



Legislation Text

File #: 18-685, **Version:** 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Cooperative Procurement 18-209, Office Supplies, to Office Depot for an amount not to exceed \$125,000 and for a one-year term

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The City's current office supply contract with Office Depot (formerly OfficeMax) ends on November 30, 2018. The office supply contract is used by all City departments. Orders are placed by departments via the internet and phone and delivery is made to the requesting location. This contract excludes technology-related items and furniture, which are purchased through the Information Technology Department and Department of Public Works - Public Buildings.

Office Depot has been a good partner with the City. A dedicated account representative is available to assist the staff with questions and concerns related to the contract and help staff evaluate the City's spend. Office Depot has also conducted training sessions for department staff and provided assistance with the City's office supply swap, including buying back unopened excess office supplies.

DISCUSSION:

Over the last decade, the City has been able to successfully reduce its office supply spend through demand management and reuse efforts. The annual award amount has been reduced from a high of \$235,000 in 2007 to \$135,000 from 2011 through 2018. Staff is recommending a further reduction in the award amount to \$125,000 based upon an analysis of the City's recent spend history.

However, lower spend also impacts the City's ability to obtain competitive pricing as an individual agency. Because of this, Procurement staff evaluated national office supply cooperatives with Office Depot, Staples and Warehouse Direct to determine if it would be more advantageous for the City to conduct its own bid or use a competitively bid national cooperative. The benefit of a cooperative is that the vendors can provide better unit pricing due to the economies of scale that are present when many individual agencies pool their spend together.

Finance staff is recommending the City use National IPA Cooperative Contract #13-23R with Office Depot. The benefits of this contract include:

- Free next day delivery
- No freight costs
- No recurring service charges and fees
- Discounted unit prices on all office supplies
- Deeper discounts on core list items

Departments will continue to order through Office Depot and the Finance Department will partner with Office Depot to monitor the departments' account activity for the purpose of identifying further cost reduction opportunities.

The term of this contract is one year from December 1, 2018 through November 30, 2019.

FISCAL IMPACT:

CIP #: N/A

City departments maintain an office supplies expense account and will charges items as needed through this agreement. A total of \$193,918 is budgeted for office supplies throughout the City in 2018. Office supplies will be budgeted appropriately in future years based on this agreement.