



## Board Letter

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**Agenda Date:** March 24, 2025

**Agenda #:** 4

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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 R240805.

Presenter: Leonard Langston, Interim Chief Property Officer

### **Recommendation**

The Interim Chief Executive Officer ("CEO") of the Chicago Housing Authority ("CHA") recommends that the CHA Board of Commissioners ("Board") approve the award of contract to the below listed contractor in the approximate aggregate value of \$30,076,200 consisting of an aggregate original contract value of \$17,509,900 for a 2-year, 7-month base term from April 1, 2025 through October 31, 2027; and two option years in the combined amount of \$12,566,300 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 further authorizes the Interim CEO to approve each request to exercise the options awarded under the contract.

Recommended Awardee	Base Contract Value	Base Term	Option Terms	Total Contract Value
Lowe's	\$17,509,900	2-Years, 7-Months	1 <sup>st</sup> Option: \$6,190,300 2 <sup>nd</sup> Option: \$6,376,000	\$30,076,200
<b>Total:</b>	<b>\$17,509,900</b>		<b>\$12,566,300</b>	<b>\$30,076,200</b>

The requested action complies in all material respects with all applicable federal, state, and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

### **Funding**

MTW Funds

### **Background**

Maintenance, repair, and operations ("MRO") is the preservation required to keep property systems and equipment in operating condition. MROs include industrial equipment, cleaning supplies and materials such as flooring, paint, light fixtures, and countertops. An MRO agreement will assist with preventive maintenance, stock inventory, and reduce response time for emergency repairs. The executed cooperative agreement will provide supply and delivery of various resources, including refrigerators, ranges, cleaning supplies, HVAC supplies, plumbing

supplies, and construction materials for unit renovations. Executing a cooperative agreement with Region 4 ESC and Lowe's will ensure uninterrupted provision of maintenance, repair, and operating supplies that are required for day-to-day operations.

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.

### **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 participants have access to more competitively solicited and publicly awarded agreements.

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 annual volume of Maintenance, Repair and Operations (MRO) Supplies, Equipment and Related Products and Services purchased under the Master Agreement through OMNIA Partners is approximately \$350,000,000. This projection is based on the current annual volumes among Region 4 ESC, other Participating Public Agencies anticipated to utilize the resulting Master Agreement to be made available to them through OMNIA Partners, and volume growth into other Public Agencies through a coordinated marketing approach between the Contractor and OMNIA Partners.

Discounts and Rebates are as followed:

- Minimum Discount of 5% for all items purchased.
- 10% - 20% Discount on large orders over \$1000.
- Up to 25% Discount on seasonal bundled orders.
- 7% Discount after all transactions in a calendar year (Jan 1 through Dec 31).

As purchasing volumes grows nationally, all participating members can take advantage of deeper discounts without minimum volume restrictions to their agencies.

### **Procurement Activities**

Region 4 Education Service Center ("Region 4 ESC") is acting as the contracting agency for other Public Agencies that elect to utilize the resulting Master Agreement. This joint procurement contract was competitively procured by Region 4 ESC through RFP 24-08 issued on May 15, 2024, to establish a national cooperative contract for Maintenance, Repair, and Operations (MRO) Supplies & Related Services. The thirteen responses to the RFP are depicted in the table below:

Responsive Proposal(s)
Arbill Industries, Inc
Bexar Mechanical, LLC
Fastenal Company
FLIP LOK LLC
W. Joe Shaw dba goSafe
Hi-Line Electric Company, Inc., dba Hi-Line, Inc.
Imperial Utilities & Sustainability, Inc.
Midwest Motor Supply Co., Inc., dba Kimball Midwest
Lawson Products, Inc.
Lowe's Home Centers, LLC
Northern Safety Co., Inc
W.W. Grainger, Inc.
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. Experience Capability     | 30 points |
| 3. Qualifications Experience | 20 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. Region 4 ESC Board of Directors awarded contract number R240805 effective November 1, 2024 and will expire on October 31, 2027.

The base contract for the underlying agreement is three (3) years with an option of two (2) one-year renewals.

#### **Diversity Contracting Requirements**

Staff has reviewed Lowes Home Centers, LLC. proposed request. In accordance with CHA policy Lowes has requested a full waiver of 20% MWDBE goal for CHA. Lowes has stated that they will provide sponsorships which will satisfy the Section 3 requirement for CHA. They are proposing the following:

- June 2025 – CHA Homeownership Symposium/Fair –target at least 200+ participants; sponsorship packages will be similar to 2024, September 2025 – CHA Landlord Symposium and October 2025 – CHA Operation Warm. Final details will be completed upon collaboration with CHA and Lowes. Lowes has hired one student resident from the S2S Take flight event in January 2025.

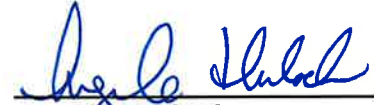
#### **Vendor Background Information**

Marvin R. Ellison, President, and CEO, 1000 Lowe's Blvd., Mooresville, NC. 28115. Lowe's operates over 1,700 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.

Based on the scoring from the evaluation committee, I recommend approval to enter into a contract with Lowes Home Centers, LLC for Maintenance, Repair, and Operating Supplies & Related Services.

Respectfully Submitted:



**Angela Hurlock**  
**Interim Chief Executive Officer**



**Agenda #: 4**

**RESOLUTION NO. 2025-CHA-9**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated March 24, 2025, 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 R240805".

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

**THAT,** the Board of Commissioners authorizes the Interim Chief Executive Officer or her designee to enter into a Cooperative Purchasing Agreement with Lowe's Home Centers, LLC, to provide maintenance, repair, and operating supplies, for a 2-year, 7-month base term, with 2 additional one-year option terms, for an aggregate amount not-to-exceed \$30,076,200.

This award is subject to the Contractor's compliance with CHA's Diversity Contract Compliance and insurance requirements.



A handwritten signature in black ink, appearing to read "M. Brewer", written over a horizontal line.

**Matthew Brewer**  
**Interim Chairman**  
**Chicago Housing Authority**