


CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 6/24/13

AGENDA ITEM: WA DES Master Contract Usage Agreement	
PREPARED BY: Cheryl Niclai, Administrative Services Manager	DIRECTOR APPROVAL: 
DEPARTMENT: Public Works	
ATTACHMENTS: Master Contract Usage Agreement Exhibit A: Contract/Procurement Services Rates	
BUDGET CODE: N/A	AMOUNT: \$0.00

SUMMARY:

The City of Marysville currently participates in an Intergovernmental Cooperative Purchasing Agreement with the State of Washington that allows the City to access contracts which the Office of State Procurement has bid. By using State contracts, the City is able to take advantage of bulk pricing and save time bidding and managing our own contracts.

The City extended the current Cooperative Purchasing Agreement to July 1, 2013 when the State announced they were in the process of adopting a single vendor management fee model for all contracting activity and would do six month extensions in the meantime.

The State introduced the Master Contracts Usage Agreement (MCUA) on May 30, 2013. The new model offers the same services as previous contracts and eliminates the annual membership fee. Instead of charging users of the contract, they have implemented a vendor paid management fee be assessed on all contracts (see Attachment A).

If passed, the Agreement will become effective on date of execution. It will continue in full force and effect until 30 (thirty) days following receipt of written notice from either party cancelling the Agreement.

RECOMMENDED ACTION:
Staff recommends Council authorize the Mayor to sign the Master Contract Usage Agreement.

MASTER CONTRACT USAGE AGREEMENT

This Master Contract Usage Agreement (the “Agreement”) is made pursuant to Chapter 39.34 of the Revised Code of Washington, and other applicable laws, by and between the state of Washington (the “State”), acting by and through the Department of Enterprise Services (“DES”), an agency of the State, and City of Marysville,
Entity Name

a state agency, or local or federal agency or entity, or public benefit nonprofit corporation, or any tribe located in the State (“Buyer”).

1. **Purpose:** The purpose of the Agreement is to establish the terms and conditions for when Buyer purchases or acquires goods and services for its direct use under contracts entered into by DES that permit such use (“Master Contracts”).
2. **Duration:** This Agreement will become effective on date of execution, and will continue in full force and effect until thirty (30) days following receipt of written notice from either party cancelling this Agreement.
3. **Agreement Contact Information:** Contact person to whom contract documents and related communications are to be mailed or faxed.

Organization Name:	City of Marysville		
Tax Identification Number:	91-6001459		
Unified Business Identifier <i>Required for Non-Profit:</i>	34-000-001		
Contact Name:	Cheryl Niclai		
Title:	Administrative Services Manager		
Address:	80 Columbia Avenue		
City:	Marysville	State:	WA Zip: 98270
Phone Number:	360-363-8123		
Email Address:	CNiclai@marysvillewa.gov		

4. **Cancellation of Agreement:** This agreement can be terminated by either party upon 30 days written notice provided to DES at:
 Email to: mcua@des.wa.gov OR Mail to: WA Dept of Enterprise Services
 MCUA, Attn: Kris Gorgas
 P.O. Box 41409
 Olympia, WA 98504-1409
5. **Financial Responsibility:** Buyer will deal directly with the Master Contract contractor, supplier, or service supplier (“Contractor”) for any purchases Buyer makes pursuant to this Agreement and under a Master Contract. DES does not accept any responsibility, financial or otherwise, for any purchase Buyer makes under a Master Contract.

- 6. Compliance with Other Laws: Each of the parties will comply with all applicable federal, state, and local laws and regulations governing its own purchases.
- 7. Master Contract Audits: Buyer agrees to cooperate with DES, the Office of the State Auditor, federal officials, or any third party authorized by law, rule, regulation or contract, in any audit conducted by such party related to any Master Contract(s) that Buyer has made purchases from pursuant to this Agreement, including providing records related to any purchase from a Master Contract. In addition, Buyer agrees to provide, upon request from DES, documentation to confirm its eligibility to use Master Contracts.
- 8. Dispute Resolution: If there are any disputes between Buyer and a Contractor, Buyer agrees to (a) provide DES written notice of the nature of the dispute; and (b) unless otherwise provided in the Master Contract or as set forth below, work in good faith with the Contractor to resolve the dispute without the involvement of DES. DES may, upon request, review and assist in the resolution of a dispute, and if DES chooses to do so, the Buyer will cooperate with DES in that resolution process.

In its sole discretion, DES may, but is not obligated to, upon written notice to Buyer, resolve disputes with a Contractor on behalf of Buyer and all other state, local, and federal agencies, local governments, and public benefit nonprofit corporations with similar or related disputes with such Contractor.

- 9. No Separate Entity: No separate legal or administrative entity is intended to be created by, or for the administration of, this Agreement.
- 10. Hold Harmless: Each party agrees to defend, indemnify, and hold the other party harmless from any claim arising from such party's sole negligent, reckless, or willful misconduct.
- 11. Entire Agreement: This Agreement sets forth the entire agreement between the parties, and supersedes any other prior written agreements between the parties, with respect to the subject matter hereof.

IN WITNESS WHEREOF the parties having read this Agreement, agree to it in each and every particular, and have executed it below.

APPROVED

APPROVED

WASHINGTON STATE
DEPARTMENT OF ENTERPRISE SERVICES

City of Marysville

Entity Name

Entity Name

Signature

Signature

Roselyn Marcus, Assistant Director

Jon Nehring, Mayor

Name/Title

Name/Title

Date

Date

Attachment A

Contract/Procurement Services Rates

	Current biennium	13-15 Biennium
Services included	<ul style="list-style-type: none"> • Establish, maintain, and ensure performance of master contracts (formerly performed by General Administration (GA), Department of Information Services (DIS), and Department of Personnel (DOP)) • Provide procurement consultation (formerly provided by DIS and GA) • Provide procurement oversight (formerly provided by the Office of Financial Management (OFM)) 	
How costs Are recovered	<ul style="list-style-type: none"> • Purchasing Administration Fee (PAF) - Either 0.75% or 1.5% of the agency's spending on certain master contracts in the odd-numbered year of the last biennium. • Master Contract Management Fee - The vendor is charged a fee based on the usage (in dollars) of a contract. Rate varies based on the contract from 0.5% to 3%. • Co-op Fee (Not paid by state agencies) - "Club" fee for local governments and non-profits based on the organization's annual expenditures. This fee allows these customers to have access to master contracts. Fees range from \$200 to \$5,000 annually. • Purchase Authority – Master Contracts and Consulting (MCC) charged a fee to review and grant an agency the authority to conduct procurements. • IT Brokering and Procurement Consultation - 1% of sales on purchases made using this service. • IT Master Contracts - Rate ranges from 0.5% or 2% and is paid by the vendors based on the agencies' spend from IT master contracts. • Tier II Contract Fee for Janitorial Services- Each work contract resulting from the Tier II Request for Quotation (RFQ) was subject to a Bid Processing Fee of \$410. • Contract oversight – Previously a general-funded activity. In FY 13 costs were allocated to agencies. • Portion of the Personnel Services Charge - Percent of classified staff salaries 	<p>To simplify the cost recovery method for these various services, DES is implementing a vendor-paid management (or administrative) fee be assessed on all contracts managed by the Contracts and Legal Division. The initial rate will be set at .74% —and would cover the DES services listed above and, some \$1.9 million in OMWBE costs.</p>