



Legislation Details (With Text)

File #: 21-0605 **Version:** 1

Type: Procurement Award **Status:** Passed

File created: 5/4/2021 **In control:** City Council

On agenda: 6/15/2021 **Final action:** 6/15/2021

Title: Approve the award of Cooperative Procurement 21-213, General Supplies and Equipment, to Amazon for an amount not to exceed \$200,000 and for an 18-month term

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/15/2021	1	City Council	approved	

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Cooperative Procurement 21-213, General Supplies and Equipment, to Amazon for an amount not to exceed \$200,000 and for an 18-month term

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Finance Director

BACKGROUND:

The City maintains various general supply and equipment contracts, which are used by all City departments to support operations. Examples include Office Depot and Staples for office supplies, Grainger for janitorial supplies, and Murnane Paper Company for copy paper. Depending on the type of supply or equipment, the City will either issue a formal bid or purchase through an approved cooperative contract. Through various spend analyses performed over the years, leveraging cooperative purchasing contracts, particularly for generalized equipment, parts and supplies, has proven to be a significant value to the City in both pricing and operational efficiency.

Historically, Amazon purchases have been made on an as-needed basis by authorized department staff using City procurement cards ("P-Cards"). Purchases made are below the small purchase threshold of \$1,000 and the cumulative annual spend was, historically, below \$100,000. However, in 2019, as Amazon's business presence within the public sector increased as did the City's annual spend with the company. Largely driven by the pandemic, in 2020, spend increased to \$159,265.

Year	Annual Amazon Spend
2016	\$ 68,027
2017	\$ 56,771

2018	\$ 98,929
2019	\$ 109,228
2020	\$ 159,265
2021 (YTD)	\$ 65,963

While each individual purchase is below the small dollar threshold, given the cumulative annual spend, staff is recommending the City issue a formal contract with traditional invoicing terms. The action will improve data tracking capabilities and better control department spend.

DISCUSSION:

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. Each department identified certain staff that will be authorized Amazon users and who will have the ability to purchase supplies and equipment up to a certain dollar threshold. In addition, the City's centralized account will be linked to 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 Omnia Partners Cooperative, through an RFP issued by lead agency Prince William County Public Schools in Virginia, secured a five-year contract from 2017 to 2022 with the option to extend through 2028.

The City will maintain its existing contracts for specific supplies and equipment and require staff to continue using such contracts for designated items such as office supplies, janitorial supplies, and copy paper. The Amazon contract will augment existing contracting options and provide value, particularly when selection and convenience is a priority.

As part of the requested award amount, \$1,299 will be used to purchase a Prime membership for the City's centralized account. The Prime membership will provide the City access to free two-day shipping on all purchases, as well as deeper discounts, in addition to cooperative pricing, and increased data tracking functionality. The membership will also offset shipping costs, which totaled \$3,167 in 2020.

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

FISCAL IMPACT:

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.