



MOTION NO. M2018-58

### Systemwide Industrial Supplies Contract Amendment

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	05/03/2018	Final Action	Bonnie Todd, Executive Director of Operations <b>Bruce Polnicky, Director, Facilities and Asset Control</b> <b>Tom Williams, Facilities Maintenance Manager</b>

#### PROPOSED ACTION

Authorizes the chief executive officer to execute a contract amendment with W.W. Grainger, Inc. to provide systemwide industrial supplies in the amount of \$250,000, for a new total authorized contract amount not to exceed \$385,000 plus applicable taxes, and extend the contract through October 2019.

#### KEY FEATURES SUMMARY

- Sound Transit entered into a “piggyback” contract with W.W. Grainger, Inc. (Grainger) through the National Joint Powers Alliance (NJPA), a municipal national contracting agency that competitively solicits purchasing contracts. The NJPA contract ran from June 2017 through October 2018 and was recently extended through October 2019.
- This action will provide additional funds and extend Sound Transit’s existing contract with Grainger to continue acting as supplier for industrial supplies and equipment. The spend rate has been faster than anticipated due to purchases for new facilities that have come on line and purchases for inclement weather.
- The requested amount covers funding through the final term of the original contract and the contract extension through October 2019. This amount is based on the current spend rate plus anticipated growth and allows for unforeseen expenditures due to inclement weather and emergencies.
- The contract allows Sound Transit facility staff to purchase at a discount industrial supplies and equipment necessary to perform routine maintenance and on-call work at Sound Transit facilities and administrative offices.
- Applicable taxes on the new total authorized amount are estimated to be \$38,885.

#### BACKGROUND

Work for the Facilities and Maintenance Division has increased due to additional transit facilities (Lakewood Layover Yard, Temporary Northgate Parking Facility, and Lynnwood Warehouse) and Sound Transit’s recent occupancy in two additional office buildings. With the new locations, the spending needs for industrial supplies has grown. Additionally, following an audit recommendation, purchases of inclement weather response supplies and equipment that were previously purchased through Grainger on a separate purchase order number, were added to the main purchase order number, which has drawn down the current Grainger contract faster than anticipated.

Sound Transit Facilities Maintenance staff members provide basic repair and maintenance work at 50 transit facilities that include transit centers, park-and-ride lots, warehouses, the Tacoma Link Operations and Maintenance Facility, as well as five administrative office buildings in Seattle.

The Grainger contract allows facilities staff members to purchase industrial supplies as they need them for the various jobs that are requested. The jobs range from painting and construction to plumbing and electrical work.

#### PROCUREMENT INFORMATION

This contract is a piggyback contract off the National Joint Powers Alliance Contract (NJPA) for facilities maintenance products. Sound Transit has chosen to utilize a cooperative purchasing method through National Joint Powers Alliance (NJPA), who formally advertised a Request for Proposals (RFP) for Facilities Maintenance, Repair and Operating Supplies. W. W. Grainger, Inc. was the top ranked firm as a result of the competition. Sound Transit has a long purchasing history with Grainger who is a reliable supplier for goods at a competitive price.

Work for the Facilities and Maintenance Division has increased due to additional transit facilities (Lakewood Layover Yard, Temporary Northgate Parking Facility, and Lynnwood Warehouse) and Sound Transit's recent occupancy in two additional office buildings. With the new locations, the spending needs for industrial supplies has grown. Additionally, following an audit recommendation, purchases of inclement weather response supplies and equipment that were previously purchased through Grainger on a separate purchase order number, were added to the main purchase order number, which has drawn down the current Grainger contract faster than anticipated.

#### FISCAL INFORMATION

The proposed action will amend the current contract by \$250,000 for a new total authorized contract amount not to exceed \$423,349 (including applicable taxes), and will be funded from the Materials/Supplies category within the Operations Department's annual operating budget. The Materials/Supplies category budget is \$11,662,556, of which a total \$139,540 is estimated to be spent for this contract for the remainder of 2018 and is within the agency's budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditure anticipated in the 2018 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests.

## Operations Department

(in thousands)

Cost Category	2018 Annual Operating Budget <sup>1</sup>	YTD Actuals <sup>2</sup>	This Action (Current Year Impact Only)	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$22,533	\$	\$	\$	\$22,533
Services	\$67,957				\$67,957
Materials and Supplies	\$11,663	2,052	140	2,192	9,471
Utilities	\$5,632				5,632
Taxes	\$2,868				2,868
Purchased Transportation Services	\$177,101				177,101
Miscellaneous	\$480				480
Leases and Rentals	\$9,140				9,140
<b>Total Annual Operating Budget</b>	<b>\$297,374</b>	<b>\$2,052</b>	<b>\$140</b>	<b>\$2,192</b>	<b>\$295,182</b>

Contract Spending Plan	Spending to Date <sup>3</sup>	Forecasted Spend for Remainder of 2018	Future Spending	Total
Grainger	\$89	\$140	\$195	\$423

Contract Detail	Board Approved Contract Value	Proposed Action	Proposed Revised Board Approved Contract Value
Grainger	\$134	\$250	\$385
Contingency			\$
<b>Contract Amount</b>	<b>134</b>	<b>250</b>	<b>\$385</b>
Current Tax Estimate	14	25	39
<b>Contract Amount - Total</b>	<b>\$148</b>	<b>\$275</b>	<b>\$423</b>
Percent Contingency	0%	0%	0%

**Notes:**

<sup>1</sup>2018 Operation Department Budget is located on page 29 of the Adopted 2018 Budget book.

<sup>2</sup>YTD Actuals as of March 31, 2018.

<sup>3</sup>Spending to Date as of March 31, 2018.

## SMALL BUSINESS/DBE PARTICIPATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Because this contract “piggybacks” onto the NJPA contract with W. W. Grainger, Inc., Sound Transit did not establish goals for participation.

## PUBLIC INVOLVEMENT

Not applicable to this action.

## TIME CONSTRAINTS

It is anticipated that the current funding will last through July 2018, after which time the lack of funding will delay staff ability to gather the parts necessary to perform the work.

## ENVIRONMENTAL REVIEW

KH 4/26/2018

## LEGAL REVIEW

AJP 4/27/2018



**MOTION NO. M2018-58**

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract amendment with W.W. Grainger, Inc. to provide systemwide industrial supplies in the amount of \$250,000, for a new total authorized contract amount not to exceed \$385,000 plus applicable taxes, and extend the contract through October 2019.

**BACKGROUND:**

Sound Transit entered into a “piggyback” contract with W.W. Grainger, Inc. (Grainger) through the National Joint Powers Alliance (NJPA), a municipal national contracting agency that competitively solicits purchasing contracts. The NJPA contract ran from June 2017 through October 2018 and was recently extended through October 2019.

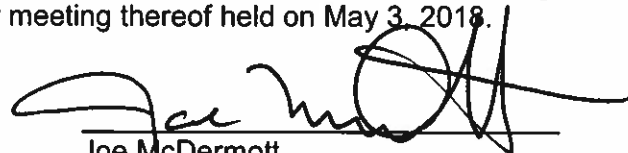
Work for the Facilities and Maintenance Division has increased due to additional transit facilities (Lakewood Layover Yard, Temporary Northgate Parking Facility, and Lynnwood Warehouse) and Sound Transit’s recent occupancy in two additional office buildings. With the new locations, the spending needs for industrial supplies has grown. Additionally, following an audit recommendation, purchases of inclement weather response supplies and equipment that were previously purchased through Grainger on a separate purchase order number, were added to the main purchase order number, which has drawn down the current Grainger contract faster than anticipated.

Sound Transit Facilities Maintenance staff members provide basic repair and maintenance work at 50 transit facilities that include transit centers, park-and-ride lots, warehouses, the Tacoma Link Operations and Maintenance Facility, as well as five administrative office buildings in Seattle. The Grainger contract allows facilities staff members to purchase industrial supplies as they need them for the various jobs that are requested. The jobs range from painting and construction to plumbing and electrical work.

**MOTION:**

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract amendment with W.W. Grainger, Inc. to provide systemwide industrial supplies in the amount of \$250,000, for a new total authorized contract amount not to exceed \$385,000 plus applicable taxes, and extend the contract through October 2019.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 3, 2018.



Joe McDermott  
Operations and Administration Committee Vice Chair

ATTEST:

  
Kathryn Flores  
Board Administrator