

Capital Project Delivery & Cooperative Purchasing

San Francisco Board of Supervisors, Rules Committee

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Inspire, Connect, Play!

What is Cooperative Purchasing?

It is a purchasing process that allows city departments nationwide to utilize, aka “piggyback” on another city’s competitively bid contract to tap into discounted vendor rates for goods and services.

This would provide efficiency by combining into a single contract to enhance our purchasing power, **negotiate better prices, save time**, and ultimately **provide cost savings** when constructing or renovating public facilities.



Who Uses Cooperative Purchasing?

Over 86,000 government agencies participate in cooperative purchasing nationwide. These are some CA government entities currently using Cooperative Purchasing:

- * **State of California**
- * **City of Los Angeles**
- * **City of Oakland**
- * **City of Burbank**
- * **City of Lancaster**
- * **City of Davis**
- * **City of Anaheim**

There are multiple cooperative purchasing contracts available to the City and County of San Francisco, here are some of the Cooperative Purchasing contracts available:

- * **Omnia**
- * **Sourcewell**
- * **CMAS (federal)**
- * **Pavilion**



Why Does Cooperative Purchasing Work?

Vendors save time and money by responding to **one RFP** (Request For Proposal) and **one competitive bidding process** for multiple projects. These savings allow vendors to pass on some savings to cities.

Example: the Omnia cooperative purchasing agreement includes the following percentage discounts on retail play equipment prices (*chart on right*)

CATEGORY	PERCENTAGE (%) DISCOUNT
Playground Equipment (i.e. themed systems, stand-along activities, system components)	10%
Outdoor Fitness Equipment (i.e. challenge courses, strength building, multigenerational fitness, percision timing systems)	10%
Site Accessories (i.e. benches, picnic tables, planters, litter receptaclees, bike racks)	5%
Surfacing (i.e. pour in place rubber, wood fiber, etc.)	10%
Related Products (i.e. shade strcutures, skate parks, water parks)	5%
Services (i.e. installation, design, layout, repair, maintenance, removal, disposal)	5%

What are the Benefits of Cooperative Purchasing?

It is effective and efficient for small projects with simple scope. How can cooperative purchasing help deliver capital projects more efficiently?

Saves the City Time & Money

- ✓ Reduces the advertisement and bid phase to **less than 3 months**
- ✓ Reduces required contract-related administrative & design soft costs
- ✓ Integrates the vendor in Planning and Design, reducing bid risk
- ✓ **Eliminates 15% contractor markup** on equipment

Estimated Savings
across project types:

~25% less
expensive
~30% faster
delivery



Projects Types and Estimated Benefits



Adult Fitness at Kelloch Velasco

Time savings: 30% faster from 1 year and 2 months to **less than 1 year (~8 months)**

Cost savings: ~30% from ~\$390K to **\$270K**



Silver Terrace Playground

Time Savings: 30% from 2 years to **just over 1 year**

Cost Savings: ~25% from \$2.6M to **just under \$2M**



Kimbell Playground Turf Replacement

Time savings: at least 30% faster from 1.5 years to **1 year**

Cost savings: ~25% from ~\$3.1M to **\$2.4M**

Capital Project Delivery

Playground general lifespan is 20 years

- Play structures life cycle ~20 years
- Play area safety surfacing ~10 years
- Must account for ADA Accessibility code changes



Current Project Delivery – Design/Bid/Build

- RPD playground renewals \$2M-\$5M, 3-5 years from Planning to Opening (once funding is identified)
- Since 2012, RPD averages 4 playground renovations annually

THE AREA OF PLAYGROUND NEEDS:

- **Target Improvements**
- **Outdated play areas**
- **Aggressive Renovation Plan**



Potential Project Types

The legislation will keep current contracting standards, including local business, prevailing wages, and labor agreements. It will streamline the construction process for various city departments, reducing time spent on contracting and purchasing while still meeting government requirements. Rec and Park potential projects:

- **Children's Playgrounds**
- **Adult Fitness Areas**
- **Synthetic Playfield Renewals**
- **Athletic Sports Lighting**
- **Skateparks**
- **Bike Parks & Pumptracks**
- **Site Amenities – fencing & gates, furnishing, trash receptacles, etc.**





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