

EXECUTIVE SUMMARY

Piggyback Recommendation of \$500,000 or Greater 18-216R - Industrial and Commercial Supplies and Equipment

This request is to approve the recommendation to piggyback on the Florida Department of Management Services (DMS) Industrial and Commercial Supplies and Equipment 31160000-18-ACS. This alternate contract source includes facilities Maintenance Repair Organizations, hand-held tools, power tools and related accessories. This piggyback will be used District-wide, and the main user is the Stockroom. Below is a list of benefits that this Piggyback will provide the District:

- Wide product selection with more than 100,000 items on contract
- Manufacturer standard warranty coverage
- Certified minority vendor availability
- Online reporting capabilities (e.g., order tracking, usage reports)
- Pricing tied to Producer Price Index to keep current with market
- Includes the following value-added services: consulting services; inventory management services and technical services (limited vendors)

Procurement Method

DMS considers this contract as an alternate contract given that DMS is piggybacking the State of New York, which provide more leverage and deeper discounts considering the economies of scale of the two (2) states. Purchasing through this Piggyback allows the District to benefit from the purchasing power of governmental agencies and cities throughout Florida and New York. This recommendation will allow Procurement & Warehousing Services to release purchase orders for items awarded in this contract, promptly, at the discounted prices.

Financial Impact

The total spending authority requested based on the total dollar amount of orders placed for vendors Grainger, Inc., Fastenal Company, and MSC Industrial Supply Co. since January 1, 2016 (twenty-six (26) months) is ~~\$1,400,000~~ \$2,815,000 as demonstrated in the breakdown below:

Grand total expenditure in purchase orders		\$1,003,160.03
Grand total expenditure in credit card transactions	+	<u>\$1,289,539.22</u>
Grand total		\$2,292,699
Months (January 2016 – March 2018)	/	<u>26</u>
Historic monthly expenditure		\$88,181
Contract term (months)	*	<u>29</u>
Estimated forecasted spend		\$2,557,241
Ten (10) percent provision	+	<u>\$255,724</u>
Total spend authority (rounded)		<u>\$2,815,000</u>