

**MEMORANDUM**  
**COUNTY OF PLACER**  
**DEPARTMENT OF ADMINISTRATIVE SERVICES**  
**PROCUREMENT SERVICES DIVISION**

**TO:** Honorable Board of Supervisors  
**FROM:** Brett Wood, Purchasing Manager *BW*  
**DATE:** December 10, 2013  
**SUBJECT:** Office Supplies – OfficeMax Inc.

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**RECOMMENDATION**

1. Approve a change order to Countywide Blanket Purchase Order No. BP020023 in the amount of \$50,000 resulting in a new maximum amount of \$900,000;
2. Award a Countywide blanket purchase order, using an Oakland County, MI competitively bid public agency contract, to Office Max Inc. of Menlo Park, CA for Office Supplies in the maximum amount of \$800,000 for the period of January 1, 2014 to December 31, 2014;
3. Approve two additional one-year renewals of the blanket purchase order provided the Oakland County, MI contract remains valid and the renewal amounts do not exceed 10 percent of the recommended maximum amount of \$800,000; and
4. Authorize the Purchasing Manager to sign the resulting documents.

**BACKGROUND**

On July 10, 2012 your Board approved the award of a Countywide blanket purchase order (BPO) to Staples for the purchase of office supplies by all County departments. The BPO was awarded as a result of Procurement's evaluation of several public agency contracts. BP020023 with Staples expired on November 19, 2013.

Section 1.3(e)(3) of the Purchasing Policy Manual permits the use of contracts awarded by another public agency, provided the contract was competitively bid and awarded, and that Placer County receives the same or better pricing and terms. Procurement developed Invitation for Bids (IFB) No. 10290 to solicit contract pricing from multiple vendors who are capable of meeting the County's service and delivery needs for Office Supplies. The bid instructed vendors only to offer pricing from an existing, competitively awarded, public agency contract. This methodology provides a systematic approach to evaluating a number of existing contracts to allow the County to benefit from other agency's discounts based on their larger purchasing volumes.

IFB No. 10290 was distributed via the County's electronic bidding system to 27 potential bidders and posted on Procurement's website. Forty firms accessed the IFB and a total of four bid responses were received. The bid included a complete list of approximately 4,700 items purchased by the County during a 12-month period. All of the bidders offered "no bid" for several items, citing that they were either discontinued by the manufacturer or otherwise not available to their firm. These items were disregarded during the evaluation process. Local Vendor Preference was considered, but did not affect the outcome. None of the vendors offered a prompt pay discount. Attachment A contains a summary of the evaluation.

The evaluation revealed that Contract No. 3557 awarded to Office Max by Oakland County, MI is the most advantageous contract for Placer County's use. The effective period of the contract is June 1, 2011 through May 31, 2016. Procurement has confirmed that the contract meets the criteria described in Section 1.3(e)(3) of the Purchasing Policy Manual.

Office supply vendors who have the capability of serving large clients such as Placer County typically operate on a very small profit margin, which enables them to offer the most competitive pricing. The difference between the total price from Office Max and the next low bidder is just 1.43%, which is an estimated savings of slightly less than \$12,000 over a one-year period. However, Procurement continuously works with County departments to identify opportunities to reduce their office supply costs as much as possible, which could potentially increase these savings through conscientious purchasing practices.

The current BP020023 with Staples will need to be extended to December 31, 2013 to allow a smooth transition to the new BPO with Office Max. Procurement estimates the BPO will also need to be increased by \$50,000 to accommodate County departments' office supply needs for the extended period.

#### **FISCAL IMPACT**

Upon your Board's approval, BP020023 will be extended to December 31, 2013 and increased by \$50,000 to a new maximum amount of \$900,000, and a new BPO will be awarded to Office Max Inc. in the maximum amount of \$800,000 for the period January 1, 2014 through December 31, 2014. Each department is responsible for budgeting properly for its own expenditures from these Countywide BPOs.

**ATTACHMENT A**

**BID NO. 10290 – OFFICE SUPPLIES  
BID EVALUATION SUMMARY**

	<b>Walker's Office Supply Auburn</b>	<b>Office Depot Sacramento</b>	<b>Office Max Menlo Park</b>	<b>Staples Sacramento</b>
Subtotal All Items:	749,665.29	658,540.97	575,739.52	627,366.53
Sales Tax:	56,224.90	49,390.57	43,180.46	47,052.49
<b>Total:</b>	<b>\$805,890.19</b>	<b>\$707,931.54</b>	<b>\$618,919.98</b>	<b>\$674,419.02</b>
Subtotal of Excluded Items:	159,292.36	121,650.01	64,978.70	109,071.32
Sales Tax:	11,946.93	9,123.75	4,873.40	8,180.35
<b>Total:</b>	<b>\$11,946.93</b>	<b>\$9,123.75</b>	<b>\$4,873.40</b>	<b>\$8,180.35</b>
<b>Subtotal of Allowed Items:</b>	<b>590,372.94</b>	<b>536,890.96</b>	<b>510,760.82</b>	<b>518,295.20</b>
<b>Sales Tax:</b>	<b>44,277.97</b>	<b>40,266.82</b>	<b>38,307.06</b>	<b>38,872.14</b>
<b>LVP:</b>	<b>-5,000.00</b>	<b>-5,000.00</b>	<b>-5,000.000</b>	<b>-5,000.00</b>
<b>Grand Total Allowed Items:</b>	<b>\$629,650.91</b>	<b>\$572,157.78</b>	<b>\$544,067.88</b>	<b>\$552,167.34</b>
Rank:	4	3	1	2
% Higher Than Low Bidder:	15.73%	5.16%	Low Bidder	1.49%
\$ Impact (based on \$800k BPO)	\$125,841.69	\$41,303.52	N/A	\$11,909.49

