



CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Barry Scott, Purchasing Agent
Date: July 7, 2010
Subject: REQUEST TO ENTER INTO INTERLOCAL AGREEMENT FOR COOPERATIVE PURCHASING WITH THE HOUSTON-GALVESTON AREA COUNCIL

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute an Interlocal Contract for Cooperative Purchasing with the Houston-Galveston Area Council (H-GAC) in order to purchase off of their competitively bid contracts when it is determined to be in the best interest of the City to do so.

BACKGROUND AND DISCUSSION:

The H-GAC is a region-wide association of local governments in Texas that, among other things, makes their competitively bid contracts available to other government agencies throughout the United States.

There are twenty one (21) cities and agencies in Washington that are participating members in the HGACBuy cooperative purchasing program. I have been in contact with purchasing staff in the cities of Bellevue, Bellingham, Lynnwood and Vancouver that have made purchases through the HGACBuy program. They have all spoken well of their experience in working with H-GAC staff and they have found the H-GAC pricing to be very competitive.

The HGACBuy program is very similar to other cooperative purchasing programs that the City participates in (e.g. King County Directors' Association, US Communities). Access to the HGACBuy program will simply provide the City with another tool in its purchasing toolbox.

HGACBuy is a self-funded government agency and is supported through administrative fees assessed to participating contractors. However, a modest administrative fee may be charged to agencies for the purchase of vehicles. (The City of Bellingham reported that they paid an administrative fee of approximately \$75.00 on the purchase of a new street sweeper.) This is similar to the payment of administrative fees for the purchase of vehicles when using the Washington State Purchasing Cooperative.

For additional information, I've attached the "Frequently Asked Questions" page found on the HGACBuy program's website.

FREQUENTLY ASKED QUESTIONS (FAQS)

Q: What is H-GAC?

A: The Houston-Galveston Area Council (H-GAC) is a regional council of governments operating under the laws of the State of Texas and governed by a board comprised of 35 elected officials from the 13 county region. The H-GAC Board awards all contracts, which can then be made available to local governments nationwide thru HGACBuy.

Q: How does HGACBuy work?

A: Government entities join by executing an Interlocal Contract to participate in HGACBuy. This document sets out the conditions, requirements and processes through which an entity's purchase orders are received, confirmed to contract and processed.

Q: Can my entity purchase through HGACBuy?

A: The Texas Interlocal Cooperation Act permits joint participation by local governments, states, state agencies, and certain non-profit corporations. Most states have interlocal cooperation authority or other joint power provisions that allow participation in cooperative activities.

Q: I have to advertise for bids therefore I can't purchase thru HGACBuy.

A: HGACBuy uses mass circulation, minority emphasis print media, and internet services to post legal notices and bid solicitations. Therefore, posting of public notices to solicit bids and the formal competitive bid process are satisfied thru HGACBuy procedures.

Q: What other services are offered through the HGACBuy program?

A: Researching products, writing specifications, holding pre-bid conferences, assisting with order placement, contacting vendor reps, helping to resolve order issues, and reviewing and certifying purchase orders to confirm compliance with any specific HGACBuy contract.

Q: What is the difference between HGACBuy and some other cooperatives?

A: HGACBuy is a unit of local government and a political subdivision of the State of Texas. The HGACBuy Program is over 30 years old and specializes in high ticket, capital intensive products and services that require technical, detailed specifications and extensive professional skills to evaluate bid responses. All products offered through HGACBuy have been awarded by virtue of a public competitive process. There are no annual membership dues required to purchase thru HGACBuy.

Q: Where do I find information on products offered through HGACBuy?

A: Access HGACBuy's web site at www.hgacbuy.org for a complete listing of products with descriptions and prices and/or contractors and contacts.

Q: What products are available thru HGACBuy?

A: Primarily, products that are utilized in Public Safety, Public Works, and Communications, in addition to professional consulting, personnel and financing services. A wide variety of capital equipment is under contract, and thru a unique feature of HGACBuy it can be customized through the use of published and unpublished options to fit your specifications and requirements.

Q: Can I purchase on-line?

A: Because of the nature of most of the products and services we have under contract, we prefer that you speak with a contractor's representative and get a detailed price quote before placing an order. This is to insure that you get what you want, configured like you want it. Use the HGACBuy website to for basic information and to get the contractor's telephone and email address. After you receive your written quotation and have reviewed it, prepare your purchase order to the Contractor and fax a copy to HGACBuy.

Q: What does it cost to join HGACBuy? How is HGACBuy funded?

A: HGACBuy is a self-funded "Enterprise Fund" government agency, self-supported thru an administrative fee assessed to the contractor. An "Order Processing Charge" (Administrative Fee) will appear on quotation forms for purchases of motor vehicles in the State of Texas in accordance with State of Texas, Department of Transportation, Division of Motor Vehicles requirements.

Q: What are the benefits of HGACBuy? I want to inform my elected officials and staff:

A: We give you access to volume purchasing and discounts. • We put over 200 years of combined purchasing experience to work on your behalf. • We write technical specifications eliminate the need to hire consultants for that purpose. • We absorb the costs associated with publishing legal notices. • We offer you an expedited procurement process so you need not be delayed for months preparing specifications and satisfying all of the other requirements for competitive bids and proposals.

For more information, contact us:

HGACBuy

3555 Timmons Lane; Suite 120
Houston, TX 77027

Phone: (800) 926-0234

Fax: (713) 993-4548

Web: www.hgacbuy.org

RESOLUTION R-4825

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING PARTICIPATION BY THE CITY IN AN INTERLOCAL CONTRACT FOR COOPERATIVE PURCHASING WITH THE HOUSTON-GALVESTON AREA COUNCIL AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND.

WHEREAS, pursuant to KMC 3.85.180 and RCW 39.34 City of Kirkland may enter into intergovernmental purchasing agreements with other public agencies in order to allow the parties to said agreements to cooperatively purchase supplies, equipment and materials and to utilize each other's contracts as needs arise; and

WHEREAS, the Houston-Galveston Area Council is a political subdivision with a cooperative purchasing program that assists public agencies in reducing the cost of purchased goods by pooling the purchasing power of public agencies nationwide by competitively soliciting contracts for quality products and allowing other participating public agencies to purchase supplies, equipment and materials from these contracts on the terms and conditions set forth in said contracts; and

WHEREAS, the City's Purchasing Agent has recommended to the City Manager and City Council that the City of Kirkland become a participating public agency in the Houston-Galveston Area Council's H-GACBuy program under the terms and conditions set forth in the attached Interlocal Contract for Cooperative Purchasing which is incorporated herein by this reference.

WHEREAS, the City Council has determined it to be in the best interest of the City of Kirkland to enter into such an interlocal cooperative purchasing agreement; and

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. Participation by the City of Kirkland in the Interlocal Contract for Cooperative Purchasing attached to the original of this resolution as Exhibit A and by this reference incorporated herein is approved. The Kirkland City Manager is hereby authorized to execute said agreement on behalf of the City of Kirkland.

Passed by majority vote of the Kirkland City Council in open meeting this 20th day of July, 2010.

Signed in authentication thereof this ____ day of _____, 2010.

MAYOR

ATTEST:

City Clerk



**INTERLOCAL CONTRACT
FOR COOPERATIVE PURCHASING**

ILC
No.: _____
Permanent Number assigned by H-GAC

THIS INTERLOCAL CONTRACT (“Contract”), made and entered into pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the “Act”), by and between the Houston-Galveston Area Council, hereinafter referred to as “H-GAC,” having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, and * _____, a local government, a state agency, or a non-profit corporation created and operated to provide one or more governmental functions and services, hereinafter referred to as “End User,” having its principal place of business at * _____

WITNESSETH

WHEREAS, H-GAC is a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; and

WHEREAS, pursuant to the Act, H-GAC is authorized to contract with eligible entities to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, in reliance on such authority, H-GAC has instituted a cooperative purchasing program under which it contracts with eligible entities under the Act; and

WHEREAS, End User has represented that it is an eligible entity under the Act, that its governing body has authorized this Contract on * _____ (Date), and that it desires to contract with H-GAC on the terms set forth below;

NOW, THEREFORE, H-GAC and the End User do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The End User represents and warrants to H-GAC that (1) it is eligible to contract with H-GAC under the Act because it is one of the following: a local government, as defined in the Act (a county, a municipality, a special district, or other political subdivision of the State of Texas or any other state), or a combination of two or more of those entities, a state agency (an agency of the State of Texas as defined in Section 771.002 of the Texas Government Code, or a similar agency of another state), or a non-profit corporation created and operated to provide one or more governmental functions and services, and (2) it possesses adequate legal authority to enter into this Contract.

ARTICLE 2: APPLICABLE LAWS

H-GAC and the End User agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, and ordinances and laws in effect or promulgated during the term of this Contract.

ARTICLE 3: WHOLE AGREEMENT

This Contract and any attachments, as provided herein, constitute the complete contract between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 4: PERFORMANCE PERIOD

The period of this Contract shall be for the balance of the fiscal year of the End User, which began * _____ and ends * _____. This Contract shall thereafter automatically be renewed annually for each succeeding fiscal year, provided that such renewal shall not have the effect of extending the period in which the End User may make any payment due an H-GAC contractor beyond the fiscal year in which such obligation was incurred under this Contract.

ARTICLE 5: SCOPE OF SERVICES

The End User appoints H-GAC its true and lawful purchasing agent for the purchase of certain products and services through the H-GAC Cooperative Purchasing Program. End User will access the Program through HGACBuy.com and by submission of any duly executed purchase order, in the form prescribed by H-GAC to a contractor having a valid contract with H-GAC. All purchases hereunder shall be in accordance with specifications and contract terms and pricing established by H-GAC. Ownership (title) to products purchased through H-GAC shall transfer directly from the contractor to the End User.

(over)

ARTICLE 6: PAYMENTS

H-GAC will confirm each order and issue notice to contractor to proceed. Upon delivery of goods or services purchased, and presentation of a properly documented invoice, the End User shall promptly, and in any case within thirty (30) days, pay H-GAC's contractor the full amount of the invoice. All payments for goods or services will be made from current revenues available to the paying party. In no event shall H-GAC have any financial liability to the End User for any goods or services End User procures from an H-GAC contractor.

ARTICLE 7: CHANGES AND AMENDMENTS

This Contract may be amended only by a written amendment executed by both parties, except that any alternations, additions, or deletions to the terms of this Contract which are required by changes in Federal and State law or regulations are automatically incorporated into this Contract without written amendment hereto and shall become effective on the date designated by such law or regulation.

H-GAC reserves the right to make changes in the scope of products and services offered through the H-GAC Cooperative Purchasing Program to be performed hereunder.

ARTICLE 8: TERMINATION PROCEDURES

H-GAC or the End User may cancel this Contract at any time upon thirty (30) days written notice by certified mail to the other party to this Contract. The obligations of the End User, including its obligation to pay H-GAC's contractor for all costs incurred under this Contract prior to such notice shall survive such cancellation, as well as any other obligation incurred under this Contract, until performed or discharged by the End User.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 10: FORCE MAJEURE

To the extent that either party to this Contract shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed; provided, however, force majeure shall not excuse an obligation solely to pay funds. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 11: VENUE

Disputes between procuring party and Vendor are to be resolved in accord with the law and venue rules of the State of purchase.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO ORIGINALS BY THE PARTIES HERETO AS FOLLOWS:

*

Name of End User (*local government, agency, or non-profit corporation*)

*

Mailing Address

*

City State ZIP Code

*By: _____
Signature of chief elected or appointed official

*

Typed Name & Title of Signatory Date

Houston-Galveston Area Council
3555 Timmons Lane, Suite 120, Houston, TX 77027

By: _____
Executive Director

Date: _____

Attest: _____
Manager

Date: _____

**Denotes required fields*

*Request for Information

To expedite service, please complete the following blanks relevant to your agency's administrative/elective personnel and return the completed form to H-GAC, Cooperative Purchasing Program, P.O. Box 22777, Houston, TX 77227-2777.

Name of End User Agency: _____ **County Name:** _____
(Municipality / County / District / etc.)

Mailing Address: _____
(Street Address/P.O. Box) (City) (State) (ZIP Code)

Main Telephone Number: (____) _____ - _____ **FAX Number:** (____) _____ - _____

Physical Address: _____
(Street Address, if different from mailing address) (City) (State) (ZIP Code)

Web Site Address: _____

Authorized Official: _____ **Title:** _____
(City manager / Executive Director / etc.)

Mailing Address: _____ **Ph No.:** (____) _____ - _____
(Street Address/P.O. Box) **Fx No.:** (____) _____ - _____

_____ **E-Mail Address:** _____
(City) (State) (ZIP Code)

Official Contact: _____ **Title:** _____
(Purchasing Agent/Auditor etc.)

Mailing Address: _____ **Ph No.:** (____) _____ - _____
(Street Address/P.O. Box) **Fx No.:** (____) _____ - _____

_____ **Email Address:** _____
(City) (State) (ZIP Code)

Official Contact: _____ **Title:** _____
(Public Works Director/Police Chief etc.)

Mailing Address: _____ **Ph No.:** (____) _____ - _____
(Street Address/P.O. Box) **Fx No.:** (____) _____ - _____

_____ **Email Address:** _____
(City) (State) (ZIP Code)

Official Contact: _____ **Title:** _____
(EMS Director/Fire Chief etc.)

Mailing Address: _____ **Ph No.:** (____) _____ - _____
(Street Address/P.O. Box) **Fx No.:** (____) _____ - _____

_____ **Email Address:** _____
(City) (State) (ZIP Code)