CHA
CHICAGO HOUSING AUTHORITY

July 21, 2020 **Item No. 4**

AUTHORIZATION TO ENTER INTO A COOPERATIVE PURCHASING AGREEMENT WITH LOWE'S HOME CENTERS, LLC FOR MAINTENANCE, REPAIR, AND OPERATING SUPPLIES REFERENCING REGION 4 EDUCATION SERVICE CENTER'S AGREEMENT NUMBER R192006.

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(s) to the below listed contractor(s) 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 Region 4 Education Service Center.

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.

Recommended Awardee	Base Contract Value	Base Term	Option Terms	Total Contract Value
Lowe's	$16,500,000	2-Years, 8-Months	1st Option: $5,500,000 2nd Option: $5,500,000	$27,500,000
Total:	**$ 16,500,000**		**Aggregate Total:**	**$27,500,000**

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

Region 4 Education Service Center ("Region 4 ESC") requested proposals from qualified suppliers with the intent to enter into a Contract for Maintenance, Repair and Operations (MRO) Supplies and Related Services. Region 4 ESC 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 R192006 with Lowe's was executed with an effective date of April 1, 2020, through March 31, 2023 with two optional 1-year extensions.

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.

While no minimum volume is guaranteed to the Contractor, the estimated sales volume of maintenance, repair and operations (MRO) supplies and related services under the Master Agreement through OMNIA Partners is approximately $100 million. This projection is based on the current annual volumes among Region 4 ESC, other Participating Public Agencies anticipated to utilize the resulting Master Agreement made available through OMNIA Partners, and volume growth into other Public Agencies through a coordinated marketing approach between the Contractor and OMNIA Partners. Pricing is based on the following: Walk-In: 7% discount at time of purchase • On-Line: up to 20% discount • eProcurement: Category discounts up to 20% off. As purchasing volumes grows nationally, all participating members can take advantage of deeper discounts without minimum volume restrictions to their agencies.

Procurement Activities

This request for approval is part of a cooperative purchase agreement through OMNIA Partners. The Board of Directors of Region 4 Education Service Center (ESC) issued RFP 19-20 on October 28, 2019, to establish a national cooperative contract for Maintenance, Repair and Operations (MRO) Supplies & Related Services. The solicitation included cooperative purchasing language. Region 4 Education Service Center is acting as the contracting agency for other public agencies that elect to utilize the resulting Master Agreement.

A Pre-Proposal conference was held on November 12, 2019. The responses to the RFP are depicted in the table below:

Responsive Proposal(s)
Facility Solutions Group
Fastenal Company
W.W. Grainger, Inc.
Hi-Line Electric., Inc.
Kimball Midwest
Lawson Products
Lowe's Home Centers, LLC.
Northern Safety & Industrial
Wesco Distribution, Inc.

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 (list criterion and points):

1. Products/Pricing 40 points
2. Performance Capability 25 points
3. Qualifications & Experience 25 points
4. Value Add 10 points

The proposals were evaluated by an evaluation committee. Using the evaluation criteria established in the RFP, the committee determined that Lowes Home Centers, LLC 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 Lowes Home Centers, LLC 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 Lowes Home Centers, LLC and CHA.

Vendor Background Information

Lowes Home Centers, LLC Marvin R. Ellison, President and CEO, 1000 Lowe's Blvd., Mooresville, NC. 28115. Lowe's operates approximately 2,370 home improvement and hardware stores which offers a range of products for maintenance, repair and remodeling. Product categories include Lumber and Building Materials; Tools and Hardware; Appliances; Fashion Fixtures; Rough Plumbing and Electrical; Lawn and Garden; Seasonal and Outdoor Living; Paint; Flooring; Millwork, and Kitchens. The Company also supports the communities that focus on K-12 public education and community improvement projects.

Region 4 Education Service Center (Region 4) 7145 West Tidwell Road, Houston, Texas 77092 was the lead agency on behalf of the OMNIA Partners cooperative members to complete the solicitation process. Region 4 is one of 20 regional education service centers established by the Texas Legislature in 1967 to assist school districts and charter schools in improving efficiencies and student performance. Regional education service centers are nonregulatory, intermediate

education units. Texas Education Code, Chapter 8, gives each school district the opportunity to voluntarily be served by and participate with a regional education service center. Region 4 serves a seven-county area comprised of 48 public school districts and 39 open-enrollment charter schools, representing more than 1.2 million students, 99,000 educators, and 1,500 campuses.

Based on the scoring from the evaluation committee, I recommend approval to enter into a contract with Lowes Home Centers, LLC 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 Lowe's Home Centers, LLC for Maintenance, Repair, and Operating Supplies Referencing Region 4 Education Service Center's Agreement Number R192006".

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 Lowe's Home Centers, LLC 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