



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### FOR INFORMATIONAL PURPOSES ONLY

**DATE: JUNE 6, 2017**

**TO: AUDIT COMMITTEE OF THE BOARD OF HARBOR COMMISSIONERS**

**SUBJECT: PIGGYBACKING**

Background: Sections 371 (e) (8) of the City Charter and 10.15 (a) (8) of the Los Angeles Administrative Code allow Los Angeles City Departments to piggyback on agreements or contracts established by other government entities or cooperative purchasing agencies. A cooperative purchasing agency is typically a national or statewide public purchasing agency that establishes nationally or statewide leveraged and competitively solicited contracts for use by cooperative members which may include government agencies, school districts, higher education institutions, tribal organizations, non-profits, and other public agencies. As a relatively small government agency, the Harbor Department benefits from piggybacking on larger contracts in that significant cost savings are realized due to the leveraged purchasing power and high volume discounts on such contracts.

In addition, piggybacking allows the Harbor Department to execute contracts with the absence of a competitive bid process which results in administrative savings. Although not common, the Harbor Department has a few sole source contracts that are for proprietary equipment or software. As an example, the Harbor Department must utilize Simplex Grinnell for the Harbor Department's fire and life safety system. The system is proprietary and only Simplex Grinnell may service the system. Rather than negotiating rates with Simplex Grinnell, the Harbor Department piggybacks on a nationally established contract and realizes significant cost savings.

Transmittal 1 is a summary of annual procurement contracts, one-time purchase orders, and professional service agreements that have been issued over the prior three years.

Annual Procurement Contracts: Over the last three years, the Harbor Department entered into 227 annual contracts totaling approximately \$24.74 million. Of the 227 annual contracts, 80 were piggyback contracts totaling \$16.61 million. The majority of these contracts were competitively bid the City of Los Angeles General Services Department (GSD). The Harbor Department saves a significant amount of money on these annual contracts because the Harbor Department benefits from the volume discounts that would not be achieved if these were bid internally. In addition, many of these contracts have a multitude of items and it requires a significant amount of

administrative time to prepare a Request for Bids and conduct a bid analysis. The Harbor Department has four analysts and two Procurement Supervisors to process all blanket purchase orders, one-time purchase orders, annual procurement contracts, and sub-purchase orders. For relatively complicated contracts, staff will often seek to piggyback on already established contracts that will save the Harbor Department money and resources. Transmittal 2 is a listing of annual procurement contracts that were established through cooperative agreements.

One-Time Purchase Orders: Over the last three years, the Harbor Department issued 2,811 one-time purchase orders totaling approximately \$22.71 million. Of the 2,811 one-time purchase orders, 20 were piggyback purchases totaling \$3.03 million. Transmittal 3 is a listing of one-time purchase orders that were established through cooperative agreements.

Professional Service Agreements: Over the last three years, the Harbor Department executed 159 agreements totaling approximately \$266,629,827 million. Of these agreements, five were piggyback agreements totaling \$8,361,250. Transmittal 4 is a listing of professional service agreements that were established through cooperative agreements.

Transmittal 1: Summary of Annual Procurement Contracts, One-time Purchase Orders, and Professional Service Agreements

Transmittal 2: Summary of Annual Procurement Contracts

Transmittal 3: Summary of One-Time Purchase Orders

Transmittal 4: Summary of Professional Service Agreements that were piggybacks



EUGENE D. SEROKA  
Executive Director

**2014 - 2016 SUMMARY**  
**Annals and Purchase Orders**  
**Totals vs. Cooperative Agreements**

YEAR	Annals Total No.	Annals Total Amount	Annals Cooperative Agt Total No.	Annals Cooperative Agt Total Amount	POs Total No.	POs Total Amount	POs Cooperative Agt Total No.	POs Cooperative Agt Total Amount
2014	84	\$16,778,841	36	\$12,909,566	997	\$5,246,397	0	\$0
2015	81	\$5,241,651	25	\$2,660,000	1055	\$7,609,591	3	\$789,777
2016	62	\$2,719,693	19	\$1,038,686	759	\$9,852,462	17	\$2,235,443

**2014 - 2016 SUMMARY**  
**Professional Service Agreements**  
**Totals vs. Cooperative Agreements**

YEAR	Professional Service Agreements Total No.	Professional Service Agreements Total Amount	Professional Service Cooperative Agt Total No.	Professional Service Cooperative Agt Total Amount
2014	58	\$113,252,202	1	\$195,000
2015	67	\$140,830,544	3	\$8,151,250
2016	71	\$77,228,104	1	\$15,000

**2014**  
**Annuals - Cooperative Agreement**

	Vendor Name	ANNUAL No.	Dollar Amount	Cooperative Agreement No.
1	All Phase Electric Supply Co.	31629-14	\$10,000.00	GSD 58681
2	American Moving Parts LLC	31647-14	\$5,000.00	GSD 58743
3	Associated of Los Angeles	39697	\$150,000.00	GSD 58695
4	Bishop	31622-14	\$20,000.00	GSD 59251
5	Canon Solutions America, Inc.	39706	\$273,000.00	County of Los Angeles Contract No. MA-IS-1140181-1
6	CED Metropolitan Electrical Dist	39701	\$150,000.00	GSD 58699
7	Dailey-Wells Communications, Inc.	39699	\$135,566.00	GSD 58785
8	En Pointe Technologies	39693	\$7,500,000.00	LAWA Contract No. DA-4839
9	Enterprise - Renta A Car Leasing	31661-15	\$50,000.00	GSD 59291
10	Fisher Scientific	31651-15	\$94,000.00	GSD 59284
11	Fleming Environmental, Inc.	31639-14	\$99,000.00	GSD 59385
12	Glenn E. Thomas	31615-14	\$3,000.00	GSD 58813
13	Grainger	31617-14	\$99,000.00	GSD 59149/59276
14	Grainger	31618-14	\$10,000.00	GSD 58973
15	Hertz Equipment Co.	39711	\$150,000.00	GSD 59592
16	Hilti, Inc.	31678-15	\$40,000.00	GSD 59328
17	Johnson Controls, Inc.	31658-14	\$50,000.00	GSD 59189
18	Key Information Systems, Inc.	39730	\$145,000.00	GSD 59268
19	Lincoln Equipment Inc.	31645-15	\$10,000.00	GSD 59283
20	Maneri Sign Co. Inc	31666-15	\$15,000.00	GSD 59191
21	Multi W. Systems, Inc.	31506-14	\$45,000.00	GSD 58956
22	Nixon-Egli Equipment Co.	31614-14	\$10,000.00	GSD 59149
23	One Source Distribution, Inc.	39700	\$150,000.00	GSD 58697
24	One Source Distribution, Inc.	31628-14	\$10,000.00	GSD 58683
25	PCMG, INC.	39719	\$145,000.00	DWP Contract No. 00489

**2014**  
**Annuals - Cooperative Agreement**

	Vendor Name	ANNUAL No.	Dollar Amount	Cooperative Agreement No.
26	Simplex Grinnell	39694	\$2,700,000.00	National Joint Powers Alliance (NJPA) Contract No. 1913-SGL
27	Staples	39702	\$380,000.00	National Purchasing Partners (NPP) / League of Oregon Cities Contract No. RFP525
28	Sunrise Marine Service Inc.	31655-15	\$75,000.00	GSD 59245
29	Tennant Sales and Services Co	31646-14	\$10,000.00	GSD 58787
30	Terex Unittilities West	31662-15	\$10,000.00	GSD 59525
31	ThyssenKrupp Airport Systems, Inc.	31606-14	\$60,000.00	LAWA Contract No. DA-4482A
32	V.T.P., Inc.	31656-14	\$99,000.00	GSD 59594
33	Verizon Wireless	39673	\$120,000.00	State of California Western States Contracting Alliance (WSCA) Contract No. 1907
34	Vista Paint Corp	31637-14	\$65,000.00	GSD 59371
35	Waterline Technologies	31655-15	\$12,000.00	GSD 59245
36	Xpedx	31663-15	\$10,000.00	GSD 59312

**TOTAL                    \$12,909,566.00**

General Services Department - City of Los Angeles (GSD)

**2015  
Annuals - Cooperative Agreement**

	Vendor Name	Annual No.	Dollar Amount	Cooperative Agreement No.
1	Ace Crane Services, Inc.	31716-16	\$ 24,000.00	GSD 59286
2	Aqua-Flo Supply	39762	\$ 150,000.00	GSD 59508
3	Associated Ready Mixed Concrete	39752	\$ 150,000.00	GSD 59389
4	Blue Diamond (Division of Sully Miller)	31697-15	\$ 80,000.00	LAWA Contract No. DA-4911
5	CATS USA Pest Control, Inc.	31704-15	\$ 70,000.00	GSD 59019
6	Cellco Partnership dba Verizon Wireless	39736	\$ 115,000.00	State of California Western States Contracting Alliance (WSCA) Contract # 1907
7	Conco Pumping, Inc.	31619-15	\$ 30,000.00	DWP Contract No. N0376 014
8	DD Office Products	31736-16	\$ 35,000.00	GSD 59420
9	Doty Bros. Equipment Co.	31706-15	\$ 40,000.00	LAWA Contract No. DA-4831
10	Enterprise Rent-A-Car/Leasing	31729-16	\$ 50,000.00	GSD 59291
11	Falcon Fuels	31743-16	\$ 99,000.00	GSD 58671
12	Ferguson Enterprises, INC.	39765	\$ 150,000.00	GSD 59076
13	Johson Controls, Inc.	31725-16	\$ 50,000.00	GSA Contract No. GS-07F-190CA
14	L.A. Roofing Materials	39731	\$ 140,000.00	GSD 59321
15	L.A. Roofing Materials Inc.	39768	\$ 150,000.00	GSD 59321
16	Montgomery Hardware Co.	31703-15	\$ 50,000.00	GSD 59499
17	Multi W. Systems	31700-15	\$ 65,000.00	GSD 58956
18	Parkhouse Tire, Inc.	31685-15	\$ 10,000.00	GSD 59338
19	Plumbing & Industrial Supply	39764	\$ 150,000.00	GSD 59104
20	Safway Services	31680-15	\$ 99,000.00	GSD 58934
21	Southern Counties Oil Co. DBA SC Fuels	39761	\$ 600,000.00	GSD 58601
22	TCI Tires, LLC	31683-15	\$ 95,000.00	GSD 59337
23	Tell Steel	39763	\$ 149,000.00	GSD 58772
24	Tennant Sales and Service Co.	31646-15	\$ 10,000.00	GSD 58787
25	VTP, Inc.	31721-16	\$ 99,000.00	GSD 59594

**TOTAL            \$2,660,000.00**

General Services Administration (GSA)

General Services Department - City of Los Angeles (GSD)

**2016**  
**Annuals - Cooperative Agreement**

	Vendor Name	Annual No.	Dollar Amount	Cooperative Agreement No.
1	All Phase Electric Supply	31759-16	\$ 50,000.00	GSD 58696
2	All Phase Electric Supply	31773-16	\$ 25,000.00	GSD 58696
3	Allied Refrigeration	31795-17	\$ 75,000.00	City of Long Beach Contract No. BPLB15000034
4	Ameripride	31786-17	\$ 99,900.00	GSD 59538
5	California Conservation Corps	31792-17	\$ 49,920.00	County of Santa Clara Agreement No. 16-6607-352R
6	Cats USA Pest Control, Inc.	31704-16	\$ 50,000.00	GSD 59019
7	City Terrace Svc Inc.	31788-17	\$ 9,000.00	GSD 59707
8	Fleming Environmental, Inc.	31639-16	\$ 65,000.00	GSD 59385
9	Glen Products	31790-17	\$ 75,000.00	GSD 59246
10	Haaker Equipment Co.	31763-16	\$ 10,000.00	GSD 58787
11	HERC Rental Inc.	39795	\$ 15,000.00	GSD 59592
12	Montgomery Hardware	31703-16	\$ 50,000.00	GSD 59499
13	Precision Aerial Services	31781-17	\$ 60,000.00	GSD 59523
14	Royal Wholesale Electric	31760-16	\$ 50,000.00	GSD 58698
15	Southern Counties Lubricants	31771-16	\$ 25,000.00	GSD 59270
16	Verizon Wireless	39794	\$ 117,866.00	National Association of State Procurement Officials (NASPO) Contract No. 1907
17	Voyager Fleet Systems, Inc.	31766-16	\$ 50,000.00	State of California Contract No. DGS-OFA-OPPS-06
18	Western Truck Exchange	31767-16	\$ 15,000.00	GSD 59373
19	World Wide Technology, Inc.	39777	\$ 147,000.00	LAWA DA-4917

**TOTAL                    \$1,038,686.00**

General Services Department - City of Los Angeles (GSD)



**2014**  
**Purchase Orders (PO) - Cooperative Agreement**

Vendor Name	PO No.	Dollar Amount	Cooperative Agreement No.
NONE	NONE	\$0.00	NONE
<b>TOTAL</b>		<b>\$0.00</b>	



**2015  
Purchase Orders (PO) - Cooperative Agreement**

	Vendor Name	PO No.	Dollar Amount	Cooperative Agreement No.
1	Quinn Company	39737	\$525,706.91	NJPA Contract No. 060311-CAT
2	Motorola Solutions	39747	\$122,168.00	GSD 59456
3	Eaton Corporation	39759	\$141,902.56	GSA Contract No. GS-06F-0023R
<b>TOTAL</b>			<b>\$789,777.47</b>	

General Services Administration (GSA)  
 General Services Department - City of Los Angeles (GSD)  
 National Joint Powers Alliance (NJPA)

**2016**  
**Purchase Orders (PO) - Cooperative Agreement**

	Vendor Name	PO No.	Dollar Amount	Cooperative Agreement No.
1	National Auto Fleet Group	39775	\$ 123,495.93	NJPA Contract No. 102811
2	National Auto Fleet Group	39774	\$ 118,427.74	NJPA Contract No. 102811
3	Altec Industries	39778	\$ 161,277.49	NJPA Contract No. 31014
4	Altec Industries	39776	\$ 282,190.81	NJPA Contract No. 03104-ALT
5	National Auto Fleet Group	39773	\$ 499,070.03	NJPA Contract No. 102811
6	Landscape Structures, Inc.	39786	\$ 182,139.17	NJPA Contract No. 03104-ALT
7	Eaton Corporation	39791	\$ 112,616.00	GSA Contract No. GS-06F-0023R
8	Altec Industries	39797	\$148,866.00	NJPA Contract No. 031014-ALT
9	Business Services	201731127	\$1,035.47	GSD 59413
10	Continental Flooring Company	201731112	\$9,935.25	GSA GS-07F-0429J
11	L.A. Roofing Materials, Inc.	39792	\$133,846.67	GSD 59321
12	National Auto Fleet Group	201731353	\$62,255.75	NJPA Contract No. 102811 -NAF
13	National Auto Fleet Group	201731411	\$81,815.05	NJPA Contract No. 102811 -NAF
14	Nixon-Egll Equipment Co.	201731291	\$9,605.75	NJPA Contract No. 031014-FTS
15	Quinn Company	39798	\$110,386.48	NJPA Contract No. 102811 -NAF
16	Rebilt Metalizing Company	39793	\$100,100.00	GSD 59639
17	Volvo Construction Equipment & Services	201731334	\$98,379.03	NJPA Contract No. 052015-cec

**TOTAL                    \$2,235,442.62**

General Services Administration (GSA)  
General Services Department - City of Los Angeles (GSD)  
National Joint Powers Alliance (NJPA)

Professional Services - Cooperative Agreement

Vendor Name	AGR No.	Dollar Amount	Year	Cooperative Agreement No.
1 Granicus, Inc	14-3256	\$195,000.00	2014	GSD C-109835
2 AT&T	15-3333	\$1,546,000.00	2015	State of California Contract No. C3-A-12-10-TS-01
3 Oracle America	15-3340	\$6,000,000.00	2015	County of Los Angeles Contract No. MA-IS-1540029-1
4 vRide, Inc.	15-3321	\$605,250.00	2015	LAWA Contract No. DA-4898
5 Languages4You Translation Agency	E6847	\$15,000.00	2016	GSD C-124918
<b>TOTAL</b>		<b>\$8,361,250.00</b>		

General Services Department - City of Los Angeles (GSD)

Los Angeles World Airports - City of Los Angeles (LAWA)