

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 25, 2016
	Agenda Item No. 38D Roll Call No. <u>16-1224</u> Communication No. <u>16-428</u> Submitted by: Dan E. Ritter, Finance Director

AGENDA HEADING:

Approving the purchase of office supplies.

SYNOPSIS:

Recommend the purchase of office supplies utilizing State of Iowa contract with Office Depot. The State contract was in effect March 1, 2016, and can potentially be approved for a total of seven (7) years.

FISCAL IMPACT:

Amount: \$175,000 annual expenditure

Funding Source: Department general office supply budgets.

ADDITIONAL INFORMATION:

City Council asked staff to review the bidding for office supplies as outlined in Item No. 38(B) on the July 11, 2016 Council meeting agenda, Roll Call No. 16-1140. If approved by Council, this agenda item would allow the Procurement Administrator to issue purchase orders against the State of Iowa contract. The exact selection of office items purchased by the City changes from year to year. The contract provides a mechanism to procure hundreds of different type of office items at a discount. The approval does not preclude the City from looking at options, if staff determine other vendors can provide better pricing/products.

Many cities have gone to electronic bid systems and procure their annual purchases from bidders across the country, as ordering can often be processed through the same regional warehouses which the local stores use. The Finance Department has not implemented this change, as the Procurement Division values local suppliers, and always provides competitive bid opportunities to local vendors as they arise and believes many items can be provided by local suppliers with good quality low-cost bids.

The University of Iowa submitted electronic bid requests to 552 potential suppliers. This included companies that could respond to some commodity codes (like computer related office supplies), but maybe not all items (such as consumable desk top supplies) like the large office supply companies.

The University of Iowa, representing Iowa Board of Regents institutions, solicited bids competitively and the State of Iowa Department of Administrative Services issued Contract 16229 to Office Depot.

In this case, staff believe the purchasing power of the University of Iowa and other State agencies for office supplies provides the best overall pricing and cost savings to the taxpayers of Des Moines.

PREVIOUS COUNCIL ACTION(S):

Date: July 11, 2016

Roll Call Number: [16-1140](#)

Action: [Office Depot](#) (Chris McEntee, Regional Vice President) to furnish office supplies for fiscal year 2017 per State of Iowa Contract for use by City Departments, estimated annual cost \$175,000. ([Council Communication No. 16-384](#)) Moved by Hensley to continue to July 25, 2016; refer to the City Manager for review and recommendation regarding bidding options for local vendors. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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