



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director
Gwen Eng, General Services Manager

DATE: January 17, 2006

SUBJECT: Award of Four-Year Contract for Office Supplies to Office Depot (Estimated Value of \$80,000 per year)

RECOMMENDATION:

Staff recommends that the City Council: a) waive formal bidding per Municipal Code Section 2.36.150 (cooperative purchasing) and b) award a four-year office supplies contract to Office Depot (estimated value of \$80,000 annually).

FISCAL IMPLICATION:

Funds are budgeted in each department for on-going office supplies. Citywide, we expend approximately \$80,000 annually on office supplies.

BACKGROUND:

The City contracts with a single firm to provide diverse types of office supplies. The contract includes on-line ordering and next day desktop delivery. This is the most cost-effective and dependable manner to obtain these commodities.

DISCUSSION:

The current contract for routine office supplies is set to expire. As a result, staff researched existing contracts for possible piggybacking¹ opportunities. The County of Los Angeles was the lead public agency on the U.S. Communities office supplies contract, which was awarded to Office Depot with an annual value in excess of \$350 million. Office Depot was awarded the contract based on pricing, prior experience with government agencies, and technical capabilities including on-line ordering, fill rate, quality control, number of staff allotted to service the contract, billing, and other operational support items.

Our estimated annual expenditure of \$80,000 is based on the highest volume that we have historically purchased. Office Depot's pricing and capabilities leads staff to recommend that Council award this firm a contract. The contract period is for four years with options for two additional one-year periods.

¹ Piggybacking is the extension of pricing, terms, and conditions to other governmental agencies at the mutual consent of all parties. This is permissible under the City's Municipal Code, section 2.36.150.

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Staff is requesting that the City Manager be given the authority to extend the contract at the end of the initial period if Office Depot is performing well. If approved, the contract will be in the form of a purchase order. In addition, the City may cancel the contract at any time without cause if necessary.