing Master Purchasing Agreements

Purpose

To provide additional purchasing options for the securing and procurement of goods and services to the City.

Background

Cooperative purchasing plans and programs such as California Communities Purchasing Program (CCPP), the California Multiple Award Schedule (CMAS), the National Association of Counties (NACo) and others have assisted public agencies by securing competitive bids on numerous equipment, supplies, vehicles, and other common items. The concept of many agencies working together to get the best pricing on goods as opposed to individual agencies securing these at a possible higher individual price. The City currently utilizes the CMAS program to purchase fleet vehicles.

Cooperative purchasing plans and programs may provide significant cost savings benefit to the agency but do not limit or commit the individual agency to exclusively utilize this method. Rather, it will be an additional tool the City has in its efforts to secure goods, equipment and items at competitive pricing while providing safeguards for maintaining a procurement system of quality and integrity.

Discussion/Analysis

The Los Altos Community Center is currently under construction and will require a significant number of fixtures, furnishings and equipment (FF&E) to outfit the building. While investigating the most cost-effective way to secure many of the FF&E's staff identified the cooperative purchasing method and its use by other public agencies.

Cooperative purchasing plans and programs are intended to be a supplemental resource staff has for securing goods not only for the forthcoming community center but also on future City purchasing. In many cases, cooperative purchasing may streamline purchasing processes and allow for improved performance and efficiency. Typical cost savings range from 30 to 60 percent off the manufacturer's retail price.

Omnia Partners, National Cooperative Purchasing Alliance, and Sourcewell are the three cooperative purchasing agencies identified for the FF&Es for the new community center. The City currently has a Master Purchasing Agreement in place with Sourcewell, the recommended action is for the remaining two cooperatives.

Options

- 1) Approve the use of cooperative purchasing agreements and authorize the City Manager to enter into Master Purchasing Agreements with Omnia Partners and the National Cooperative Purchasing Alliance



Subject: Cooperative Purchasing Master Purchasing Agreements

Advantages: The cooperative purchasing plan or program method allows for the City to take advantage of joining with other agencies to achieve the best pricing on goods while maintain the quality and integrity of the purchasing system.

Disadvantages: The City will continue as a sole entity in securing competitive bids and may lose out on significant cost saving opportunities

2) Do not approve the use of cooperative purchasing agreements and authorize the City Manager to enter into Master Purchasing Agreements with Omnia Partners and the National Cooperative Purchasing Alliance

Advantages: None

Disadvantages: The City will continue as a sole entity in securing competitive bids and may lose out on significant cost saving opportunities

Recommendation

The staff recommends Option 1.