Date: June 24, 2015

To: Board of Directors

From: Neil McFarlane

Subject: RESOLUTION 15-06-30 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH OFFICE DEPOT/OFFICEMAX FOR THE PURCHASE OF AGENCY OFFICE SUPPLIES AND FURNISHINGS

1. **Purpose of Item**

   The purpose of this item is to request that the TriMet Board of Directors ("Board") adopt a resolution authorizing the General Manager to execute a contract with Office Depot/OfficeMax for agency office supplies and furnishings.

2. **Type of Agenda Item**
   - [x] Initial Contract
   - [ ] Contract Modification
   - [ ] Other __________

3. **Reason for Board Action**

   Board approval is required for goods and services contracts obligating TriMet to pay in excess of $500,000.

4. **Type of Action:**
   - [x] Resolution
   - [ ] Ordinance 1st Reading
   - [ ] Ordinance 2nd Reading
   - [ ] Other __________

5. **Background**

   During the past 12 months, TriMet purchased approximately $325,000 of office supplies and small furnishings, with $168,000 of the purchases for paper and toner cartridges. Additionally, 66 items comprise 50% of the annual spend while 34% of the purchased items included Environmental Protection Agency (EPA) minimum recycled content. The process for placing office supply orders is through an OfficeMax web site using pre-approved shopping lists established by the Purchasing department. These shopping lists contain items offering the best price/value relationship of primarily OfficeMax/Office Depot private label products, including many recycled content items. Each department is responsible for purchasing office supplies within their assigned budget amount. There are also three central supply rooms at both Harrison Square and Center Operations with the purchases for those central supply rooms monitored by Purchasing.
6. **Procurement Process**

For several decades, TriMet has purchased office supplies off of State of Oregon contracts through the Oregon Cooperative Purchasing Program (ORCPP). The office supply contracts available through ORCPP offer much deeper discounts than TriMet would be able to obtain if we issued our own office supply solicitation. In this case, TriMet will be using a recently awarded office supply contract with Office Depot/OfficeMax where Oregon was the lead agency and issued the solicitation on behalf of ORCPP members as well as the Western State Contracting Alliance (WSCA). The combined office supply purchasing power of all of these entities was $62M per year for this solicitation.

7. **Diversity**

Office Depot/OfficeMax are committed to supplier diversity through 13 tier one suppliers that are certified Minority Business Enterprise/Women Business Enterprise (“MBE/WBE”) firms supplying 1.27% of the total product line from the Office Depot/OfficeMax catalog. Office Depot/OfficeMax operates a comprehensive mentorship program to develop diverse suppliers. Additionally, Office Depot/OfficeMax has received top 100 awards for supplier and employee diversity from the following publications:

- Hispanic Network Magazine
- Women’s Enterprise USA Magazine
- Diversity Plus Magazine
- Black EOE journal

TriMet staff will review the items available through diverse suppliers and determine if they fit our standard product mix and make a concerted effort to include those products when ordering agency office supplies.

8. **Financial/Budget Impact**

TriMet will be issuing a five-year contract to Office Depot/OfficeMax for $1,500,000, which includes an estimated savings of $125,000 due to a reduction in annual office supplies in both office furnishings and toner. Office furnishings will be reduced because nearly all office moves have been completed. Toner usage for printers will be reduced, as TriMet’s newer copiers will absorb more printing jobs at a lower cost per copy charge as compared with the higher cost of copies produced on our current Hewlett-Packard color printers.

9. **Impact if Not Approved**

If this Resolution is not approved, TriMet would need to issue a new RFP for office supplies and related furnishings. Purchasing staff does not believe that TriMet would be able to obtain lower prices than the cooperative purchasing group obtained with $62M in annual buying power as compared to TriMet’s $300,000 of annual purchases. Therefore, issuance of a new RFP is not recommended.

DB/RI/pc
RESOLUTION 15-06-30

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH OFFICE DEPOT/OFFICEMAX FOR THE PURCHASE OF AGENCY OFFICE SUPPLIES AND FURNISHINGS

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with Office Depot/OfficeMax for the purchase of agency office supplies and furnishings ("Contract"); and

WHEREAS, the total amount of the Contract will exceed $500,000; and

WHEREAS, the TriMet Board of Directors ("Board"), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of $500,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall be in conformance with applicable laws.

2. That the General Manager is authorized to execute the Contract.

Dated: June 24, 2015

______________________________
Presiding Officer

Attest:

______________________________
Recording Secretary

Approved as to Legal Sufficiency:

______________________________
Legal Department