



CITY OF ORLANDO

March 27, 2017

MEMORANDUM

TO: David Billingsley, C.P.M., Chief Procurement Officer

FROM: Karen Elzy, Senior Purchasing Agent *KE*

SUBJECT: Piggyback contracts for Office Supplies from State of Florida Department of Management Services (RFP No. 07-44111513-K) with Staples Business Advantage (C17-0270), and National IPA (NIPA)-City of Tamarac (RFP No. 13-23R) with Office Depot, Inc.

The City currently piggybacks the State of Florida Department of Management Services (DMS) contract for our office supplies with Staples Business Advantage and Office Depot, Inc. These contracts expire April 17, 2017. During the calendar year of 2016, the City spent estimated amounts of \$196,619 with Staples and \$231,772 with Office Depot.

DMS recently bid RFP no. 07-44111513-K and awarded to Office Depot, Inc., Staples Business Advantage, Gulf Coast Office Products, Elite Office & Business Solutions, and Capital Office Products. DMS provided copies of the awarded supplier contracts. Gulf Coast Office Products and Elite Office & Business Solutions are based in the Florida panhandle outside of Metropolitan Statistical Area and do not have local offices or store locations. DMS also advised that Capital Office Products merged with Staples Business Advantage. Therefore, it is my recommendation that the City continue to utilize contracts with Staples Business Advantage and Office Depot, Inc.

The Procurement and Contracts Division researched various options, including DMS, and met with the representatives from Staples and Office Depot to discuss the new State of Florida contract and the City historical office supply purchases. Furthermore, the DMS contract indicates that non-contract products cannot be purchased from this agreement. Sources from both suppliers advise that DMS bid approximately 20,000 items. To allow full usage of catalog items, both companies provided alternative solutions.

Staples Business Advantage provided the City with an Office Products Purchasing Agreement form. This Agreement will allow Staples to sell non-contract products to the City supplemental to the Master DMS contract. The term of the new DMS contract will be for 5 years with the option to extend for an additional 5 year period. (See attached).

Office Depot, Inc. has provided the City with information for both the State of Florida DMS contract and a cooperative contract through National IPA (Southeast Governmental Purchasing Cooperative Group, City of Tamarac, Lead Agency), Contract number RFP No. 13 23R. The term is October 18, 2016 through October 17, 2019. Office Depot advises that the pricing structure and discounts will be the same for each program but the "City of Tamarac" agreement will allow for the purchasing of both contracted and non-contracted items.

PROCUREMENT AND CONTRACTS DIVISION

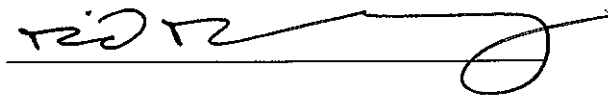
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Based on research of multiple options, it is my recommendation that the City utilize the State of Florida DMS contract RFP no. 07-44111513-K with Staples Business Advantage with a supplemental agreement to purchase non-contract items and also utilize NIPA City of Tamarac contract RFP No. 13 23R with Office Depot, Inc. The NIPA contract provides the best pricing and product availability with Office Depot.

The aforementioned options provide the broadest spectrum of product availability and best pricing. With your approval below, I will prepare necessary documents and consent agendas to utilize the subject contracts, as noted above, in the estimated amounts of \$250,000.00 each in accordance with the initial terms and subsequent renewal periods thereafter.

If you have any questions, please let me know.

Approved:

A handwritten signature in black ink, appearing to be "KE/ke", written over a horizontal line.

KE/ke