



**BUSINESS OF THE CITY COUNCIL  
AGENDA STATEMENT**

Item No6g.  
For Meeting of 6.16.2016

**ITEM TITLE:** HGACBuy Interlocal Contract for Cooperative Purchasing

**CONTACT PERSON(S):** Jean Furler, Finance Director

**SUMMARY EXPLANATION:** At a staff meeting Ryan Coburn, Fire Chief asked that the city consider utilizing HGACBuy for purchasing equipment. He indicated that through discussions with other cities the process has been positive and the financial savings substantial. It is a local government cooperative that contracts with eligible entities (government and non-profits) to obtain reduced pricing on goods and services including anything from office supplies to fire trucks. The city does not incur any costs unless an item is purchased. An example is Urbandale purchased a fire truck, saved \$85K through the cooperative and paid \$2,000 for the service.

I asked Brandt Johnson, Intern to call some of the local cities to get their feedback. I attached his report for your review. In addition, for your information I provided a list of Iowa organizations that currently participate.

**Iowa**

- |  |                 |
|--|-----------------|
| City of Altoona (IA)   | Altoona         |
| City of Bettendorf (IA)  | Bettendorf      |
| City of Coralville (IA)  | Coralville      |
| City of Dubuque (IA)   | Dubuque         |
| City of Indianola (IA)   | Indianola       |
| City of Knoxville (IA)   | Knoxville       |
| City of LeClaire (IA)  | LeClaire        |
| City of Marshalltown (IA)  | Marshalltown    |
| City of Pleasant Hill (IA)   | Pleasant Hill   |
| City of Urbandale (IA)   | Urbandale       |
| City of Waterloo (IA)  | Waterloo        |
| City of West Des Moines (IA)   | West Des Moines |
| Delaware, Dubuque and Jackson County Regional Transit Authority (IA) | Dubuque         |
| Des Moines Airport Authority (IA)                                    | Des Moines      |
| Mississippi Bend Area Education Agency (IA)                          | Bettendorf      |
| Region XII Council of Governments (IA)                               | Carroll         |
| Waste Commission of Scott County (IA)                                | Davenport       |

<input type="checkbox"/> Resolution _____ <input type="checkbox"/> Ordinance _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Other (Specify) _____
Funding Source _____
APPROVED FOR SUBMITTAL _____ <div style="text-align: right;">City Manager</div>

**STAFF RECOMMENDATION:** Approve the HGACBuy Interlocal Contract for Cooperative Purchasing.

## **Email Responses for H-GAC Effectiveness**

### **Altoona**

“Our experience with HGAC has been minimum but positive. We just ordered our first ambulance from them so there hasn’t been much communication between us. They are waiting for the 2017 models to come in. The cost is \$1000 for an ambulance and \$2000 for a fire truck”.

*Jerry R. Whetstone, Altoona Fire Chief*

### **West Des Moines**

“We purchased the Aries Sewer Camera Truck from Mid Iowa in 2012 off of the HGAC Buy purchasing group. That has been the only purchase.

1. The experience was positive. Pricing was competitive, nothing negative. A little paperwork to become a member but other than that nothing too difficult to purchase off of. The only issues I have found, is it doesn’t work really well for “custom” type orders. We would have liked to use it for fire truck purchases, but due to our usage, we wanted the truck with custom storage, pump panel, etc.. If it is the run of the mill purchase, such as a golf cart, it would work really well. We haven’t used it much due to how many state contracts are out there. Between Iowa and Minnesota, it covers a lot of what we purchase for equipment and vehicles.
2. As far as I know the contractor pays the administrative fee to be part of the cooperative”.

*Rian Rasmussen, West Des Moines Fleet Manger*

### **Indianola**

“Our participation in HGAC has been a positive one. We have not actually purchased anything from them, but access to the preferred pricing has allowed us to get more competitive local pricing. For example, we can use this price in negotiation from existing vendors. Even for just this reason alone we will continue to be a buyer-participant in HGAC”.

“HGAC fees are all paid for by the vendors. There are other purchasing co-ops that have the buyer paying, but HGAC costs burdens are on the sellers”.

*Chris DesPlanques, Indianola Director of Finance*

## Urbandale

“We’ve only used it once with the latest purchase of our fire apparatus in late 2015. There is no fee related to it unless you buy something, so there are no ongoing costs for us. I’m attaching what I received from our Chief related to the costs associated with purchases through the contract; they are a little dated, but should give you a general idea of what you can expect”.

*Nicole Lamb, Urbandale Finance Director*

HGACBuy Cooperative Purchasing Program Administrative Fee Schedule (Effective 4/1/2014)		<b>HGACBuy</b> <small>THE SMART PURCHASING SOLUTION</small>
Product or Service Category	Fee Assessment	
<b>VEHICLES:</b>		
Cars, Light Trucks, Utility Vehicles, Vans, Brush Fire/Wildland Units, etc; and Light Duty Trucks w/Bodies supplied by the Cab/Chassis Dealer (i.e. all on a single PO)	\$ 600 flat per PO	
Medium & Heavy Duty Trucks, Cab/Chassis only w/o Bodies (i.e. exposed frame rails); Ambulance Remounts	\$ 600 flat per PO	
Buses, School & Transit (All Types)	\$ 600 flat per PO	
Medium & Heavy Duty Trucks w/Bodies supplied by the Cab/Chassis Dealer (i.e. all on a single PO).	\$ 1,000 flat per PO	
Medium & Heavy Duty Trucks w/Bodies supplied from a <i>different</i> contract (i.e. Refuse Collection or Sewer Cleaning contracts; all on a single PO).	\$1,500 per PO	
Ambulances, Complete (All Types)	\$ 1,000 flat per PO	
Fire Apparatus (All Types Except Brush/Wildland)	\$ 2,000 flat per PO	
Truck Bodies and Conversions on separate PO from Cab/Chassis (i.e. Sewer Cleaners, Box Vans, Brush Fire/Wildland Units, Refuse Collection Bodies etc.).	1.5% of total PO amount	
Trailers (All Types)	1.5% of total PO amount	
Wireless Communications Services	1.0% of total PO amount	
<b>ALL OTHER PRODUCTS &amp; SERVICES:</b>	1.5% of total PO amount	
Published Options purchased directly from a contract (separate and apart from the associated base line item)	1.5% of total PO amount	

“It saved us money and was actually a time and effort saver so in my eyes, it is good option. We have not taken delivery of the truck yet – that will be in September. I wouldn’t have any issue recommending H-GAC”.

*Jerry Holt, Urbandale Fire Chief*



**INTERLOCAL CONTRACT  
FOR COOPERATIVE PURCHASING**

ILC  
No.: \_\_\_\_\_  
Permanent Number assigned by H-GAC

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 BY THE PARTIES HERETO AS FOLLOWS:**

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

\*  
\_\_\_\_\_  
Mailing Address

\*  
\_\_\_\_\_  
City State ZIP Code

\*By: \_\_\_\_\_  
Signature of chief elected or appointed official

\*  
\_\_\_\_\_  
Typed Name & Title of Signatory Date

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

By: \_\_\_\_\_  
Executive Director

Attest: \_\_\_\_\_  
Manager

Date: \_\_\_\_\_

*\*Denotes required fields*

**\*Request for Information**

Please sign and return the Interlocal Contract, along with this completed form, to H-GAC by emailing it to [cpcontractfax@h-gac.com](mailto:cpcontractfax@h-gac.com) or by faxing it to **713-993-2424**. The contract may also be mailed 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: \_\_\_\_\_

**Official Contact:** \_\_\_\_\_  
(Point of Contact for HGACBuy Interlocal Contract)

Mailing Address: \_\_\_\_\_  
(Street Address/P.O. Box)

\_\_\_\_\_  
(City) (State) (ZIP Code)

Title: \_\_\_\_\_

Ph No.: ( ) \_\_\_\_\_ - \_\_\_\_\_

Fx No. : ( ) \_\_\_\_\_ - \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Authorized Official:** \_\_\_\_\_  
(Mayor/City Manager/Executive Director/etc.)

Mailing Address: \_\_\_\_\_  
(Street Address/O.O. Box)

\_\_\_\_\_  
(City) (State) (ZIP Code)

Title: \_\_\_\_\_

Ph No.: ( ) \_\_\_\_\_ - \_\_\_\_\_

Fx No. : ( ) \_\_\_\_\_ - \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Official Contact:** \_\_\_\_\_  
(Purchasing Agent/Auditor etc. )

Mailing Address: \_\_\_\_\_  
(Street Address/O.O. Box)

\_\_\_\_\_  
(City) (State) (ZIP Code)

Title: \_\_\_\_\_

Ph No.: ( ) \_\_\_\_\_ - \_\_\_\_\_

Fx No. : ( ) \_\_\_\_\_ - \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Official Contact:** \_\_\_\_\_  
(Public Works Director/Police Chief etc.)

Mailing Address: \_\_\_\_\_  
(Street Address/O.O. Box)

\_\_\_\_\_  
(City) (State) (ZIP Code)

Title: \_\_\_\_\_

Ph No.: ( ) \_\_\_\_\_ - \_\_\_\_\_

Fx No. : ( ) \_\_\_\_\_ - \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Official Contact:** \_\_\_\_\_  
(EMS Director/Fire Chief etc. )

Mailing Address: \_\_\_\_\_  
(Street Address/O.O. Box)

\_\_\_\_\_  
(City) (State) (ZIP Code)

Title: \_\_\_\_\_

Ph No.: ( ) \_\_\_\_\_ - \_\_\_\_\_

Fx No. : ( ) \_\_\_\_\_ - \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**\* denotes required fields**