

**June 28, 2011**

SUBJECT: Award of Contract for the Cooperative Purchase of Office Supplies (F1005-111)

BACKGROUND

Approval is requested for the award of a three-year contract to OfficeMax of Menlo Park to provide the City office supplies, to support all City operations. The most commonly purchased office supplies include several types of toner cartridges, pens, markers, tape, staples, envelopes, note pads, copy paper and file folders.

OfficeMax has been a preferred vendor for several years through cooperative procurement contracts, allowing the City to leverage the deep discounts typically offered only to high volume purchasers. Council approved the purchase of office supplies on a citywide basis with OfficeMax (RTC 09-112), based on a national cooperative procurement agreement with OfficeMax through Public Sourcing Solutions, a non-profit organization that has partnership with Oakland County, Michigan. The cooperative contract is due to expire on June 30, 2011 and a new contract has been awarded by Oakland County for a three year period. A number of cities, including San Jose, Mountain View and Palo Alto have elected to “piggyback” on the OfficeMax cooperative office supplies contract.

DISCUSSION

The OfficeMax contract offers a number of key advantages to the City, including discounted pricing, electronic commerce incentives, desktop delivery, no minimum order requirement, no fuel surcharge, an annual cash rebate (which increases through use of e-commerce transactions) and point-system rewards. The City has implemented an electronic commerce initiative with OfficeMax which includes elimination of paper invoices and exclusive use of online catalogs for ordering office supplies. The online catalogs also direct City employees to environmentally preferable products in line with Council Policy 7.1.3, Environmental Procurement.

Section 2.08.220(b) of the Sunnyvale Municipal Code authorizes the use of a contract initiated by another governmental entity, provided that the original parties to the contract agree, the contract was awarded within twelve months of the date of authorization, the contract is for identical or nearly identical goods, and the contract resulted from a competitive bid using methods similar to

those required by the City's Purchasing Ordinance. The Oakland County contract with OfficeMax meets all of these criteria.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

FISCAL IMPACT

Funds for office supply purchases are budgeted in various operating accounts throughout the City. Total expenditures for FY 2011/2012 are not expected to exceed \$200,000. Minor adjustments upward or downward based on individual department needs may occur during the life of the contract, but will not exceed the overall budgeted amount for office supplies.

RECOMMENDATION

It is recommended that Council award a three-year contract in substantially the same form as the attached draft, not-to-exceed the budgeted amount for citywide office supplies, to OfficeMax for the purchase of office supplies, based upon the Oakland County, Michigan, cooperative contract.

Reviewed by:

Grace K. Leung, Director of Finance
Prepared by: Pete Gonda, Purchasing Officer

Approved by:

Gary M. Luebbers
City Manager

Attachment

A. Draft Purchase Order



ORDERED FROM 06250 - 003 OfficeMax Contract Inc 1315 OBrien Dr Menlo Park, CA 94025 (800) 310-8008	ORDER DATE 	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale, CA 94088-3707
	EFFECTIVE DATE 7/1/2011	
	EXPIRATION DATE 6/30/2014	
	CONTRACT AMOUNT Not To Exceed Budgeted Amounts	
REQUISITIONING DEPARTMENT (3100) FIN/Administration	FOB DEST	FREIGHT CHARGES Destination, freight included in price
	PAYMENT TERMS N/20	BID NO

ITEM	DESCRIPTION	UNIT	UNIT COST
1	Blanket order to provide office supplies as required by the City of Sunnyvale for a three year period with an option to renew for an additional two year period. Terms and conditions, including pricing, shall be as set forth in the Oakland County, Michigan "America Saves" Master Purchasing Agreement, dated May 2011. Orders may be placed online via the OfficeMax website. City Council approval 6/28/2011, RTC# _____ Requisition Number: RQ008189 This purchase order replaces BL002399	DLR	\$1.0000

BUYER:

Howard, Dreema

PHONE (408) 730-7396

FAX (408) 730-7710