

City of Portland, Oregon
FINANCIAL IMPACT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Jim Van Nest		2. Telephone No. 503-823-5680	3. Bureau/Office/Dept. Portland Bureau of Internal Business Services
4a. To be filed (date) December 9, 2010	4b. Calendar (Check One) Regular Consent 4/5ths <div style="text-align: center;">X</div>		5. Date Submitted to FPD Budget Analyst: December 3, 2010

1) Legislation Title:

*Authorize Extension of the Office Depot Price Agreement for Office Supplies for an Additional 5 years for a 5-year contractual total not to exceed \$6,000,000. (Ordinance)

2) Purpose of the Proposed Legislation:

The purpose of this action is to authorize extension of the Price Agreement with Office Depot, to provide Office Supplies for an additional 5-year period. The ordinance has a not to exceed cost of \$6,000,000.00 for all 5 years.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source. No.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? The estimated cost of this extension to the Price Agreement is \$1,200,000 per year and funds will be available from the approved budget of each bureau.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? No.

6) Will positions be created or eliminated in *future years* as a result of this legislation?
 No.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Jeff Baer :

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Jeffrey B. Baer, Director, Bureau of Internal Business Services

184312
Christine Moody
Chief Procurement Officer
Procurement Services
1120 S.W. Fifth Avenue, Rm. 750
Portland, Oregon 97204-1912
(503) 823-5047
FAX (503) 823-6865
TTY (503) 823-6868

DATE: December 6, 2010

TO: Mayor Sam Adams

FROM: Christine Moody *CM*

RE: *Authorize Extension of the Office Depot Price Agreement for Office Supplies for an Additional 5 years for a 5-year contractual total not to exceed \$6,000,000. (Ordinance)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. **INTENDED THURSDAY FILING DATE:** December 9, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** December 15, 2010
3. **CONTACT NAME & NUMBER:** Christine Moody x31095
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Yes** ☐ **No** ☐ **N/A**
6. **THREE (3) ORIGINALS OF CONTRACT "APPROVED AS TO FORM" BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☐ **No** ☒ **N/A**

7. BACKGROUND/ANALYSIS:

Office Depot was competitively awarded their current price agreement in August 2005 after receiving the highest evaluated points. They have performed well under this price agreement and have consistently offered excellent pricing.

The existing agreement has run for five years and in its review, the City staff has determined the Office Depot contract should be renegotiated and extended. A recent price comparison of the City's top 800 items purchased with 3 other office supply providers concluded that Office Depot pricing would be 20% lower than the next lowest provider. Additionally, annual rebates would result in at least another 2% savings. Portland City Code 5.33.220.D.10 authorizes the renegotiation of existing contracts with incumbent contractors when it is in the best interest of the City.

City staff has been able to negotiate deeper discounts for the core list of items and additional discounts for the remainder of the Business Solutions Catalog. Extension of the current Office Depot price agreement will build upon existing sustainability-related contract requirements by adding the following terms: bike delivery of orders to City customers in the downtown core using a local bike delivery company; required use of reusable totes for order deliveries; improved online catalog search capability for environmentally preferable and HUB (historically underutilized businesses) products; increased availability of environmentally preferable and HUB products; and LEED for Existing Buildings reporting requirements.

Legal issues - none known

Controversial issues - none known.

Citizen participation - none known.

Link to current City policies - Sustainable Procurement Policy; Green Building Policy; Climate Action Plan.

Other governmental participation - presently none, however it is anticipated that other local governmental organizations will utilize our price agreement after a price comparison to their current providers.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

3. FINANCIAL IMPACT

Costs for this Price Agreement will be funded from the adopted budgets of each Bureau as they have been for the past 5 years.

9. RECOMMENDATION/ACTION REQUESTED

Authorize Extension of the Office Depot Price Agreement for Office Supplies for an Additional 5 years for a 5-year contractual total not to exceed \$6,000,000.