



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
July 13, 2010

Honorable Mayor and
Members of the City Council

Title: Contract: Office Supplies – Sheltered Market - Two Thirds Vote Required

Location/Council District: Citywide

Recommendation: Adopt a **Resolution:** 1) suspending competitive bidding in the best interests of the City; 2) awarding a two-year contract to Burkett's Office Supply, Inc. for the purchase of office supplies in an amount not to exceed \$233,324 for the two year period; and 3) authorizing the City Manager or the City Manager's designee to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contacts: Craig Lymus, Acting Procurement Manager, 808-5524; Sonny Eboigbe, Procurement Analyst, 808-7432

Presenters: Not applicable

Department: General Services

Division: Procurement

Organization No: 130001061

Description/Analysis:

Issue: On April 12, 2010, in anticipation of bids not exceeding \$100,000, staff conducted an informal solicitation under the City's sheltered market program, which allows contract bidding and awards to be restricted to emerging and /or small businesses to increase the utilization of emerging and small businesses in City contracting. Burkett's Office Supply, Inc. submitted the only responsive bid. However, the bid for office supplies exceeded \$100,000. As a result, this report recommends that City Council suspend additional, formal competitive bidding and award a contract to Burkett's Office Supply, Inc.

Policy Considerations: Suspension of competitive bidding is required because: 1) the contract amount recommended in this report exceeds the dollar authority for the sheltered market program (City Code Section 3.60.280); and 2) the bid was not formally advertised in the official newspaper of the City (City Code Section 3.56.120) as it was not anticipated to exceed \$100,000. In accordance with City Code Section 3.56.230, the City Council may, by a two-thirds vote, suspend competitive bidding for any purchase or contract in the best interests of the City.

The proposed recommendation is consistent with the City Council's policy to increase contracting opportunities for small businesses, and Resolution 2010-346 prohibiting the City from entering into any contract to purchase goods or services from any business or entity headquartered in Arizona.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): This project has been determined to be exempt from the requirements of CEQA, under Section 15061(b) (3) of the CEQA Guidelines, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The current proposal involves only the purchase of office supplies. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: The City has adopted a "Sustainable Procurement Policy (SPP) and program. The goal is to encourage the procurement of products that help to minimize the environmental impact resulting from the use and disposal of these products. The bid included requirements for paper with 100 percent recycled content and recycled toner cartridges.

Rationale for Recommendation: The City has ongoing requirements for the purchase of office supplies. The Procurement Services Division identified a bid opportunity with the potential to increase small business participation and utilization. On April 12, 2010, Procurement Services issued informal Invitation for Bid (IFB) No. B10131062018 for office supplies. Two bids were received. The bids were evaluated based on contractor qualifications, preferences, discounts and price. The five percent small business preference was not applied as all bidders are small businesses. The lowest responsive and responsible bidder was Burkett's Office Supply, Inc. A summary of the bid results is provided in Attachment 1.

Suspension of competitive bidding is required because: 1) the contract amount recommended in this report exceeds the dollar authority for the sheltered market program (City Code Section 3.60.280); and 2) the bid was not formally advertised

in the official newspaper of the City (City Code Section 3.56.120) as it was not anticipated to exceed \$100,000. Suspending competitive bidding is recommended because the bid would not be changed in any material manner if it were to be re-bid as a formal contract.

Financial Considerations: Funding for office supplies will be provided from City department operating budgets, provided that sufficient funds are available in the budgets adopted for the applicable fiscal year(s). The recommended vendor, Burkett's Office Supply, Inc. is also the current vendor. The two-year bid amount for the current contract, bid in 2008, was \$348,000. The two-year bid for the contract recommended in this report is \$114,676 less than the current contract due to lower anticipated quantities being purchased.

Emerging Small Business Development (ESBD): Burkett's Office Supply is certified as an emerging/small business.

Respectfully submitted by: Craig B. Lymus
Craig B. Lymus
Acting Procurement Manager

Approved by: Reina J. Schwartz
Reina J. Schwartz
Director, Department of General Service

Recommendation Approved:

Gus Vina
Gus Vina
Interim City Manager

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Attachment 1

BID RESULTS – BID NO. B10131062018

	Burkett's Office Supplies⁽¹⁾	Star Office Supplies*
Year 1	\$116,662.00	\$124,631.50
Year 2	\$116,662.00	\$124,631.50
5% E/SBE Preference	N/A	N/A
Prompt payment discount	N/A	N/A
Total Bid Evaluation	\$233,324.00	\$249,263.00

* Non responsive, non responsible bid. Bidder not ESBE certified by the City.

Award of Contract To:

**Burkett's Office Supplies
8520 Younger Creek Drive
Sacramento, CA 95828**

Total Contract Amount: \$233,324.00

No. of Bids Received	No. of E/SBE Bids Solicited	No. of E/SBE Responses	Award to E/SBE Vendor?
2	15	1	Yes

RESOLUTION NO. 2010-XXXX

Adopted by the Sacramento City Council

July 13, 2010

SUSPENDING COMPETITIVE BIDDING AND AWARDING A CONTRACT FOR THE PURCHASE OF OFFICE SUPPLIES THROUGH THE SHELTERED MARKET PROGRAM

BACKGROUND

- A. City Council approved the sheltered market program in February 1999, with the establishment of the Small Business Development Program.
- B. On April 12, 2010, the City issued Invitation to Bid No. B10131062018 for office supplies. Two bidders responded. However, one was found to be non-responsive and non-responsible. The lowest responsive and responsible bidder was Burkett's Office Supply, Inc.
- C. In accordance with City Code Section 3.56.230, the City Council may, by a two-thirds vote, suspend competitive bidding for any purchase or contract in the best interests of the City. Suspension of competitive bidding is required because: 1) the contract amount recommended in this report exceeds the dollar authority for the sheltered market program (City Code Section 3.60.280); and 2) the bid was not formally advertised in the official newspaper of the City (City Code Section 3.56.120) as it was not anticipated to exceed \$100,000. Suspending competitive bidding is recommended because the bid would not be changed in any material manner if it were to be re-bid as a formal contract.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. It is in the best interests of the City to suspend competitive bidding, and competitive bidding is hereby suspended for the purchase of office supplies through the sheltered market program.
- Section 2. Burkett's Office Supply, Inc. is awarded a two-year contract for the purchase of office supplies in an amount not to exceed \$233,324.
- Section 3. The City Manager or the City Manager's designee is authorized to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).