



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

MEMORANDUM

To: Dave Ramsay, City Manager
From: Barry Scott, Purchasing Agent
Date: February 15, 2006
Subject: REQUEST FOR AUTHORIZATION TO PURCHASE FROM U.S. COMMUNITIES' CONTRACTS

RECOMMENDATION:

It is recommended that the City's Purchasing Agent and Buyer be authorized to make commodity purchases from U.S. Communities' competitively bid contracts where the bidding process has complied with all of the City of Kirkland's requirements and it is in the best interest of the City to do so.

BACKGROUND AND DISCUSSION:

U.S. Communities is a nonprofit government alliance that was formed to competitively bid nationwide contracts accessible for use by all public agencies registered with U.S. Communities. U.S. Communities is co-sponsored by the National Association of Counties, National League of Cities, U. S. Conference of Mayors, National Institute of Governmental Purchasing and the Association of School Business Officials International.

Each U.S. Communities contract is competitively bid by a relatively large public agency (e.g. Los Angeles County, Fairfax County) and the contract pricing is then made available to all U.S. Communities member agencies. This is very similar to the way that Washington's Office of State Procurement bids contracts for supplies, equipment and materials and then makes the contracts available for use by all agencies that are members of the Washington State Purchasing Cooperative. (As a member of the State Purchasing Cooperative, the City routinely makes purchases from State contracts.)

The City did register as a member of U.S. Communities several years ago. However, to the best of my knowledge, the purchases that we have made from U.S. Communities' contracts have been below the City's threshold where written quotes are required (\$7,500) and well below the threshold for sealed competitive bids (\$20,000).

At this time, I am requesting formal authorization to utilize the U.S. Communities' contracts for commodities and equipment purchases above the thresholds for written quotes or sealed bids when it is determined by Purchasing staff that it is in the City's best interest to do so. This would be in compliance with KMC 3.85.030, which provides for the City to engage in cooperative purchasing. (This would not apply to public works projects.)

Attached are copies of the U.S. Communities' Master Intergovernmental Cooperative Purchasing Agreement and a recent article from the National League of Cities' newspaper (Nation's Cities Weekly) that describes the mission of U.S. Communities, the potential benefits of using their program and some of the products available from their contracts.

From the February 13, 2006 edition of Nation's Cities Weekly:

With NLC Program, Cities Save Money the Old Fashioned Way

by Marc Shapiro

It is not often that a city can take no risk in order to gain significant savings. A program sponsored by the National League of Cities — the U.S. Communities Government Purchasing Alliance — provides this opportunity for savings every day to its member cities and all cities and towns.

Established in 1996, U.S. Communities now offers 12 competitively solicited contracts, ranging from basic office supplies to emergency homeland security equipment.

These contracts have been solicited by large cities and counties on behalf of all local and state governments.

As a result, any city, county, school or other public agency with statutory authority to use cooperative purchasing agreements may piggyback on these contracts.

"NLC is pleased to be a national sponsor of U.S. Communities," said Donald J. Borut, NLC executive director. "Working with and through our network of state municipal leagues, we are able to inform our members of the opportunities for both cost savings and administrative savings in typical and emergency government purchasing, and to bring the best government pricing to the smallest of local governments."

Borut was elected vice chair of the U.S. Communities Board of Directors at its annual meeting early this month.

In 2005, more than 12,000 public agencies purchased goods and services valued at more than \$600 million through U.S. Communities.

According to program estimates, U.S. Communities contracts have saved cities, counties and other public agencies more than \$1 billion in purchasing costs since 1999.

The two most recent contracts further enhance and expand the products available through U.S. Communities.

A new contract for homeland security solutions was awarded to Hagemeyer North America last December.

The competitively solicited contract provides first responders and other public agencies across the country access to a broad range of security, safety, law enforcement and fire equipment without the need for additional solicitation. And last month, a contract was awarded to Home Depot to provide maintenance, repair and operations products.

Also last month, after reviewing proposals from several national and regional companies,

U.S. Communities renewed the contract for office and school supplies with Office Depot. The new contract features significant pricing and program improvements, including an "Everyday Office Essential" catalogue of 4,500 items now discounted at 70 percent off list price (formerly 63 percent off). The core list for office supplies has also been expanded from 300 items to 500 items.

The office and school supply contract continues to offer best procurement practice solutions for participating cities and towns, including free next-day delivery, just-in-time purchasing, electronic and telephonic ordering, incentives for electronic ordering, incentives for volume purchasing and customer-friendly return policies.

"The U.S. Communities contracts we've used, especially the Office Depot contract, have provided both efficiency and cost savings," said Jim McIntyre, buyer supervisor for the City and County of Denver. "I would recommend U.S. Communities contracts to any purchasing department looking to save time and money," he added.

The U.S. Communities program is easy to use.

There is no fee to participate, no minimum spending and only a simple electronic registration is required.

Any city or town may register online for the program by visiting www.uscommunities.org and clicking on "Register to Participate."

Electronic registration provides a public agency with access to all contract documents and pricing, all suppliers, and substantial information on program savings and program participants. It also provides an electronic copy of the master intergovernmental cooperative purchasing agreement that serves as the legal document that authorizes a participating public agency's use of each lead public agency's contract available through U.S. Communities.

Details: For more information on the program, visit www.uscommunities.org or contact Marc Shapiro at NLC, (202) 626-3019 or e-mail: Shapiro@nlc.org.

National League of Cities

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RESOLUTION R-4558

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING PARTICIPATION IN COOPERATIVE PURCHASING THROUGH U.S. COMMUNITIES AND AUTHORIZING THE CITY'S PURCHASING AGENT AND BUYER TO MAKE THESE PURCHASES ON BEHALF OF THE CITY OF KIRKLAND.

WHEREAS, pursuant to KMC 3.85.030 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 or acquire supplies, equipment and materials under future contracts and to utilize each other's contracts as needs arise; and

WHEREAS, U.S. Communities is a nonprofit instrumentality of governmental agencies that assists public agencies in reducing the cost of purchased goods by pooling the purchasing power of public agencies nationwide by having participating lead public agencies competitively solicit contracts for quality products and allowing other participating public agencies to purchase supplies, equipment and materials from these competitively solicited 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 fully participating public agency in the U.S. Communities program under the terms and conditions set forth in the attached Master Intergovernmental Cooperative Purchasing Agreement, which is incorporated herein by this reference.

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 U.S. Communities program under the Master Intergovernmental Cooperative Purchasing Agreement attached to the original of this resolution as Exhibit A and by this reference incorporated herein is approved.

Section 2. The Purchasing Agent and Buyer are authorized to make purchases through competitively solicited U.S. Communities contracts when it is determined to be in the best interest of the City of Kirkland to do so.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2006.

Signed in authentication thereof this ____ day of _____, 2006.

MAYOR

ATTEST:

City Clerk



Government Purchasers Saving You Money

Founding Co-Sponsors



MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT

This agreement is made between certain government agencies that execute a Lead Public Agency Certificate ("Lead Public Agencies") to be appended and made a part hereof and other government agencies ("Participating Public Agencies") that agree to terms and conditions hereof through U.S. Communities registration to be appended and made a part hereof.

RECITALS

WHEREAS, after a competitive bidding and selection process by Lead Public Agencies, a number of Vendors have entered into Master Agreements to provide a variety of goods, products and services based on national volumes (herein "Products");

WHEREAS, Master Agreements are made available by Lead Public Agencies through U.S. Communities and provide that Participating Public Agencies may purchase Products on the same terms, conditions and pricing as the Lead Public Agency, subject to any applicable local purchasing ordinances and the laws of the State of purchase;

WHEREAS, the parties desire to comply with the requirements and formalities of the Intergovernmental Cooperation Act as may be applicable to the laws of the State of purchase;

WHEREAS, the parties hereto desire to conserve resources and reduce procurement cost;

WHEREAS, the parties hereto desire to improve the efficiency, effectiveness and economy of the procurement of necessary Products;

NOW, THEREFORE, in consideration of the mutual promises contained in this agreement, and of the mutual benefits to result, the parties agree as follows:

1. That each party will facilitate the cooperative procurement of Products.
2. That the procurement of Products subject to this agreement shall be conducted in accordance with and subject to the relevant statutes, ordinances, rules and regulations that govern each party's procurement practices.
3. That the cooperative use of bids obtained by a party to this agreement shall be in accordance with the terms and conditions of the bid, except as modification of those terms and conditions is otherwise allowed or required by applicable law.
4. That the Lead Public Agencies will make available, upon reasonable request and subject to convenience, information which may assist in improving the effectiveness, efficiency and economy of Participating Public Agencies procurement of Products.
5. That a procuring party will make timely payments to the Vendor for Products received in accordance with the terms and conditions of the procurement. Payment for Products and inspections and acceptance of Products ordered by the procuring party shall be the exclusive obligation of such procuring party. Disputes between procuring party and Vendor are to be resolved in accord with the law and venue rules of the State of purchase.
6. The procuring party shall not use this agreement as a method for obtaining additional concessions or reduced prices for similar products or services.
7. The procuring party shall be responsible for the ordering of Products under this agreement. A non-procuring party shall not be liable in any fashion for any violation by a procuring party, and the procuring party shall hold non-procuring party harmless from any liability that may arise from action or inaction of the procuring party.
8. The exercise of any rights or remedies by the procuring party shall be the exclusive obligation of such procuring party.
9. This agreement shall remain in effect until termination by a party giving 30 days written notice to U.S. Communities at 2175 N. California Blvd., Suite 550, Walnut Creek, CA 94596.
10. This agreement shall take effect after execution of the Lead Public Agency Certificate or Participating Public Agency Registration, as applicable.

LEAD PUBLIC AGENCY CERTIFICATE

I hereby acknowledge, on behalf of the County of Los Angeles, CA (the "Lead Public Agency") that, I have read and agree to the general terms and conditions set forth in the enclosed Master Intergovernmental Cooperative Purchasing Agreement (MICPA) regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Lead Public Agency to Participating Public Agencies nationwide through U.S. Communities. Copies of Master Agreements and any amendments thereto made available by Lead Public Agency will be provided to Vendors and U.S. Communities to facilitate use by Participating Public Agencies.

I understand that the purchase of one or more Products under the provisions of the MICPA is at the sole and complete discretion of the Participating Public Agency.



Authorized Signature

Joe Sandoval, Division Manager
Purchasing and Contract Services
County of Los Angeles

Name and Title of Signer

7/3/02

Date

LEAD PUBLIC AGENCY CERTIFICATE

I hereby acknowledge, on behalf of the County of Fairfax, Virginia (the "Lead Public Agency") that, I have read and agree to the general terms and conditions set forth in the enclosed Master Intergovernmental Cooperative Purchasing Agreement (MICPA) regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Lead Public Agency to Participating Public Agencies nationwide through U.S. Communities. Copies of Master Agreements and any amendments thereto made available by Lead Public Agency will be provided to Vendors and U.S. Communities to facilitate use by Participating Public Agencies.

I understand that the purchase of one or more Products under the provisions of the MICPA is at the sole and complete discretion of the Participating Public Agency.

Armando E. Malo
Authorized Signature

ARMAVO E. MALO
Director DPSM
Name and Title of Signer

7/8/02
Date

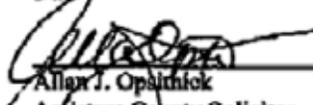
LEAD PUBLIC AGENCY CERTIFICATE

I hereby acknowledge, on behalf of the County of Allegheny, Pennsylvania (the "Lead Public Agency") that, I have read and agree to the general terms and conditions set forth in the enclosed Master Intergovernmental Cooperative Purchasing Agreement (MICPA) regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Lead Public Agency to Participating Public Agencies nationwide through U.S. Communities. Copies of Master Agreements and any amendments thereto made available by Lead Public Agency will be provided to Vendors and U.S. Communities to facilitate use by Participating Public Agencies.

I understand that the purchase of one or more Products under the provisions of the MICPA is at the sole and complete discretion of the Participating Public Agency.


Robert B. Webb
County Manager

Date


Allan J. Opsitnick
Assistant County Solicitor

1.8.03

Date

LEAD PUBLIC AGENCY CERTIFICATE

I hereby acknowledge, on behalf of USD 259, Wichita Public Schools, KS (the "Lead Public Agency") that I have read and agree to the general terms and conditions set forth in the enclosed Master Intergovernmental Cooperative Purchasing Agreement (MICPA) regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Lead Public Agency to Participating Public Agencies nationwide through U.S. Communities. Copies of Master Agreements and any amendments thereto made available by Lead Public Agency will be provided to Vendors and U.S. Communities to facilitate use by Participating Public Agencies.

I understand that the purchase of one or more Products under the provisions of the MICPA is at the sole and complete discretion of the Participating Public Agency.



Authorized Signature

Darren C. Muci

RFP 02-04-011 BOE Approval 1/13/03

Name and Title of Signer

Date