



Legislation Details (With Text)

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Type: Change Order & Work Order **Status:** Passed
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On agenda: 7/19/2022 **Final action:** 7/19/2022
Title: Approve the award of Change Order #1 to Contract 21-213, General Supplies and Equipment, to Amazon for an amount not to exceed \$100,000 and a total award of \$300,000

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
7/19/2022	1	City Council	approved	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 to Contract 21-213, General Supplies and Equipment, to Amazon for an amount not to exceed \$100,000 and a total award of \$300,000

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Finance Director

BACKGROUND:

The City maintains various general supply and equipment contracts, which are used by all departments to support operations. In February 2021, Finance Department staff identified and consolidated all active Amazon accounts into one centralized City account and transitioned each department from using individual P-Cards to traditional invoicing.

On June 15, 2021, the City Council awarded Contract 21-213, General Supplies and Equipment, to Amazon for \$200,000. The purpose of the contract was to augment existing contracting options and provide value to the City, particularly when selection and convenience is a priority. In addition, a contract was setup in anticipation for expanded use of Amazon so that expenditures could be better tracked and analyzed.

DISCUSSION:

This change order is requested to add \$100,000 to the authorized contract amount. The original award request was an estimate based on historical data. The City's historical Amazon spend is as follows:

Year	Annual Amazon Spend
2018	\$98,929

2019	\$109,228
2020	\$159,265
2021	\$152,230
2022 YTD	\$106,345

Amazon spend is primarily accounted for within the City's Operating Supplies account. While YTD spend within this account is within budget, further analysis shows a shift in spending. Specifically, a reduction in spend with other vendors historically used for operating supplies. Compared to this time last year, staff has seen a 48% reduction in spend with Menards, 17% reduction with Home Depot and 49% reduction with Uline, Inc. These reductions account for the additional spend with Amazon.

As a reminder, all Amazon purchases made by the City are in accordance with the Omnia Partners Cooperative, Contract R-TC-17006, which provides users access to real time discounted cooperative pricing and net 45-day invoicing terms.

The term of the contract is 18 months from July 1, 2021 to December 31, 2022.

FISCAL IMPACT:

CIP#:

Items purchased through Amazon are allocated to various accounts depending on the department and type of item purchased. Each department maintains various supply accounts, which are monitored throughout the year to ensure purchases made through this agreement do not exceed the approved budget. To date, increased purchasing through Amazon has not negatively impacted the budget as it is offset by decreased purchasing through other vendors.