



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-3080

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**Agenda Item Number:** 10.

**Agenda Date:** 6/18/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-Wide

**SUBJECT:**

Annual Contract for Office Supplies

**SUMMARY:**

An Ordinance authorizing a contract with Office Depot, Inc. to provide the City with the purchase and delivery of general office supplies and products utilized by over 400 City facilities for an estimated annual cost of \$1,050,000.00. The initial term for this contract is from August 1, 2015 through September 30, 2018 with one, one-year renewal option. No funds will be encumbered by this ordinance which provides for the procurement of general office supplies and products as required, based upon the Department's available budget.

**BACKGROUND INFORMATION:**

Submitted for City Council consideration and action is the bid submitted by Office Depot, Inc. to provide the City with the purchase and delivery of general office supplies and products utilized by over 400 City facilities. The Office Depot location in San Antonio, a partner in Office Depot's national distribution system, will deliver orders on an as-needed basis with desk-top delivery provided a minimum of two times per week. Based upon the recommendation of the Office of Sustainability, this contract will suggest "Environmentally Preferred Products" including products with a lower overall cost per use. In addition, Office Depot distributes select office supplies offered through Texas Industries for the Blind and Handicapped (TIBH Industries) such as binders, highlighters and pens which will be available for purchase by the City through the Office Depot catalog. TIBH Industries provides employment opportunities for people with blindness and other disabilities and markets their products and services to governmental entities.

The City issued an Invitation for Bid (IFB) “Annual Contract for Office Supplies” (IFB 6100005505) on February 23, 2015 and nine bids were received on April 3, 2015. Upon completion of the initial review of the bids received, it was determined that three bids were non-responsive for failure to submit pricing as required by the bid document. The remaining six bids were evaluated and staff recommends acceptance of the low responsive bid from Office Depot, Inc.

**ISSUE:**

A comprehensive evaluation of all bids received was conducted by Purchasing staff to determine the overall lowest responsive bidder. The first step was to review bids in an effort to determine compliance with the IFB requirements. As a result, three bids being rejected for material deviations to the IFB requirements. The second step was to perform an analysis of the two IFB Pricing sections. First, staff evaluated discounts submitted for specified office supply categories contained in the bidder’s published catalog. Second, pricing was analyzed for the high volume office supplies purchased by the City. Due to the larger volume, bidders were encouraged to provide deeper discounts for these items versus the remaining items contained in the specified office supply categories. All discounts offered must remain fixed for the duration of the contract term.

This contract is within the scope of the Small Business Economic Development Advocacy (SBEDA) program. However, due to the type of commodities/services being procured and value of the contract, no SBEDA tool is available.

The recommended award is to the lowest responsive bidder who is also a local business. In accordance with the Local Preference Program, no preference was applied.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

**ALTERNATIVES:**

Should this contract not be approved, the City would be required to purchase general office supplies and products through a variety of office supply vendors as needs arise thereby negating the advantage associated with the City’s consolidated purchasing power of procuring office supplies through one vendor. Award of this contract will provide discounts up to 90% of published catalog prices for office supplies.

**FISCAL IMPACT:**

The estimated annual cost for this contract is \$1,050,000.00. No funds are encumbered by this ordinance which provides for the procurement of specified office supplies and products as required, based upon the Department’s available budget.

**RECOMMENDATION:**

Staff recommends the approval of a contract with Office Depot, Inc. to provide the City with the purchase and delivery of general office supplies and products for an estimated annual cost of \$1,050,000.00.

This contract is procured by means of a low bid and a Contracts Disclosure Form is not required.