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191406

Ordinance

Amend price agreement with Amazon Services LLC to increase annual spending limit for ongoing multibureau procurement of various goods and services sold in an online marketplace for an annual amount of \$2,250,000 (amend Price Agreement 31001558)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. Price Agreement # 31001558 with Amazon Services LLC is utilized by multiple City bureaus, offices, and programs, for periodic procurement of various goods and services sold in an online marketplace, www.amazon.com (<http://www.amazon.com>), with an annual spend limitation of \$1.25 million for each year of the price agreement.
2. The City procures a wide variety of goods from Amazon. Often these goods are unique, hard to find elsewhere, not covered by other price agreements the City may have, or can be shipped in less amount of time than if procured elsewhere.
3. As part of the City's efforts to improve equity and diversity in city contracting, this agreement specifically allows for certified, small, local, and minority-owned firms to be highlighted as preferred buying options via Amazon's Guided Buying Policies program.
4. The City's average annual spending under the contract has steadily increased since its execution in 2019 and has significantly increased in the last year due to inflation and increased use. Current projections show that the current annual spending limitation is expected to be exceeded this calendar year.

NOW, THEREFORE, the Council directs:

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance;](#)
[Revenue and Financial Services](#)

Contact

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date

August 16, 2023

- A. The Chief Procurement Officer is authorized to execute an amendment to Price Agreement # 31001558 with Amazon Services LLC to increase the annual spending limitation from \$1.25 million per year to \$2.25 million per year, provided the amendment is approved as to form by the City Attorney.
- B. The Chief Procurement Officer is authorized to execute future amendments to Price Agreement # 31001558 to increase the annual spending limit up-to a maximum of \$3 million per year, provided such amendment are approved as to form by the City Attorney.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
August 16, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The City is currently party to Price Agreement # 31001558 with Amazon Services LLC, an agreement utilized by multiple City bureaus, offices, and programs, for periodic procurement of various goods and services sold in an online marketplace, www.amazon.com (<http://www.amazon.com>), with an annual spend limitation of \$1.25 million for each year of the Price Agreement.

The City procures a wide variety of goods from Amazon. Often the goods are unique, hard to find elsewhere, not covered by other Price Agreements the City may have, and/or can be shipped in less amount of time than if procured elsewhere.

The City's average annual spend against the Price Agreement has steadily increased since its inception in 2019 and is currently \$844,000. The annual spend is expected to soon exceed \$1.25 million, but be less than \$2.25 million, for each remaining year of the Price Agreement which currently expires in 2024 but may be extended to a maximum term ending in 2028. The City may terminate the Price Agreement at any time

Allowing the City's Chief Procurement Officer to amend the Price Agreement to increase the annual spend cap from \$1.25 million to \$2.25 million will allow City staff to buy more necessary items from local and minority-owned sellers using the Amazon platform.

Financial and Budgetary Impacts

Increasing the annual spend cap of the Price Agreement from \$1.25 million to \$2.25 million will have no impact on City bureaus' budgets because City staff may only procure items from Amazon using their approved, budgeted funds.

Community Impacts and Community Involvement

The City recognizes the need to diversify its spend and buy from local, small, and minority-owned businesses. The City's Amazon Business account does feature and employ Guided Buying Policies, which are set to highlight products being sold by local and minority-owned sellers on the Amazon platform, thereby allowing the City to buy from companies it otherwise may not have the opportunity to buy from.

For example, in the first quarter of 2023, the City purchased \$290,000 of goods from Amazon. Of that, \$84,000 (or, 29%) was from 400 different, certified, small, local, and minority-owned firms selling their products through Amazon.

100% Renewable Goal

The Guided Buying Policies described above are also set to highlight products with specific sustainability certifications, including (but not limited to):

- Carbon Free Certified: determine the carbon footprint of the product and associated carbon emissions are offset with reduction projects.
- Carbon Neutral Certified by Climate Impact Partners: measures all the emissions created in the product's manufacture, makes internal reductions and offsets the remainder.
- Carbon Neutral Certified by SCS Global Services: means the product's carbon emissions have been measured and reduced, with any remaining emissions offset.
- Climate Neutral by ClimatePartner: verifies the product's carbon footprint was calculated, is continuously reduced and remaining emissions were offset.
- Green Seal Certified: products have reduced climate and environmental impacts at one or more stages of their lifecycle.

This allows City staff to choose items that are less harmful to the environment.

Budget Office Financial Impact Analysis

The City's current price agreement with Amazon Services LLC has an annual spend limitation of \$1.25 million for each year of the Price Agreement. The City's average annual spend against the Price Agreement has steadily increased since its inception in 2019 and is currently \$844,000. The annual spend is expected to soon exceed \$1.25 million, but be less than \$2.25 million, for each remaining year of the price agreement which currently expires in 2024 but may be extended to a maximum term ending in 2028. The City may terminate the Price Agreement at any time. Allowing the City's Chief Procurement Officer to amend the Price Agreement to increase the annual spend cap from \$1.25 million to \$2.25 million will allow City staff to buy more necessary items from local and minority-owned sellers using the Amazon platform. Increasing the annual spend cap of the price agreement from \$1.25 million to \$2.25 million should have no impact on City bureaus' budgets because City staff may only procure items from Amazon using their approved, budgeted funds.

Agenda Items

643 Consent Agenda in [August 2, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/8/2)
(<https://www.portland.gov/council/agenda/2023/8/2>)

Passed to second reading

Passed to second reading August 16, 2023 at 9:30 a.m.

670 Consent Agenda in [August 16, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/8/16)
(<https://www.portland.gov/council/agenda/2023/8/16>)

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea