



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

Lead Agency: University of California

Solicitation: RFP-MRO-UCSystemWide-Jan312018

RFP Issued: January 31st, 2018

Pre-Proposal Date: February 5th, 2018 at 9:00am PST

Response Due Date: March 17th, 2018

Proposals Received: 9

Awarded to: Fastenal Company

Contract Number: 2018.000208

The University of California issued RFP RFP-MRO-UCSystemWide-Jan312018 on January 31st, 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

On March 17th, 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 Fastenal Company and proceeding with contract award upon successful completion of negotiations.

The University of California, National IPA, and Fastenal Company successfully negotiated a contract and executed the agreement (#2018.000208) with a contract effective date of July 1st, 2018.

Contract Highlights:

A national MRO supplier offering discounts ranging from 25% to 57% across 20 different categories along with growth, green product, E-commerce, last mile, national sales, and customized incentive programs.

Contract includes:

- Category Discounts ranging from 25% to 57% off catalog prices
- Two Market Baskets:
 - National Market Basket of 1300+ items
 - Site Specific Market Basket OF 1500+ items
- Rebate: 1% paid on annual contract spend directly to Participating Agency
- Annual Growth Incentive of 5% paid on prior year sales
- E-commerce Rebate: 1% on 50%< sales through ecommerce. 2% on 80%< through ecommerce
- Sustainability and Private Label – Additional 10% discount applied to classified “Green” or Exclusive Brand.
- Last Mile: 0.5% Incentive will be paid on all qualified Participating Agency Total.
- Fastenal Solution Incentive: 3% paid on product purchase through Fastenal Onsite Solution in the first 12 months.
- Early Payment Incentive: ACH 2% 10 N30 or Virtual/Ghost Card Net.
- Cumulative Volume Discount: \$25M total sales 1% (Total 26%), \$50M total sales 2% (Total 27%), \$100M total sales 3% (Total 28%)
- Enhancements: Ability to negotiate deeper incentives or programs to Participating Agencies.

Term:

Initial three-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 25% to 57% across 20 different categories.

National IPA Web Landing Page:

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