
CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 08/13/2015
Agenda Item: 5B3

ACTION: Approve the utilization of a one-year National Intergovernmental Purchasing Alliance contract issued by the City of Tucson to Network Services Company, a nationwide consortium of janitorial suppliers including the City's current provider – Waxie Janitorial Supply – for the purchase of janitorial supplies used by the Public Works Department.

FISCAL IMPACT: Total cost of the one-year contract will not exceed \$300,000. Sufficient funds have been appropriated in the General Fund – cost center 3271 (Custodial Service) – for the anticipated expenditures in the current fiscal year.

RECOMMENDATION: Approve the utilization of the contract.

BACKGROUND INFORMATION: (City of Tucson 151148) The City of Tucson solicited and awarded a National IPA contract for the purchase of janitorial supplies to Network Services Company.

National IPA is a cooperative purchasing organization established through a collaborative effort of public agencies across the United States with the specific purpose of reducing procurement costs by leveraging group volume. All master agreements are publicly solicited, awarded, and held by a principal procurement agency, in this case the City of Tucson.

Network Services Company is a nationwide consortium of janitorial suppliers who joined forces to provide coast to coast coverage through a National IPA contract. The City's current provider, Waxie Janitorial Supply, is a member of this group and would provide products to the City.

Using cooperative contracts for commodity items such as janitorial supplies has proved to be the most cost effective purchasing approach for the City. The City did survey the available cooperative contracts to insure that the City is receiving fair market pricing for janitorial supplies. The survey established that Waxie Janitorial Supply could offer the City the lowest overall cost based on a "market basket" of items made up of the City's 50 highest use items – additionally, Waxie offers additional discounts that can be utilized by the City to lower overall acquisition cost:

3% discount on orders over \$1,500
5% discount on orders over \$2,500

Customizable "market basket":

The National IPA contract allows the City to customize its own unique "market basket" of items which effectively lowers the City's acquisition cost.

The base discount structure for the program is fixed by the contract.

ATTACHMENTS: None

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Department Director: Renie Broderick, Internal Services Manager
Legal review by: David Park, Assistant City Attorney
Prepared by: Tony Allen, CPPB, Procurement Officer