



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2006-0792

TO: Mayor and City Council Members
FROM: Jean Farris, Supervisor of Procurement
DATE: **November 2, 2006**
SUBJECT: Office Supplies and Equipment

REQUEST:

City Council is requested to authorize a blanket purchase order to Office Depot Business Services Division, Plymouth, Michigan, for offices supplies and equipment in the amount not-to-exceed \$95,000.00 through December 31, 2007.

REASON FOR PURCHASE:

The City of Rochester Hills utilizes the U.S. Communities Government Purchasing Alliance office supply contract in conjunction with the participation of approximately 40 cities within the Michigan Intergovernmental Trade Network for the purchase of office supplies and equipment. This national contract has over 8,000 participating government agencies. The program includes a catalog of 4,000 frequently ordered items discounted up to 70% off the manufacturers' list price, a list of 500 high usage items discounted at an average of 85% off the list price and the remainder of the full-line Business Services Division catalog items at up to 45% off list price. Also, Office Depot provides on-line ordering with next day delivery directly to the departments, including the off-site buildings, and assigns an account representative to conduct on-site customer service.

In addition, the City receives a 1% reimbursement of its annual expenditures by participating in Office Depot's electronic ordering system for at least 80% of its transactions. In addition annual cost savings equal to 0.5% to 5% of the total sales volume of the cooperative is also an extended benefit. Each city receives a rebate based on its percentage of the total aggregate sales volume of the cooperative. Last year's rebate qualified at 3%.

Other available cooperative contracts were reviewed with Office Depot providing the best value for the mix of products purchased by the City of Rochester Hills. Additional cost savings will be pursued through the use of alternative products.

PROCESS:

Vendor Name and Address:

Office Depot Business Services Division
909 N. Sheldon Road
Plymouth, MI 48170

Reason for Selection:

Best Value

Method of Purchase:

U.S. Communities Government Purchasing Alliance/Michigan Intergovernmental Trade Network

BUDGET:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Various	727000	Office Supplies	\$98,950	\$95,000	\$3,950

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order to Office Depot Business Services Division, Plymouth, Michigan, for office supplies and equipment in the amount not-to-exceed \$95,000.00 through December 31, 2007.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		