

**PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of JANUARY 21, 2014**

ITEM TITLE:

Authorization to enter into a Six-Month Agreement for Office Supplies District-Wide with OfficeMax of Menlo Park, California.

SPECIFIC BOARD ACTION REQUESTED:

Authorization and Approval to enter into a Six-Month Agreement for Office Supplies, District-Wide with OfficeMax of Menlo Park, California

ITEM SUMMARY: During the month of September 2013, a review of the Purchasing Department best practices and strategic processes revealed the district-wide office supplies program had not been let to bid, through a formal bid and/or piggyback process. Whereby, the Purchasing Department took immediate action by pursuing a cost effective process for the purchase of office supplies (district-wide) by way of piggyback contract and/or cooperative agreements, to save the time and effort associated with the formal bid process and to streamline the purchasing process while producing volume discounts and providing cost savings to the District.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

N/A

BACKGROUND/ANALYSIS:

During the month of September 2013, an analysis and review of the Purchasing Department best practices and strategic processes revealed the district-wide office supplies program had not been let to formal bid. A review of the dollar spent for office supply during FY 2012-2013 exceeded the bid threshold. Whereby, purchasing staff met with the three largest office supply carriers: Staples Advantage, Office Depot, and OfficeMax to submit piggyback contracts and/or cooperative agreements to discuss ways to improve the efficiency and consistency of the purchasing process in coordination with the District's which would customize an office supply program that best fits the needs of the District, while providing volume discounts, cost savings and reduction.

Staples Advantage provided a comprehensive work plan that would be feasible under the terms and conditions of the NJPA (National Joint Powers Agreement) cooperative agreement as it relates to office supplies. However, a review of the agreement determined that although the collective purchasing powers of the NJPA members nationwide offered the opportunity for volume pricing discounts, no volume pricing is ever guaranteed only anticipated.

Office Depot provided a similar work plan as Staple Advantage under the terms and conditions of the TCPN and National IPA Cooperative Agreements. However, Office Depot's recent merger with OfficeMax provided a shift in its business practices and was unable to provide an approach suitable for the District's needs.

Whereby, OfficeMax of Menlo Park, California devised a work plan that is best suitable for the District under the terms and conditions of the E & I (Educational & Institutional) Cooperative agreement, which guarantees volume discounts of the District's select core items and provides 1% rebate on spends of a hundred thousand dollars or more for each quarter. Additionally, OfficeMax maintains a fleet of trucks which are in close proximity to the District, which will maximize the efficiency of the warehouse in coordinating deliveries to the campuses.

Therefore in order to monitor the efficiency of the office supply program and to ensure success, Purchasing recommends that the District enter into a six-month agreement to realize the potential savings via OfficeMax of Menlo Park, California. If after six-months, the program does not perform at its required potential the Purchasing department will let the program to formal bid utilizing a "Request for Proposal" process to customize a more effective office supply program which better serves the District. The Chancellor recommends approval.

DELIVERABLES AND SCOPE OF WORK:

To provide an efficient and effective office supply program district-wide that best fits the needs of the District while providing volume discount pricing, cost savings and reductions.

ANTICIPATED COMPLETION DATE:

JULY 1, 2014

ALTERNATIVES/OPTIONS:

N/A

EVALUATION AND RECOMMENDED ACTION:

Approval to enter into a six month agreement for office supplies District-Wide with Office Max of Menlo Park, California

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ NO X

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Interim Vice Chancellor Rinne

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: Marie Hampton Date: 1/21/14
Marie Hampton, Director of Purchasing Services

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: Susan Rinne Date: 1/21/14
Interim Vice-Chancellor of Finance and Administration

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: Susan Rinne Date: 1/21/14
Susan Rinne, Interim Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____
Thuy Thi Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: _____
Dr. José M. Ortiz, Chancellor