



# CITY COUNCIL AGENDA REPORT

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MEETING DATE: SEPTEMBER 20, 2016      ITEM NUMBER: **CC-13**

**SUBJECT:** COOPERATIVE PURCHASE OF OFFICE SUPPLIES THROUGH STAPLES ADVANTAGE

**DATE:** SEPTEMBER 8, 2016

**FROM:** FINANCE DEPARTMENT / PURCHASING

**PRESENTATION BY:** STEPHEN DUNIVENT, INTERIM FINANCE DIRECTOR

**FOR FURTHER INFORMATION CONTACT:**      STEPHEN DUNIVENT 714.754.5243

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## **RECOMMENDATION:**

1. City Council consider and approve a price agreement through National Joint Powers Alliance cooperative Contract #010615-SCC for the purchase and delivery of necessary and approved office supplies with Staples Advantage, for an initial term expiring on September 19, 2017, and optional three (3) one-year extensions.

## **BACKGROUND:**

The City uses a wide variety of office supplies to support all City operations. The Costa Mesa City Council approved participation in other public agencies' purchasing bids and contracts with adoption of Resolution 94-11 on March 7, 1994, and over the years the City has benefitted from "piggybacking" on cooperative contracts initiated by other public agencies. This piggybacking has allowed the City to receive larger discounts typically offered only to high volume purchasers.

The National Joint Powers Alliance (NJPA) provides a nationally awarded Contract #010615-SCC for office supplies with Staples Advantage. This cooperative agreement offers discounts and rebates on over 20,000 items from Staples' catalog. The term of this NJPA cooperative contract is through August 1, 2020.

The City of Costa Mesa currently has a contract with Office Depot/Office Max for office supplies. Staff intends to retain this Office Depot/Office Max contract and add a Staples Advantage contract to supplement the catalog offerings and services of Office Depot/Office Max. The departments' current budgeted amounts will be shared between the two contracts.

## **ANALYSIS:**

Utilizing cooperative agreements for the procurement of office supplies meets all the requirements set forth in the City of Costa Mesa purchasing policy manual in regards to cooperative agreements. Staff found the cooperative agreement with Staples Advantage, which was competitively bid by the Lodi Unified School District, to be good fit for the City of Costa Mesa. The Lodi Unified School District cooperative contract is offered through NJPA to state and local government agencies, public schools and not-for-profits nationwide. There is fee to the City for utilizing this contract. The contract was awarded August 1, 2015 and is effective through August 1, 2020.

Staples Advantage has a 20,000 item catalog of office supplies available at varying discounts under the NJPA contract. Authorized City staff will be able to order a wide variety of office supplies with next day delivery. If obtaining a particular item is critical, contract pricing is available at Staples retail stores for NJPA contract items. The contract with Staples Advantage includes volume rebates of 2% for the volume anticipated by staff.

Staples Advantage will set up the ordering website, including any internal controls, to facilitate efficient ordering and tracking. Staples Advantage will also provide training to City staff.

**ALTERNATIVES:**

City Council could direct staff to conduct an independent formal bid to acquire office supplies purchase and delivery service. However, it is unlikely to obtain pricing below that of the NJPA cooperative agreement due to the lower volume of office supplies purchased by the City.

**FISCAL REVIEW:**

Funding for office supplies is appropriated in the adopted budgets of each department. In Fiscal Year 2015-16 the City expended \$208,649 on office supplies. Both Staples Advantage and Office Depot/Office Max contracts are cooperative contracts, the products of a public agency competitive bid process. Both contracts offer discounts and rebates to users. No increase in funding is needed to add a Staples Advantage contract as departments' budgeted amounts will be shared between the two contracts.

**LEGAL REVIEW:**

The City Attorney's office has reviewed the purchase order and approves it as to form.

**CONCLUSION:**

Based on the ability of Staples Advantage to provide volume discount pricing and additional rebates, and to add to our procedural efficiencies, it is recommended that City Council approve the purchase of office supplies through the NJPA cooperative price agreement with Staples Advantage beginning September 20, 2016 through September 19, 2017, and authorize the Chief Executive Officer to renew the agreement for three (3) additional one-year terms, and authorize the Chief Executive Officer to accept and execute future amendments to the agreement.

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THOMAS R. HATCH  
Chief Executive Officer

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THOMAS DUARTE  
City Attorney

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STEPHEN DUNIVENT  
Interim Finance Director

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RAYMOND HULL  
Acting Purchasing Supervisor

[Attachment 1: NJPA Staples Business Advantage Contract #010615-SCC](#)  
[Attachment 2: Lodi Unified School District Notice of Award to Staples Advantage](#)  
[Attachment 3: Lodi Unified School District Contract Acceptance and Award Confirmation](#)