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DEPARTMENT OF
FINANCE
PROCUREMENT SERVICES DIVISION

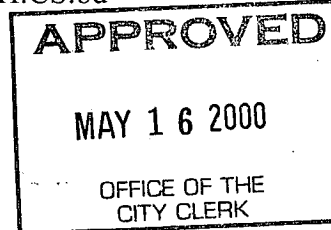
CITY OF SACRAMENTO
CALIFORNIA
May 2, 2000
PS:Admin:00-25:RBH:CS:bd

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City Council
Sacramento, California

Honorable Members in Session:



SUBJECT: INCREASE CONTRACT AMOUNT FOR BID NO. 1749, STOCKLESS OFFICE SUPPLIES SYSTEM, FROM \$650,000.00 TO AN AMOUNT NOT TO EXCEED \$1,000,000.00

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that City Council authorize the City Manager to increase the amount of the current contract, Bid No. 1749 for Stockless Office Supplies System, from \$650,000.00 to an amount not to exceed \$1,000,000.00 per contract year.

CONTACT PERSONS: .. Chris Slay, Buyer II, 433-6343
Dennis Kerhulas, Senior Buyer, 433-6242

SUMMARY:

This report requests authorization to increase the amount of the current contract for office supplies with Office Depot, Inc. from a total of \$650,000.00 per contract year to an amount not to exceed \$1,000,000.00 per contract year. This contract was originally awarded by Council on August 26, 1997, to Office Depot, Inc., 4720 Northgate Blvd., Sacramento, CA 95834.

FOR COUNCIL MEETING OF: May 16, 2000

BACKGROUND:

On August 26, 1997, City Council awarded Bid No. 1749 for a Stockless Office Supplies System to Office Depot, Inc., 4720 Northgate Boulevard, Sacramento, CA 95834, in a total amount not to exceed \$650,000.00 per contract year. The City is in the third year of this potential five year contract. This contract is used throughout the City departments for standard office supplies.

In 1998, Office Depot offered the City more favorable pricing on copier paper than the City was receiving under a separate contract. Under the separate paper contract, copy paper was stored in the Central Stores

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warehouse and subsequently delivered to ordering departments by City personnel. Purchasing copier paper through Office Depot has reduced the need for Central Stores to store and transport these cases of paper. Although the purchase of copier paper through the office supplies contract represents a major portion of increased expenditures, there continues to be growth in the purchase of general office supplies as well. This can be attributed to several factors, including overall City growth, availability of competitively-priced products through the contract, and the implementation of direct on-line ordering for several City organizations. In order to continue to take full advantage of the efficiencies provided by the use of this contract, staff recommends that the City Council authorize an increase in the contract amount from \$650,000.00 to an amount not to exceed \$1,000,000.00 per contract year, which is anticipated to be sufficient to cover City needs through the remainder of this potential five-year contract.

FINANCIAL CONSIDERATIONS:

Funds for office supplies are included in the operating budgets of individual City departments, and no budget augmentations are requested.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

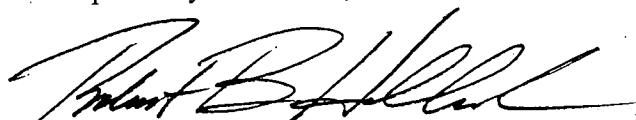
POLICY CONSIDERATIONS:

This recommendation is consistent with the requirements for competitive bidding as detailed in Title 57 of the Sacramento City Code.

ESBD CONSIDERATIONS:

At the time of bid solicitation, the City had not changed from an M/WBE program to an ESBD program. Requests for bid (RFB) were sent to thirty-two (32) vendors, eleven (11) of which were M/WBE firms. Office Depot, Inc., is not an M/WBE firm but does maintain a program to identify products they sell that are manufactured or distributed by minority, women, and disabled veterans businesses (MWDVB).

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager