

**City and County of San Francisco**  
London N. Breed, Mayor



**Office of the City Administrator**  
Carmen Chu, City Administrator  
Sailaja Kurella, Acting Director  
Office of Contract Administration/Purchasing

DATE: September 17, 2021  
TO: Angela Calvillo, Clerk of the Board  
FROM: Sailaja Kurella, Acting Director of Office of Contract Administration (OCA) and Purchaser  
SUBJECT: **Resolution to approve amendment to Term Contract 74103 – Industrial Supplies with MSC**

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Enclosed is the resolution authorizing an amendment to Term Contract #74103 with MSC Industrial Supply Company Inc. (MSC) increasing the contract amount by \$5.8 million for a total not-to-exceed (NTE) amount of \$15.7 million; and to extend term by one (1) year and two (2) months, to June 30, 2023, for a total contract duration of six years and two months.

The Office of Contract Administration (OCA) conducted a solicitation for a Citywide as-needed “term” contract for the purchase of industrial supplies term in 2017, and MSC was awarded the agreement, with an initial contract NTE amount of \$4 million and duration of three years, from May 1, 2017 to April 30, 2020. Due to heavy utilization by City departments, the contract was subsequently amended five times. The current contract is at \$9.9 million, ending on April 30, 2022.

The MSC contract offers a wide variety of industrial supplies at significant cost savings to City departments by providing catalogue discounts off the company’s extensive inventory. Discounts range from 15% to 45% off the offered manufacturers/brands and product types.

The Office of Contract Administration (OCA) conducted a usage analysis to determine the proposed NTE amount of \$15.7 million. The annual spend on this contract is approximately \$2.2 million, with expenditures increasing substantially during the COVID emergency. Due to recent heavy usage, the contract is expected to be depleted within the next two months.

This contract is critical for satisfying City departments’ needs for essential industrial goods. Approval of this resolution will allow City departments to continue procuring these goods in a streamlined and cost-efficient manner.

If you have any questions or require additional information, please contact Gloria Yuen on my team at 415-554-6258.

Enclosures:

TC#74103 Industrial Supplies Agreement  
TC#74103 Industrial Supplies Agreement – Modification 1  
TC#74103 Industrial Supplies Agreement – Modification 2  
TC#74103 Industrial Supplies Agreement – Modification 3  
TC#74103 Industrial Supplies Agreement – Modification 4  
TC#74103 Industrial Supplies Agreement – Modification 5  
Resolution for TC#74103  
S.F. Ethics Commission form 126f4, Notification of Contract Approval