

**BOARD OF SUPERVISORS
FINANCE/GOVERNMENT OPERATIONS AND
ECONOMIC DEVELOPMENT COMMITTEE
ACTION ITEM**

SUBJECT: **CONTRACT RENEWAL/Office Supplies and Office Paper**

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: April 12, 2016

STAFF CONTACTS: John Sandy, County Administration
Philip Butterfass, Finance and Procurement

PURPOSE: To renew the contract for Office Supplies and Office Paper.

RECOMMENDATION: Staff recommends that the Finance/Government Operations and Economic Development Committee (FGOEDC) recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to renew the Office Supplies and Office Paper Contract with Staples Contract and Commercial Incorporated in the estimated amount of \$800,000.

BACKGROUND: During June and July 2015, staff researched several options for contracting for office supplies. These options ranged from issuing the County’s own solicitation to utilizing other existing state and/or local government contracts. The results of the analysis indicated a National Joint Powers Alliance (NJPA) contract was the most favorable to the County from a discount and rebate offered perspective. Based upon that analysis, the County awarded a contract for Office Supplies to Staples Contract and Commercial Incorporated using the NJPA contract during August 2015 award authority in the amount of \$850,000.

The NJPA is a governmental agency operating under the enabling authority outlined in Minnesota State Statute 123A.21. This statute was created in 1978 and revised in 1995 to allow participating government and education agencies to reduce the cost of purchased equipment and products by leveraging their combined national purchasing power. The NJPA establishes and provides nationally leveraged and competitively solicited purchasing contracts. Members may purchase through NJPA contracts without duplicating their own competitive bidding process and requirements. The result of this cooperative effort is a variety of nationwide, high-volume, cost-effective competitively bid contract solutions and services.

The NJPA contract was solicited and awarded for office supplies solely to Staples Contract and Commercial Incorporated for the period from August 1, 2015 through July 31, 2016 with an

optional one year renewal period, This item is requesting authorization to renew the contract with Staples (from August 1, 2016 to July 31, 2017) in the estimated amount of \$800,000. The County has expended approximately \$728,229 during the current twelve month period under this contract.

Items provided under this contract include a full range of office supplies, including but not limited to the following: office paper, printer toner, stationary, business machines, filing accessories, and writing instruments. This contract offers next-day delivery of office supplies to the requesting agency office location on an as-needed basis. Staples also offers a rebate back to the County once certain levels of usage are reached. The County is presently on pace to receive a 4% rebate on the purchase price of core items. The rebate for this past year was \$29,155.

ISSUES: If the NJPA contract is not utilized, then County staff would either purchase office supplies through open market purchases, or issue our own solicitation. Both of these options lose the advantage of volume discounts achieved through this national cooperative contract. It may be unlikely that supplies would be delivered next day, and the County may lose efficiency achieved through web-based ordering. The County would also not receive a rebate for supplies purchased.

This contract renewal requires action by the FGOEDC and Board as it exceeds the staff authority of \$500,000 in accordance with the Procurement Resolution.

FISCAL IMPACT: Sufficient funding for the first eleven (11) months of the contract is available in the individual county agency and departmental FY 2017 operating budgets; and funding for the last month of the contract will be subject to FY 2018 budget appropriations. Approval of this contract renewal does not commit the County to expend funds, it only establishes award authority.

ALTERNATIVES:

1. Recommend to the Board that the Purchasing Agent be authorized to renew the contract for office supplies and office paper contract with Staples Contract and Commercial Incorporated in the estimated amount of \$800,000.

OR

2. Do not recommend renewal of the contract and direct staff on how to proceed.

DRAFT MOTIONS:

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to renew the contract for office supplies and office paper with Staples Contract and Commercial Incorporated, in the estimated amount of \$800,000.

OR

2. I move an alternate motion.