



Council Communication

Office of the City Manager

Date

July 24, 2006

Agenda Item No. 46C
Roll Call No. 06-
Communication No. 06-452
Submitted by: Allen McKinley, Finance
Director

AGENDA HEADING:

Approving annual contract with OfficeMax (Stuart, IA) for office supplies, \$160,000.

SYNOPSIS:

Recommend approval of award to OfficeMax (3097 285th Street, Stuart, IA 50250) to enter into an annual agreement renewable for two (2) additional twelve (12) month periods for office supplies.

FISCAL IMPACT:

Amount: Approximately \$160,000

Funding Source: 2006-2007 Operating Budget, various fund and organization codes based on department, general office supply account code 531010.

ADDITIONAL INFORMATION:

The City of Des Moines Finance Department, Purchasing Division issued Invitation to Bid V06-130 for office supplies. Five (5) bids were mailed, and five (5) bids were received. Proposals made were based on (1) pricing a core list of high use items (approximately 1200) using data from purchases made over the most recent twelve month period, (2) providing discounts for all non-core items, and (3) providing a statement of understanding for compliance to the specification requirements regarding inventories, deliveries, restocking, management reports, training, etc.

(1) Pricing a core list of high use items

In an effort to be fair, all items on the high use core list that were not bid by all proposers were eliminated from the evaluation process. The bid tabulation sheet, which is on file in the City Clerk's Office, shows the results of the total costs for like items bid by all proposers. OfficeMax provided the lowest cost to the City at \$90,471.74. This bid represents an estimated annual savings of more than \$24,000 when the same list of items is compared to prices from the last contract.

(2) Providing discounts for non-core items

All proposers complied by providing discounts to the City for all non-core items. Discounts varied from a flat rate to a detailed listing of discounts by 99 categories.

(3) Statement of understanding

All proposers complied with a statement of understanding to the specification requirements.

OfficeMax holds the State of Iowa contract which is also used by the Iowa Department of Transportation, University of Iowa and Iowa State University. The core list of high use items developed for that contract is also available to the City of Des Moines.

In addition to our own core list and the State of Iowa core list pricing, OfficeMax also offers an incentive program not available from the other proposers. This includes a 1% rebate for prompt payment within 15 days, and another 1% rebate for online ordering greater than 80%. Nearly all of the City's office supplies have historically been ordered online with the current provider.

Local preference was not a factor in selection, as the three lowest proposers all retain offices, stores or warehouses within the corporate limits of the City of Des Moines. Office Max retail stores in Des Moines are located at 2700 Ingersoll Avenue and 5020 SE 14th Street.

PREVIOUS COUNCIL ACTION(S): NONE

Date:

Roll Call Number:

Action:

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE