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DEPARTMENT OF
ADMINISTRATIVE SERVICES

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

August 2, 2002

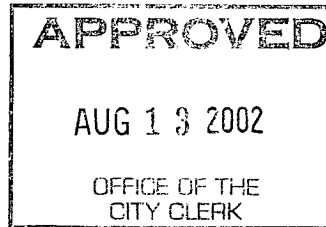
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City Council
Sacramento, California

AG 2002-144



Honorable Members in Session:

SUBJECT: ADOPTION OF SPECIFICATIONS AND AWARD OF BID NO. 1874 FOR A STOCKLESS OFFICE SUPPLIES SYSTEM

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council adopt specifications and accept the lowest responsible bid for the contract resulting from Bid No. 1874 for a Stockless Office Supplies System. Award is recommended to Corporate Express, Inc., 1123 North Market Blvd., Suite 5, Sacramento, CA 95834, in a total amount not to exceed \$1,600,000.00 per contract year.

CONTACT PERSONS: Chris Slay, Buyer II, 433-6344

FOR COUNCIL MEETING: August 13, 2002

SUMMARY:

Attached is a tabulation of sealed bids received by the City Clerk for furnishing office supplies and services in accordance with the specifications used in the bidding process, and recommendation for award of Bid No. 1874 for a Stockless Office Supplies System in a total amount not to exceed \$1,600,000.00 per contract year.

BACKGROUND:

Since 1986, the City of Sacramento has been purchasing the majority of its office supplies through a "stockless" office supplies contract, which provides for just-in-time delivery of office supplies. Orders for office supplies are placed through a computerized order-entry system and delivered directly by the vendor

to designated City offices, usually the day after the order is placed. The current contract with Office Depot Business Services Division is due to expire on August 25, 2002.

Formal competitive bids were solicited under Bid No. 1874, providing specifications for the required "stockless" system and requiring that bidders submit, for bid evaluation purposes, pricing for a broad spectrum of over 200 office supply items with historically high City usage. Bidders were also required to provide discounts that will be offered against 30 manufacturers' list prices for items not specifically enumerated in the bid pricing sheets. Corporate Express, Inc. submitted the lowest responsible bid, in a total amount of \$1,023,457.65. In addition, Corporate Express, Inc. offered a 70% discount on their entire Corporate Express, Inc. "house" brand product line. Pricing for other office products sold by Corporate Express, Inc., but not specifically identified in the bid or on the discount schedules, will be based on the most favorable prices offered to the State of California, or any other local government or district within the State of California. Corporate Express currently provides office supplies utilizing systems similar to that required by the City under contracts with CSU Sacramento and the County of Sacramento, among others.

Based on their lowest responsible bid, staff recommends that a contract be awarded to Corporate Express, Inc., in a total amount not to exceed \$1,600,000.00 per contract year. Because their bid total of \$1,023,457.65 represents items selected for bid evaluation purposes only, staff recommends that the City Council authorize a contract in a total amount not to exceed \$1,600,000.00 per contract year, which more closely reflects the amount anticipated to be expended each year, with accommodation for growth over the life of this potential five-year contract. A bid tabulation sheet is provided in Attachment 1.

As the City's new office supplies vendor, Corporate Express will be required to program for ordering and billing systems tailored to the City's requirements, as well as train approximately 90 City users in use of the on-line order-entry system. To ensure the uninterrupted service for office supplies and allow for a smooth transition between the current and new contracts, staff recommends that the Council authorize continued office supplies purchases from the current vendor (Office Depot), under the terms and conditions of their contract with the City, until the Corporate Express system is fully functional for the City. The contract with Office Depot provides for a four-month transition period, and Office Depot has offered to extend that period for up to 12 months if required by the City. Combined spending between the two vendors will not exceed the limit requested in this report.

FINANCIAL CONSIDERATIONS:

Funds for office supplies are included in the annual budgets of City departments, and no budget augmentations are requested. In the last fiscal year, nearly \$1,400,000 was expended with Office Depot. The recommended award amount of not to exceed \$1,600,000 per contract year for the new contract will be sufficient for current requirements as well as allowing for growth over the life of the potential five-year contract.

ENVIRONMENTAL CONSIDERATIONS:

The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3), which states that CEQA applies only to

projects which have the potential for causing a significant effect on the environment. The current proposal involves only the purchasing of office supplies for use by City Departments. Therefore, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

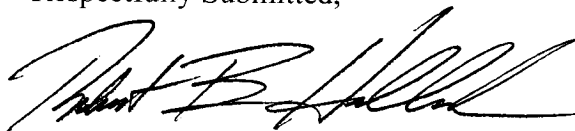
POLICY CONSIDERATIONS:

This recommendation is consistent with the requirements for competitive bidding as detailed in Chapter 3.56 of the Sacramento City Code.

ESBE CONSIDERATIONS:

Requests for bid were sent to 23 vendors, 10 of which were certified as an Emerging or Small Business Enterprise. Corporate Express, Inc., the vendor recommended for award, is not an Emerging or Small Business Enterprise.

Respectfully Submitted,



Robert B. Holbrook
Procurement Services Manager

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

1 Attachment

**BID TABULATION SHEET FOR
BID NO. 1874 - STOCKLESS OFFICE SUPPLIES SYSTEM**

Bidder	Total	5% ESBE Preference	1% City Tax Preference	Prompt Payment Discount	Evaluation Total
Corporate Express, Inc.	\$1,023,457.65	None	None	2% - 21 days <\$20,469.15>	\$1,002,988.50
Office Depot	\$1,087,045.65	None	<\$10,870.46>	None	\$1,076,175.19
Boise Cascade	\$1,121,792.11	None	<\$11,217.92>	2% - 20 days <\$22,435.84>	\$1,088,138.35
Staples, Inc.	No Bid	N/A	N/A	N/A	No Bid

Award of Contract To: Corporate Express, Inc.
1123 North Market Blvd., Suite 5
Sacramento, CA 95834

Original Estimated Cost: \$1,300,000

Total Bid Amount: \$1,023,457.65

Using Department: All City Departments

Total Amount of Contract: \$1,600,000 (not to exceed)

Bid Due Date: June 19, 2002

* The lowest responsible bid amount of \$1,023,457.65 represents the total for items selected for bid evaluation purposes only. Authorization is requested to enter into a contract in an amount not to exceed \$1,600,000 per contract year, which more closely reflects the amount anticipated to be expended each year and provides accommodation for growth over the life of this potential five-year contract.

Total No. of
Bids Solicited

23

No. of E/SBE
Bids Solicited

10

No. of E/SBE
Responses

0

Award to
E/SBE Vendor?

No

4