COUNCIL MEETING
June 23, 2009

Honorable Mayor and Members
Of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Finance - Award of Purchase Orders to Office Depot Business Services Division for the City's Annual Requirement of Office Supply Items

Expenditure: Not to Exceed $175,000

RECOMMENDATION

Recommendation of the Finance Director that the City Council award purchase orders in an aggregate amount not to exceed $175,000 to Office Depot Business Services Division for the purchase of the City's annual requirement of Office Supply items. The term of these purchase orders will be from July 1, 2009 through June 30, 2010.

FUNDING

Funding for the purchase of office supplies is available in each department's operating budget.

BACKGROUND

The City is currently participating with the County of Los Angeles as the lead agency for the U.S. Communities Government Purchasing Alliance in a very successful office supply program with Office Depot Business Services Division. The U.S. Communities contract allows the City of Torrance significantly reduced pricing for office supplies due to the large volume of office products purchased through this contract.

In addition to the cost benefits, departments are able to order directly from Office Depot and receive next day delivery service. The Office Depot e-commerce site enables departments to view an on-line product catalog, obtain the City's contract pricing, track orders, and process returns on-line from their own desk top.

The amount recommended this year of $175,000 represents a twenty percent (20%) reduction from the current fiscal year (2008-09) purchase order of $220,000

ANALYSIS

The County of Los Angeles U.S. Communities contract includes a provision that allows schools, cities, special districts, and political subdivisions to purchase office supply items against the County's price agreement contract. By participating in this cooperative purchase, the City will receive the same pricing and percentage discounts as the County of Los Angeles, even though the City's volume of purchase is not as great.

The Torrance Municipal Code, "Section 22.3.15. EXCEPTION; COOPERATIVE PURCHASES" states..."

a) The provisions of the Article shall not apply to purchases made pursuant to any cooperative governmental purchase program, which purchases shall be made in accordance with such procedures and regulations as shall be established by the City Manager.

b) For the purposes of this Section, the term cooperative governmental purchase program shall mean any combination between the City of Torrance and any other public agency or public agencies for the joint purchase of property of services."

Respectfully submitted,

Eric E. Tsao
Finance Director

Concur:

LeRoy J. Jackson
City Manager