



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 13, 2023

FROM: CONTRACTS AND PURCHASING

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 39999 TO STAPLES CONTRACT & COMMERCIAL LLC FOR THE PURCHASE OF GENERAL OFFICE SUPPLIES

SUMMARY:

Staff requests approval to award Contract No. 39999 to Staples Contract & Commercial LLC (Staples), headquartered in Framingham, MA, for the purchase of general office supplies. Contract No. 39999 is a one-year contract, with two, one-year renewal options at an annual amount not-to-exceed \$250,000. Through this contract, the City of Los Angeles Harbor Department (Harbor Department) will purchase general office supplies required for daily business operations.

The Harbor Department will be financially responsible for the payment of expenses incurred under Contract No. 39999.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve Contract No. 39999 with Staples Contract & Commercial LLC for a term of one-year at an amount not-to-exceed \$250,000, with two, one-year renewal options at an annual amount not-to-exceed \$250,000;
3. Authorize the Executive Director to execute the proposed contract;
4. Authorize the Executive Director or designee, in his/her discretion, to exercise two, one-year renewal options at an amount not-to-exceed \$250,000 annually, subject to budget authorization in each year; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context - The Harbor Department has an on-going need for general office supplies to maintain an efficient office environment. General office supplies are considered to be small office items used for business purposes such as pencils, pens, paperclips, notebooks, binders, and small electrical appliances, including but not limited to fans, electric pencil sharpeners, electric staplers, and lamps. Each Division budgets for its office supply needs as part of the annual budget process. The amounts are aggregated to determine the contract amount required each year. The Contracts and Purchasing Division (CPD) is responsible for translating the needs of each Division into a Harbor Department-wide contract for the purchase of office supplies.

CPD conducted a cost analysis of major office suppliers capable of meeting the needs of the Harbor Department. CPD compared the pricing of the top fifty most commonly used office supply items by the Harbor Department. The cost analysis indicated that the overall pricing from Staples was 13% lower than a similar company providing office supplies.

In addition to the cost savings, it was determined that purchasing office supplies from Staples would have a positive impact on the workload of the Accounts Payable Division. Staples ships 98% of their items from a warehouse in La Mirada, CA. Other major office suppliers ship from various warehouses throughout the region which resulted in multiple invoices per single order. For example, a single order of 10 items may have been shipped in 10 different packages resulting in 10 different invoices from one order. This invoicing was significantly impacting the workload of the Accounts Payable Division, and staff had difficulty processing the excessive number of invoices. As a result of the cost analysis and invoicing issue, the Harbor Department contracted with Staples in July 2014 for office supplies. Staples invoicing practices have significantly reduced the workload of the Accounts Payable Division and they have realigned staff resources to more efficiently process invoices and handle other pertinent tasks.

The Harbor Department's current contract with Staples is a one-year contract, with two, one-year renewal options at an amount not-to-exceed \$250,000 per year. All of the renewal options have been exercised and the contract will expire on June 30, 2023.

Selection Process – Pursuant to Sections 371 (e) (8) of the City Charter and 10.15 (a) (8) of the Los Angeles Administrative Code, it is recommended that the Harbor Department piggyback on a Contract issued to Staples by the National Purchasing Partners Alliance (NPP) for general office supplies. The NPP is a national public purchasing agency that establishes nationally leveraged and competitively solicited contracts for use by NPP members which include government agencies, school districts, higher education institutions, tribal organizations, non-profits, and all other public agencies. On March 1, 2019, the NPP, through the State of Michigan, awarded Contract #190000000268 to Staples after issuing a Request for Proposals (RFP) for general office supplies and services (Transmittal 1). The Harbor Department will benefit from piggybacking on Contract #190000000268 in that significant cost savings will be realized due to the

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nationally leveraged purchasing power of the NPP and the high-volume government discounts on the contract.

CPD requests approval to award Contract No. 39999 to Staples for the purchase of general office supplies (Transmittal 2). Contract No. 39999 is a one-year contract, with two, one-year renewal options at an annual amount not-to-exceed \$250,000. The annual contract amount of \$250,000 provides a maximum spending authority. Actual contract expenditures will likely be less than the contract amount and will be limited to the budget allocation approved by the Board in each FY.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the award of Contract No. 39999 to Staples Contract & Commercial LLC for the purchase of general office supplies, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed one-year contract, with two, one-year renewal options, is for a not-to-exceed amount of \$250,000 annually. Fiscal Year 2024 funding has been budgeted at the divisional level throughout the Harbor Department. Should the Harbor Department exercise the renewal options in future years, funds will be requested to be budgeted as part of the annual budget adoption process. If all renewal options are exercised, the maximum authorized expenditures for the entire term of the contract are for an amount not-to-exceed \$750,000. Actual contract expenditures may be less than the contract amount. In addition to the renewal options being at the Harbor Department's discretion, a funding out clause is also included in the contract.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved Contract No. 39999 as to form and legality.

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TRANSMITTALS:

1. National Purchasing Partners Contract #190000000268
2. Contract No. 39999 with Staples

FIS Approval: MB (initials)
CA Approval: SO (initials)



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