



**Purchasing Supply Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 42
AGENDA DATE: Thu 03/03/2005
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SUBJECT: Authorize execution of Amendment No. 3 to the contract through U.S. Communities Government Purchasing Alliance, Los Angeles County, CA with OFFICE DEPOT, Austin, TX, for office supplies, printer equipment and supplies, and office equipment in an amount not to exceed \$2,086,000, with two 12-month extension options in an amount not to exceed \$2,086,000 per extension option, for a revised total contract amount of \$8,483,101.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$1,216,833.38 is available in the Fiscal Year 2004-2005 Approved Operating Budgets for all City departments. Funding for the remaining five months of the original contract period and extension options is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING	Purchasing	DIRECTOR'S
DEPARTMENT:	for Police; Austin Water Utility; Health and Human Services; Austin Energy; Community Care Services;	AUTHORIZATION:

FOR MORE INFORMATION CONTACT: Sydney Ceder, Buyer II/974-2035

PRIOR COUNCIL ACTION: July 17, 2003-Approved original contract; August 12, 2004-Approved Amendment No. 2 to increase contract by \$166,770 for the supply of white copy paper

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This amendment will maintain a reliable source of annual office supplies and recycled white copy paper by extending the contract an additional year and including two 12-month extension options. The amended contract term will be March 5, 2005 through March 4, 2006. This interlocal agreement establishes a supply contract for stockless office products with Office Depot through the bids of Los Angeles County. These supplies are used by all City departments. Office Depot will warehouse all items and deliver orders to approximately 265 City locations and the vendor is required to provide any type of item on an as needed basis with next day desk top delivery.

There are approximately 900 different items purchased under this contract that are standard office supplies (e.g. rubber bands, binders, tape, paper clips, correction tape, file folders, staples, pens, pencils, Post-it notes, etc.) used on a daily basis. This portion of the contract will be in the amount of \$700,000 annually. In addition to the standard office supplies, Office Depot also provides printer equipment and supplies (e.g. toner cartridges, inkjet cartridges and printer ribbons). This portion of the contract will be in the amount of \$852,460 annually. In August 2004, City Council approved an amendment to include



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recycled white copy paper and continuous feed computer paper. This portion of the contract will be in the amount of \$433,540. An additional \$100,000 will be allocated for small office equipment including but not limited to calculators, tape recorders, hole punchers, clocks, and shredders.

Even though several hundred items are included in the catalog, a large number of items are restricted and cannot be obtained by the City under this contract. These include items such as high tech electronics, food and furniture. The contract has a rebate provision, currently 1.5%, that returns money to the City based on annual expenditures.

The U.S. Communities Government Purchasing Alliance was designed in cooperation with an Advisory Board of local government purchasing officials across the United States and is sponsored by the National Association of Counties, the National Institute of Governmental Purchasing, the National League of City and the United States Conference of Mayors to pool the purchasing power of public agencies to achieve greater volume discounts on behalf of participating public agencies. Los Angeles County, California was the lead participating agency that issued a competitive solicitation and awarded a contract to Office Depot, Inc. that provides a purchasing forum for public agencies nationwide.

CONTRACT HISTORY

CONTRACT AMOUNT

Original Contract (11/4/03 through 3/4/04)	\$ 758,331
Amendment No. 1 – Contract Extension (3/5/04 through 3/4/05)	\$1,300,000
Amendment No. 2 – Contract Increase (Addition of Paper)	\$ 166,770
Proposed Amendment No. 3 – Contract Extension (3/5/05 through 3/4/06) with two 12-month extension options	<u>\$6,258,000</u>
TOTAL REVISED CONTRACT AMOUNT	\$8,483,101