



Maintenance, Repair, and Operations (MRO) Supplies and Related Services

**Lead Agency:** University of California

**Solicitation:** RFP-MRO-UCSystemWide-Jan312018

**RFP Issued:** January 31<sup>st</sup>, 2018

**Pre-Proposal Date:** February 5<sup>th</sup>, 2018 at 9:00am PST

**Response Due Date:** March 17<sup>th</sup>, 2018

**Proposals Received:** 9

**Awarded to:** W.W. Grainger Inc.

The University of California issued RFP RFP-MRO-UCSystemWide-Jan312018 on January 31<sup>st</sup>, 2018, to establish a national cooperative contract for maintenance, repair, and operations (MRO) supplies and related services.

The solicitation included cooperative purchasing language in Section 1. Introduction, Background and Intent states:

*“University of California Office of the President (UCOP) (herein “Principal Procurement Agency” on behalf of itself, California State University (CSU), California Community Colleges (CCC) represented by Foundation for California Community Colleges (FCCC) and all states, local governments, school districts, and higher education institutions in the United States of America, and other government agencies and nonprofit organizations (herein “Participating Public Agencies”) is soliciting proposals from qualified Suppliers to enter into a Master Agreement for a complete line of Maintenance, Repair and Operating (MRO) Supplies & Related Products and Services (herein “Products and Services”). Moving forward, all three organizations UC, CSU, CCC will be referenced as California Higher Education Strategic Sourcing (CHESS).”*

Notice of the solicitation was sent to potential offerors, as well as advertised in the following:

- Arizona Business Gazette
- Daily Journal of Commerce OR
- Deseret News
- Helena Independent Record
- Honolulu Star Advertiser
- Houston Community Papers
- Las Vegas journal Review
- Media Planning
- New Jersey Herald
- Richmond Times
- San Bernardino Sun
- Seattle Daily Journal of Commerce
- The Advocate (New Orleans)
- The Herald News
- The State
- Times Union (Albany)
- USA Today
- The Salt Lake Tribune
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On March 17<sup>th</sup>, 2018 proposals were received from the following offerors:

- CED – Consolidated Electrical Distributors Inc. DBA All-Phase Electric Supply
- Home Depot
- Ferguson
- McMaster-Carr
- WESCO Distribution, Inc.

- HD Supply Facilities Maintenance, Ltd.
- W.W. Grainger, Inc.
- Fastenal
- Pacific Plumbing Specialties
- Glory Supply, Inc.
- Bridgemore Inc.
- Clarvan Inc.
- Pacific Ink, Inc.
- Echelon Distribution LLC.

The proposals were evaluated by an evaluation committee. Using the evaluation criteria established in the RFP, the committee elected to enter into negotiations with W.W. Grainger and proceeding with contract award upon successful completion of negotiations.

The University of California, National IPA, and W.W. Grainger, Inc. successfully negotiated a contract and executed the agreement with a contract effective date of July 1<sup>st</sup>, 2018.

**Contract Highlights:**

A national MRO supplier offering discounts ranging from 5% to 35% across 31 different categories along with growth, green product, E-commerce, green product, last mile, national sales, and customized incentive programs.

**Contract includes:**

- Category Discounts ranging from 5% to 35% off catalog prices
- Two Market Baskets:
  - National Market Basket of 1300+ items
  - Site Specific Market Basket OF 1000+ items
- Freight: FOB Destination, freight prepaid and allowed
- Annual Growth Incentive of 1% on 10%< prior year sales. 2% on 20%< prior year sales.
- E-commerce Rebate: 1% on 50%-74% sales through ecommerce. 2% on 75%< through ecommerce
- Grainger Choice – 1% incentive paid on all Grainger Choice purchases if a minimum of 25% is met for total sales.
- Green product Incentive: 1% incentive paid on all Certified Grainger Green Product purchases if a minimum of 20% is met for total sales.
- Last mile: 0.25% incentive will be paid on all qualified Participating Agency total.
- Payment Terms. N30 or Virtual/Ghost Card Net.
- National Sales Incentive: \$200M total sales 1% added base discount (total 4%). \$400M added 1% (total 5%)
- Customized contract incentives: Ability to provide each participating Entity customized contract offer.

**Term:**

Initial five-year agreement from July 1, 2018 through June 30, 2023 with the option to renew for two (2) additional one-year periods through June 30, 2025.

**Pricing/Discount:**

Discount of 5% to 35% off catalog prices.

**National IPA Web Landing Page:**

<http://www.nationalipa.org/Vendors/Pages/Grainger.aspx#tabs-contract>