AUTHORIZATION TO ENTER INTO A COOPERATIVE PURCHASING AGREEMENT WITH HOME DEPOT USA MAINTENANCE FOR MAINTENANCE, REPAIR, AND OPERATING SUPPLIES REFERENCING MARICOPA COUNTY, PHOENIX, AZ’S AGREEMENT NUMBER 16154.

Presenter: Eric Garrett, Chief Property Officer

Recommendation
The Chief Executive Officer recommends that the Board of Commissioners (“Board”) of the Chicago Housing Authority approve the award of contract to the below listed contractor in the approximate value of $27,500,000 consisting of an original contract value of $16,500,000 for a 2-year, 8-month base term from August 1, 2020 through March 31, 2023; plus two option years in the aggregate amount of $11,000,000 to provide maintenance, repair, and operating supplies. The terms of CHA’s cooperative agreement will be concurrent with the terms of the master agreement with Maricopa County, Phoenix, AZ.

The Board delegates authority to the Chief Executive Officer to use her discretion to exercise the options. The Chief Executive Officer shall not exercise more than one option in any year.

<table>
<thead>
<tr>
<th>Recommended Awardee</th>
<th>Base Contract Value</th>
<th>Base Term</th>
<th>Option Terms</th>
<th>Total Contract Value</th>
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</thead>
<tbody>
<tr>
<td>Home Depot USA</td>
<td>$16,500,000</td>
<td>2-Years, 8-Months</td>
<td>1st Option: $5,500,000 2nd Option: $5,500,000</td>
<td>$27,500,000</td>
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<tr>
<td>Total:</td>
<td>$16,500,000</td>
<td></td>
<td>Aggregate Total:</td>
<td>$27,500,000</td>
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The requested action complies in all material respects with all applicable federal, state and local laws, and Chicago Housing Authority board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

Funding
Property Office Division Budget

Background
Scope of Service
Maricopa County, Phoenix, AZ requested proposals from qualified suppliers with the intent to enter into a Contract for Maintenance, Repair and Operations (MRO) Supplies and Related Services. Maricopa County, Phoenix, AZ sought a provider that had the depth, breadth and quality of resources necessary to complete all phases of the Contract. Awarded Offeror(s) shall deliver products and services under the terms of this agreement. Contract 16154 was executed
with Home Depot with effective dates of February 1, 2017 through December 31, 2021. On November 21, 2019 agreement 16154 was extended through December 31, 2026.

The Contract is based on the need to provide the economic benefits of volume purchasing and reduction in administrative costs through cooperative purchasing to schools and other members. These types of contracts are commonly referred to as being “piggy-backable.”

**National Contract**

OMNIA Partners is the largest and most experienced purchasing organization for public and private sector procurement. OMNIA Partners provides shared services and supply chain optimization to government, education and the private sector. Participating Public Agencies benefit from pricing based on aggregate spend and the convenience of a contract that has already been advertised and publicly competed. Through the economies of scale created by OMNIA Partners public sector subsidiaries and affiliates, National IPA and U.S. Communities, participants have access to more competitively solicited and publicly awarded agreements.

The consortium combines the cooperative purchasing power of 87,000 public agencies, and suppliers commit to providing their highest valued programs. The contracts are national level contracts that are volume based on the participation from the consortium members. Each service or commodity is procured by a lead agency on behalf of the participating members. Each lead agency is required to follow traditional procurement processes which includes RFPs, evaluation committees and approval by their respective governing boards.

Home Depot also offers Volume Pricing Program, for large individual planned purchases. Home Depot can provide more aggressive savings to purchasers through Volume Pricing Discounts. As purchasing volumes grow nationally, all participating members can take advantage of deeper discounts without minimum volume restrictions to their agencies.

An agreement with Home Depot Pro for maintenance, repair, and routine operating supplies will allow CHA to increase financial efficiency. It will provide an option to shop competitively and to limit third-party markup costs when other contracted vendors such as Lowe’s and Grainger cannot provide timely goods and services based on their available inventory.

**Procurement Activities**

This request for approval is part of a cooperative purchase agreement through OMNIA Partners. The Board of Directors of Maricopa County, AZ issued RFP 16154 on August 4, 2016 to establish a national cooperative contract for Maintenance, Repair and Operations (MRO) Supplies & Related Services. The solicitation included cooperative purchasing language. Maricopa County is acting as the contracting agency for other agencies utilizing the resulting Master Agreement.

A pre-proposal conference was held on September 1, 2016. The respondents to the RFP are depicted in the table below:
The recommended vendor(s) were selected through a competitive procurement process in accordance with HUD regulation CFR 200.318 that evaluated responses in the following areas:

1. Firms Qualifications  
2. Performance Capability  
3. Price

The proposals were evaluated by an evaluation committee. Using the evaluation criteria established in the RFP, the committee determined that Home Depot USA, Inc. demonstrated the ability to provide the products and services outlined in the solicitation while offering competitive pricing to members.

**MWDBE and Section 3 Compliance:**
The Department of Procurement and Compliance has reviewed the proposed vendors and has determined the Home Depot USA, Inc. shall provide to the CHA, on an annual basis, documentation concerning its diversity initiatives, in particular reports summarizing its efforts to utilize Minority, Women and Disadvantaged Business Enterprises ("MBE/WBE/DBE"), in a form and at a time mutually agreeable to Home Depot USA, Inc. and CHA.

**Vendor Background Information**
*Home Depot USA, Inc.  Craig Menear, Chairman, CEO and President, 2455 Paces Ferry Road, NW. Atlanta, Georgia 30339-4024* Home Depot offers a robust selection of products in all MRO, hardware, and building products categories and associated services. Participants have access to over 30,000 products at each store location, bulk offerings through the Pro Desk at the local store and rebate incentives to participating public agencies based upon spend volume.

Based on the scoring from the evaluation committee, I recommend approval to enter into a contract with Home Depot for MRO Supplies & Related Services.

**Respectfully Submitted:**

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Tracey Scott
Chief Executive Officer
RESOLUTION NO. 2020-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated July 21, 2020 entitled “Authorization to Enter into a Cooperative Purchasing Agreement with Home Depot USA Maintenance for Maintenance, Repair, and Operating Supplies Referencing Maricopa County, Phoenix, AZ’S Agreement Number 16154”.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or her designee to enter into a Cooperative Purchasing Agreement with Home Depot USA for Maintenance, Repair, and Operating Supplies for an approximate total contract value of $27,500,000 for a 2-year, 8-month base term plus two option years.

This award is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE/ Section 3 hiring and insurance requirements.

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Angela Hurlock
Chairperson
Chicago Housing Authority