



Legislation Text

File #: 23-1338, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Cooperative Procurement 23-296, Office and Operating Supplies and Equipment, to Amazon for an amount not to exceed \$475,000 and for a 19-month term

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The City maintains multiple contracts with vendors for office and operating supplies and equipment. Examples include office supply contracts with Office Depot and Staples, janitorial supplies with Granger and paper supplies with Murnane Paper. Depending upon the supplies and/or equipment, the City will conduct a bid or leverage an approved cooperative contract. Spend analyses conducted over the past few years have found cooperatives provide competitive pricing compared to bidding for general office and operating supplies, equipment and parts because the City is able to take advantage of the economies of scale gained from the collective purchasing.

In 2021, the City began using Omnia Partners cooperative contract R-TC-17006 with Amazon for operating supplies and general equipment. During the first 18-month term, City departments purchased approximately \$309,000 in goods (\$17,200 per month).

In 2023, City began using the Amazon contract to also purchase office supplies. Department use the Amazon contract for office supplies when the item was cheaper at Amazon or not available at Office Depot or Staples. To date, the City has made 1,789 purchases at Amazon in 2023 amounting to \$247,500 in office and operating supplies and equipment (\$22,500 per month). Purchases ranged from \$3.99 to \$6,778, with an average purchase of \$136.93.

The top spend categories with Amazon in 2023 are:

- IT telecommunications: \$40,075
- Office supplies, equipment and accessories: \$23,275
- Computer equipment and accessories: \$22,650
- Generators, batteries and wiring: \$19,215
- Vehicle parts, accessories and components: \$18,535

DISCUSSION:

The current term of the City's Amazon contract ends January 18, 2024. Staff recommends extending the contract 19 months to coincide with the City's Amazon Business Prime renewal date.

Staff has identified an approved cooperative contract, Omnia Partners Cooperative Contract R-TC-17006 through Amazon, for the procurement of office supplies.

Based upon previous spend, staff recommends an award of \$475,000 for the 19-month term, which equates to approximately \$25,000 per month. The increase in the Amazon award will be offset by the reduction in the Office Depot award approved by the City Manager on November 13, 2024. The spend analysis showed that the City could reduce the office supply award to Office Depot from \$180,000 in 2022 to \$90,000 in 2023.

The term of the contract is from January 19, 2024 to July 31, 2025.

FISCAL IMPACT:

CIP#: N/A

Items purchased through Amazon will be allocated to various accounts depending on the department and type of item purchased. Each department maintains various supply accounts, which will be monitored throughout the year to ensure purchases made through this agreement do not exceed the approved budget.