



## Board Letter

---

**Agenda Date:** March 24, 2025

**Agenda #: 5**

---

Authorization to enter into a Cooperative Purchasing Agreement with W.W. Grainger, Inc for maintenance, repair, and operating supplies referencing City of Tucson, AZ agreement number 240078.

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 \$10,936,500 consisting of an aggregate original contract value of \$6,367,000 for a 2-year, 9-month base term from April 1, 2025 through October 31, 2027; and two option years in the combined amount of \$4,569,500 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 City of Tucson, AZ.

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
W.W. Grainger	\$6,367,000	2-Years, 9-Months	1 <sup>st</sup> Option: \$2,251,000 2 <sup>nd</sup> Option: \$2,318,500	\$10,936,500
<b>Total:</b>	<b>\$6,367,000</b>		<b>\$4,569,500</b>	<b>\$10,936,500</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") are 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 City of

Tucson and Grainger 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 MRO Supplies and Related Services purchased under the Master Agreement through OMNIA Partners Public Sector is approximately \$250 million. This projection is based on the current annual volumes among the City of Tucson, 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.
- 5% Incremental Growth Incentive - Members receive a rebate of 5% on the growth year over year. Example: 2024 spend on \$100K and 2025 spend \$150K, 5% rebate on 50K.
- 2% eCommerce Incentive (75% of spend through qualifying channel) 95% of PAM's purchases are on Grainger's website.
- 2% Volume Incentive (Qualifying Annual Spend of \$250,000) Members qualify for a 2% Direct Sales Administration Fee on total purchases made over the contract year.

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

### **Procurement Activities**

The City of Tucson, AZ Business Services Department ("City of Tucson") 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 The City of Tucson, AZ Business Services Department through RFP #240078 issued on February 7, 2024, to establish a national cooperative contract for Maintenance, Repair, and Operations (MRO) Supplies & Related Services. The five responses to the RFP are depicted in the table below:

Responsive Proposal(s)
Geary Pacific Supply
Interplay Learning, Inc.
W.W. Grainger, Inc.
Hi-Line Electric Co.
Mallory Safety & Supply

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 (listed criterion and Max 100 points):

- A. Method of Approach
- B. Price Proposal
- C. Qualifications & Experience

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. The City of Tucson, AZ awarded contract number 240078 effective January 1, 2025 and will expire on December 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**

CHA Staff has reviewed the proposed vendors and has determined the vendors' utilization plans meet with the CHA's stated goals.

Grainger will satisfy the CHA 20% MWDBE goal through a combination of direct and indirect subcontracting. Direct participation will be performed by the following certified firms: DevMar Products, LLC at 1.94% (MBE), Jelmar, LLC at 1.94% (WBE), CP Industries, LLC at 1.94% (WBE), DDS at 0.97% (MBE), Everlights, Inc. at 2.43% (WBE), B&L Distributors, Inc. at 0.73% (WBE), Wooster Products at 1.94% (MBE) Indirect participation credit is available through Forza Construction, LLC at 7.77% (WBE), Family Door Services, LLC at 1.94% (WBE) and RAE Products and Chemicals Corp. at 0.97%. Grainger will satisfy their Section 3 subcontracting goal utilizing C&G Construction which is 75% + LI hours at 0.97%.

In addition, the vendor has also proposed a commitment to Other Economic Opportunity (OEO) which includes for C&G Construction, SC3B to provide account management and MRO industry training, at \$100,000.00, internships at \$50,000.00 and Section 3 Youthbuild Hire at \$60,000.00.

With the Section 3 subcontracting and the OEO it is a combined commitment of \$310,000.00.

The current contract number 12485 expensed amount is \$1,234,484 will end on 3/31/25. The vendor provided diversity spend reporting and met the previous requirements.

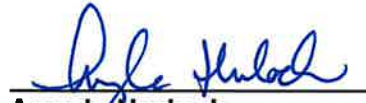
#### **Vendor Background Information**

D.G. Macpherson, Chairman and CEO, 100 Grainger Parkway, Lake Forest, IL 60045. Grainger has nearly 2 million products covering more than 32 MRO categories and distributes

the most comprehensive line of MRO products and service categories and anything MRO related. Within each category, offering is of substantial scale and breadth. Complete with specialized distributors and manufacturers across all MRO market segments, Grainger works with well-recognized safety suppliers for facility and product surveys, along with fee-based OSHA certification and training programs to help Participating Agencies stay compliant. Beyond categories offered in the RFP, Grainger's Sourcing Team procures facilities maintenance products and services beyond the Grainger catalog. Grainger recognizes the importance of supplier diversity and has over 20 years of successful experience offering diverse companies' opportunities through two core programs; Tier II: Supplier Diversity Program and Tier I: Distributor Alliance Program.

Based on the scoring from the approved cooperative agreement, I recommend approval to enter into a contract with W.W. Grainger, Inc., for Maintenance, Repair and Operations (MRO) Supplies, Parts, Equipment, Materials, and Related Services as needed at CHA.

Respectfully Submitted:



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



**Agenda #: 5**

**RESOLUTION NO. 2025-CHA-10**

**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 W.W. Grainger, Inc., for maintenance, repair, and operating supplies referencing the City of Tucson Agreement Number 240078".

**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 W.W. Grainger to provide maintenance, repair, and operating supplies, for a 2-year, 9-month base term, with 2 additional one-year option terms, for an aggregate amount not-to-exceed \$10,936,500.

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 "Matthew Brewer".

---

**Matthew Brewer**  
**Interim Chairperson**  
**Chicago Housing Authority**