



Agenda Report

June 19, 2017

TO: Honorable Mayor and City Council
FROM: Department of Finance
SUBJECT: AUTHORIZE AN INCREASE TO THE CITYWIDE CONTRACT WITH OFFICE DEPOT, INC. (FORMERLY OFFICE MAX) BY \$490,000 FOR A TOTAL AMOUNT NOT-TO-EXCEED \$1,240,000 FOR THE PURCHASE OF OFFICE-RELATED SUPPLIES

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Authorize the City Manager to extend Contract No. 30234 with Office Depot Inc. for an additional year and increase the contract from \$750,000 to \$1,240,000, an increase of \$490,000 to continue purchasing office-related supplies. Competitive bidding is not required pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors for labor, materials, supplies or services.
3. To the extent this action is considered a separate procurement; grant the proposed contract an exemption from the competitive selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

On August 31, 2015, the City Council approved a contract with Office Max (currently doing business as Office Depot, Inc.) to provide citywide, office-related supplies in an amount not-to-exceed \$375,000 for a period of one year, or until the funds have been expended, with a one-year optional extension subject to approval by the City Manager for the same price, terms, and conditions, for a not-to-exceed amount of \$750,000. This

contract was awarded through the America Saves program, which was selected by a competitive bidding process by Oakland County, Michigan in April 2013. Pasadena receives an annual two percent rebate from all purchases the City makes through the America Saves program. To date, the City has received over \$10,000 in rebates.

In June 2016, the previously approved one-year extension was awarded by the City Manager which increased the contract amount to \$750,000 and extended the date to June 30, 2017. As of December 2016, the City completed a transition from the OfficeMax ordering platform to the Office Depot system, as these two companies merged in November 2013.

Based on previous materials and supplies ordered by the City from this vendor, a second contract extension is recommended through June 30, 2018, which mirrors the expiration date of the master contract. An increase to the contract amount of \$490,000 is also recommended. The original contract and exemption from the bid process were in compliance with the City's requirements pursuant to Charter section 1002(H) and Pasadena Municipal Code Section 4.08.049(B). Continuing to use this contract and obtaining the reduced pricing on office supplies is in the best interest of the City.

COUNCIL POLICY CONSIDERATION:

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

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The purchasing of supplies is a continuing administrative and maintenance activity. This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since this action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The cost of this action is \$490,000. The allocations tied to this contract extension now include departments and divisions that were not part of the original contract plus a 10 percent contingency for unanticipated purchases. Funding for this action will be addressed by using existing appropriations in various material and supplies accounts within the departments. Funds will be expended in fiscal years 2017 and 2018.

Respectfully submitted,



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