



Item: Cooperative Group Purchasing Agreement

From: Stephen A. Hester, Fire Chief, Doug Alm, Fleet Manager

Initiated By/Presented By: Stephen A. Hester

Action Requested: Commission approval for the City Manager to participate with a Cooperative Purchasing Agreement

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (authorize/not authorize) the City Manager to authorize participation in the Houston Galveston Area Council (H-GAC) Cooperative Purchasing Program.

2. Mayor Winters requests a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation: Authorize the City Manager to enter into Houston-Galveston Area Council - a cooperative purchasing agreement to purchase two new fire apparatus for the City of Great Falls.

Summary: Great Falls Fire Rescue has drafted a bid specification for two new Rescue Pumper Apparatus. During this process the Fire Chief and Fleet Manager have investigated the benefit and possibilities of using H-GAC instead of the traditional bid process as a means of getting the best price for the new apparatus. The City of Great Falls has exercised various bid programs throughout the years to insure the best pricing on vehicles and equipment. Programs include State Contract purchasing, City of Billings/Great Falls Interlocal Purchasing Agreement, and the US Communities purchasing programs. Depending on the item needed for purchase, these tools have been important to the city to reduce cost and increase overall purchase power.

The City has the option of participating in the H-GAC purchasing group. The H-GAC cooperative purchasing group is over 30 years old and has over 58 members in the Pacific Northwest alone. The benefit to the City is that the pool has significant group purchasing capability to negotiate favorable pricing. The H-GAC cooperative utilizes competitive bidding process that meets Montana State (MCA section 7-5-2301) procurement standards and requirements.

Background: Participation in the program allows the City to get the best price on large equipment and vehicles based on the buying power the H-GAC. The purchasing group is better able to negotiate lower prices than any single member based on economies of scale and up front pricing discounts. City's like Portland, Seattle, Phoenix and Boise all use national purchasing groups to buy fire apparatus and have found it the best means of procuring apparatus. About \$8,000.00 per unit would be saved using a purchasing group to buy the new fire apparatus.

The City would also receive the exact equipment as specified from a manufacturer of their choice. This benefits Central Garage and its users because specification exceptions and alternatives will not be required under this program. For example, if the City shops have all the diagnostic tools for Cummins engines but the lowest bidder may have specified a Detroit engine. The mechanic would have to purchase the diagnostic tools for the Detroit and would have to be trained on its maintenance and repairs. Also the time it takes to receive equipment and vehicle is significantly shortened.

Participation in the program will reduce the workload of Fleet Management, the Finance Department, and the City Clerk's office in the time and effort associated with bid/proposal process.

Fiscal Impact: There is no fee to becoming a member of the H-GAC purchasing cooperative. However, there is an administrative fee of \$2,000.00 charged by H-GAC which is added into the cost of the apparatus and is paid by the Fire Apparatus Manufacturer. As a sidenote, the administrative fee the same regardless of the number of apparatus purchased at that time.

Alternatives: Reject and use traditional request for proposal process

Concurrences: City Attorney, Public Works Fleet Mangement

Attachments/Exhibits:

Sample Interlocal Contract for Cooperative Purchasing



INTERLOCAL CONTRACT FOR COOPERATIVE PURCHASING

ILC No.: _____ Permanent Number assigned by HGAC

THIS INTERLOCAL CONTRACT ("Contract"), made and entered into pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code (the "Act"), by and between the Houston-Galveston Area Council, hereinafter referred to as "H-GAC," having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027, and *

_____, a local government, a state agency, or a non-profit corporation created and operated to provide one or more governmental functions and services, hereinafter referred to as "End User," having its principal place of business at *

WITNESSETH

WHEREAS, H-GAC is a regional planning commission and political subdivision of the State of Texas operating under Chapter 391, Texas Local Government Code; and

WHEREAS, pursuant to the Act, H-GAC is authorized to contract with eligible entities to perform governmental functions and services, including the purchase of goods and services; and

WHEREAS, in reliance on such authority, H-GAC has instituted a cooperative purchasing program under which it contracts with eligible entities under the Act; and

WHEREAS, End User has represented that it is an eligible entity under the Act, that its governing body has authorized this Contract on * _____ (Date), and that it desires to contract with H-GAC on the terms set forth below;

NOW, THEREFORE, H-GAC and the End User do hereby agree as follows:

ARTICLE 1: LEGAL AUTHORITY

The End User represents and warrants to H-GAC that (1) it is eligible to contract with H-GAC under the Act because it is one of the following: a local government, as defined in the Act (a county, a municipality, a special district, or other political subdivision of the State of Texas or any other state), or a combination of two or more of those entities, a state agency (an agency of the State of Texas as defined in Section 771.002 of the Texas Government Code, or a similar agency of another state), or a non-profit corporation created and operated to provide one or more governmental functions and services, and (2) it possesses adequate legal authority to enter into this Contract.

ARTICLE 2: APPLICABLE LAWS

H-GAC and the End User agree to conduct all activities under this Contract in accordance with all applicable rules, regulations, and ordinances and laws in effect or promulgated during the term of this Contract.

ARTICLE 3: WHOLE AGREEMENT

This Contract and any attachments, as provided herein, constitute the complete contract between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein.

ARTICLE 4: PERFORMANCE PERIOD

The period of this Contract shall be for the balance of the fiscal year of the End User, which began * _____ and ends * _____. This Contract shall thereafter automatically be renewed annually for each succeeding fiscal year, provided that such renewal shall not have the effect of extending the period in which the End User may make any payment due an H-GAC contractor beyond the fiscal year in which such obligation was incurred under this Contract.

ARTICLE 5: SCOPE OF SERVICES

The End User appoints H-GAC its true and lawful purchasing agent for the purchase of certain products and services through the H-GAC Cooperative Purchasing Program. End User will access the Program through HGACBuy.com and by submission of any duly executed purchase order, in the form prescribed by H-GAC to a contractor having a valid contract with H-GAC. All purchases hereunder shall be in accordance with specifications and contract terms and pricing established by H-GAC. Ownership (title) to products purchased through H-GAC shall transfer directly from the contractor to the End User.

(over)

ARTICLE 6: PAYMENTS

H-GAC will confirm each order and issue notice to contractor to proceed. Upon delivery of goods or services purchased, and presentation of a properly documented invoice, the End User shall promptly, and in any case within thirty (30) days, pay H-GAC's contractor the full amount of the invoice. All payments for goods or services will be made from current revenues available to the paying party. In no event shall H-GAC have any financial liability to the End User for any goods or services End User procures from an H-GAC contractor.

ARTICLE 7: CHANGES AND AMENDMENTS

This Contract may be amended only by a written amendment executed by both parties, except that any alterations, additions, or deletions to the terms of this Contract which are required by changes in Federal and State law or regulations are automatically incorporated into this Contract without written amendment hereto and shall become effective on the date designated by such law or regulation.

H-GAC reserves the right to make changes in the scope of products and services offered through the H-GAC Cooperative Purchasing Program to be performed hereunder.

ARTICLE 8: TERMINATION PROCEDURES

H-GAC or the End User may cancel this Contract at any time upon thirty (30) days written notice by certified mail to the other party to this Contract. The obligations of the End User, including its obligation to pay H-GAC's contractor for all costs incurred under this Contract prior to such notice shall survive such cancellation, as well as any other obligation incurred under this Contract, until performed or discharged by the End User.

ARTICLE 9: SEVERABILITY

All parties agree that should any provision of this Contract be determined to be invalid or unenforceable, such determination shall not affect any other term of this Contract, which shall continue in full force and effect.

ARTICLE 10: FORCE MAJEURE

To the extent that either party to this Contract shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed; provided, however, force majeure shall not excuse an obligation solely to pay funds. Determination of force majeure shall rest solely with H-GAC.

ARTICLE 11: VENUE

Disputes between procuring party and Vendor are to be resolved in accord with the law and venue rules of the State of purchase.

THIS INSTRUMENT HAS BEEN EXECUTED IN TWO ORIGINALS BY THE PARTIES HERETO AS FOLLOWS:

*

Name of End User (local government, agency, or non-profit corporation)

Houston-Galveston Area Council
3555 Timmons Lane, Suite 120, Houston, TX 77027

*

Mailing Address

By: _____
Executive Director

*

City State ZIP Code

Attest: _____
Manager

*By: _____
Signature of chief elected or appointed official

Date: _____

*

Typed Name & Title of Signatory Date

*Denotes required fields

rev. 03/11

***Request for Information**

To expedite service, please complete the following blanks relevant to your agency's administrative/elective personnel and return the completed form to H-GAC, Cooperative Purchasing Program, P.O.Box 22777, Houston, TX 77227-2777.

Name of End User Agency : _____ **County Name :** _____
(Municipality / County / District / etc.)

Mailing Address : _____
(Street Address/P.O. Box) (City) (State) (ZIP Code)

Main Telephone Number : _____ **FAX Number:** _____

Physical Address : _____
(Street Address, if different from mailing address) (City) (State) (ZIP Code)

Web Site Address: _____

Authorized Official: _____ **Title:** _____
(City manager / Executive Director / etc.) **Ph No.:** _____

Mailing Address: _____ **E-Mail Address :** _____
(Street Address/P.O. Box)

(City) (State) (ZIP Code)

Official Contact: _____ **Title:** _____
(Purchasing Agent/Auditor etc.) **Ph No.:** _____

Mailing Address: _____ **Fx No.:** _____
(Street Address/P.O. Box) **Email Address :** _____

(City) (State) (ZIP Code)

Official Contact: _____ **Title:** _____
(Public Works Director/Police Chief etc.) **Ph No.:** _____

Mailing Address: _____ **Fx No.:** _____
(Street Address/P.O. Box) **Email Address :** _____

(City) (State) (ZIP Code)

Official Contact: _____ **Title:** _____
(EMS Director/Fire Chief etc.) **Ph No.:** _____

Mailing Address: _____ **Fx No.:** _____
(Street Address/P.O. Box) **Email Address :** _____

(City) (State) (ZIP Code)