



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

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

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**Legislative File No:** 2009-0526

**TO:** Mayor and City Council Members  
**FROM:** Jean Farris, Supervisor of Procurement  
**DATE:** November 13, 2009  
**SUBJECT:** Office Supplies and Equipment

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**REQUEST:**

City Council is requested to authorize a blanket purchase order to Office Depot Business Services Division, Plymouth, Michigan and other office supply vendors as appropriate, for offices supplies and equipment in the amount not-to-exceed \$86,260.00 through December 31, 2010.

**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 30,000 participating government agencies and valued at \$600,000,000. The program includes a catalog of 4,000 frequently ordered items discounted up to 70% off the manufacturers' list price, a list of 5,000 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. The addition of Tech Depot, which offers computer equipment and supplies, to the cooperative contract, offers improved value to the contract.

In addition, the City receives a 1% reimbursement off its annual expenditures by participating in Office Depot's electronic ordering system for at least 80% of its transactions. Annual cost rebates equal to 0.5% to 5% of the aggregate sales volume of the MITN cooperative (\$2.1 million) is also an extended benefit. Each city receives a rebate based on its percentage of the total sales volume of the cooperative.

Over the past year, Purchasing has identified other contracts providing costs savings on both paper products (22% reduction) and toner cartridges (up to 50% reduction). These products represent approximately 39% of the total cost volume of office supplies. Departments are encouraged to utilize product alternates to achieve further savings.

**PROCESS:**

**Vendor Name and Address:**

Office Depot Business Services Division 909 N. Sheldon Road Plymouth, MI 48170	Central Michigan Paper PO Box 2649 Grand Rapids, MI 49501	Preferred Toner Solutions 2006 Bellingham St Canton, MI 48188
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**Reason for Selection:**

Best Value

**Method of Purchase:**

US Communities Government Purchase Alliance – Office Depot  
Michigan Intergovernmental Trade Network - Toners  
REMC – Central Paper

**BUDGET:**

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Various	727000	Office Supplies	\$86,260	\$86,260	0

**RECOMMENDATION:**

City Council is requested to authorize a blanket purchase order to Office Depot Business Services Division, Plymouth, Michigan and other office supply vendors as appropriate, for offices supplies and equipment in the amount not-to-exceed \$86,260.00 through December 31, 2010.

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