



Agenda Report

October 20, 2014

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

SUBJECT: TEMPORARY EXTENSION OF OFFICE DEPOT/MAX AGREEMENT TO PROVIDE OFFICE-RELATED SUPPLIES

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to extend the agreement with Office Depot/Max to be the primary provider of office-related supplies for the City through December 31, 2014.
2. Find that the proposed agreement extension is exempt from the competitive selection process pursuant to Pasadena Municipal Code Chapter Section 4.08.049(B) contracts for which the City's best interests are served. This extension is already exempt from the competitive bidding requirements pursuant to Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies, or services.

BACKGROUND:

In August 2014, the City Council authorized the City Manager to extend the contract with Office Depot/Max to be the primary provider of office-related supplies for the City through October 31, 2014. This extension was requested to allow staff to evaluate options and finalize a Request for Information (RFI) for the procurement of office-related supplies. The development of the RFI required more time than originally anticipated when the first extension was requested to provide additional information to responders to assist with their submission. The RFI has been completed and posted staff expects responses by the end of October 2014 to allow adequate time for responses. This, however, will not allow enough time to review the responses and make a recommendation to City Council prior to the expiration date of the extension previously authorized by Council. Staff is therefore requesting an additional extension through

December 31, 2014 to provide time to review the responses and make a recommendation to Council.

The Office Depot/Max "America Saves" program is the program used by the City for office-related supplies. This program consists of a core list of approximately 250 items that were identified and discounted between 10 and 90 percent from regular retail pricing. Initially, this core list was developed based on Pasadena's office supply procurement activity for the three years preceding approval of the original agreement. The core items on the list have been revised over the years as the City's spending patterns have evolved to maximize overall savings.

The "America Saves" program was selected via a bidding process by Oakland County, Michigan in April 2013, which supports the exemption from competitive bidding.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

The cost of this action will be approximately \$80,000. Funding for this action will be addressed by use of existing budgeted appropriations in various materials and supplies accounts (8101) within the City departments. It is anticipated that approval of this action could result in approximately \$2,000 in savings during the extension period. There will be no impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



ANDREW GREEN
Director of Finance
Department of Finance

Approved by:



for MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

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|--------------------------------------------------------------------------|
| 1. Contractor/Organization Name: OfficeMax North America, Inc. |
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| 2. Type of Entity: <input checked="" type="checkbox"/> non-government <input type="checkbox"/> nonprofit 501(c)(3), (4), or (6) |
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| 3. Name(s) of trustees, directors, partners, officers of Contractor/Organization: |
| Roland C. Smith - President & CEO |
| Steve Calkins - EVP, President Contract |
| Elisa Garcia - EVP, General Counsel |
| Stephen Hare - EVP, CFO |
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| 4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization: |
| OfficeMax is a wholly owned subsidiary of parent company Office Depot, Inc. |
| Since Office Depot, Inc. is a public held corporation there is no known equity ownership of more than 10%. |
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Prepared by: _____

Title: VP

Phone: _____

Date: 10/24/14