



Chicago Park District

Legislation Details (With Text)

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Title: AUTHORIZATION TO PARTICIPATE IN CITY OF CHICAGO CONTRACT 33233
WITH OFFICE DEPOT, INC. FOR THE SUPPLY AND DELIVERY OF GENERAL OFFICE SUPPLIES
AND RELATED SERVICES
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Date	Ver.	Action By	Action	Result
7/26/2018	1	Board of Commissioners	adopted	Pass
7/11/2018	1	Board of Commissioners	adopted	Pass

AUTHORIZATION TO PARTICIPATE IN CITY OF CHICAGO CONTRACT 33233 WITH OFFICE DEPOT, INC. FOR THE SUPPLY AND DELIVERY OF GENERAL OFFICE SUPPLIES AND RELATED SERVICES

To the Honorable Board of Commissioners of the Chicago Park District:

I. Recommendation

It is recommended that an order be entered authorizing the General Superintendent and CEO or his designee to participate in City of Chicago contract #33233 with Office Depot, Inc. for the Supply and Delivery of General Office Supplies and Related Services. Pursuant to Chapter XI, Section D, 7 of the Code of the Chicago Park District, the Director of Purchasing may participate in another governmental entity's contract when doing so is in the best interest of the Chicago Park District. No work may commence and no payment shall be made to contractor prior to the execution of a written agreement.

II. Award Information

Contractor: Office Depot, Inc.
6600 North Military Trail
Boca Raton, FL 33496

Business Type: Delaware Business Corporation

Majority Interests: BlackRock Institutional Trust Company, N.A. 8.8%
400 Howard Street
San Francisco, CA 94105

Hotchkis and Wiley Capital Management, LLC 8.1%
725 S. Figueroa Street, 39th Floor
Los Angeles, CA 90017-5439

	The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355	7.9%
Contract Period:	Three (3) year initial term with two (2) one (1) year extension options, and the second option expired on November 28, 2017. Section 3.1.17 of the City of Chicago's ("City") contract with Office Depot permits the City to extend the contract after expiration of the second formal extension option "for up to 181 days or until such time as a new contract has been awarded" to provide continuity of service while a new RFP is advertised and new contract executed. Pursuant to section 3.1.17 the City has extended the contract until May 27, 2019.	
Authorized Amount:	Not-to-Exceed \$220,000.00 for the remainder of the final one (1) year extension period.	
Scope of Services:	To provide general office supplies, copier paper and related services district wide.	
Affirmative Action Goals:	The City of Chicago advertised the Request for Proposals with a reduced Minority Owned Business Enterprise ("MBE") participation goal of 10% and a Woman Owned Business Enterprise participation goal of 5%. After exercising good faith efforts to achieve MBE participation, Office Depot requested and was granted by the City of Chicago a waiver of the 10% MBE goal for this contract.	
Authorization:	Authorize the General Counsel to include other relevant terms and conditions in the written Agreement. Authorize the General Superintendent to execute the Agreement and the Secretary to attest to the signing of the Agreement and keep an original copy of the agreement on file.	

III. Budget and Financial Information

Budget Classification:	Operating
Fiscal Year:	2018
Source of Funds:	620060 - Office Supplies

IV. Procurement Information

The City publicly advertised Request for Proposals ("RFP") #103000 for General Office Supplies and Related Services on December 30, 2011. A total of six (6) proposals were submitted to the City on the due date of February 16, 2012. At the time of advertisement, the RFP included section 3.1.4.12 "Participation by Other Governmental Agencies" which explicitly named the Chicago Park District as one of the local governmental agencies that are eligible to participate in the contract. Upon conclusion of their evaluation process, the City awarded the contract to Office Depot. Like the RFP, the City's contract with Office Depot includes the same section and language that explicitly names the Chicago Park District as a local government agency that is eligible to participate in the agreement during the contract term. The Department of Purchasing of the Chicago Park District submitted its request to participate in the contract to the Chief Procurement Officer of the City on January 24, 2018 and received her approval to proceed on April 20, 2018 (request and approval letters attached).

V. Explanation

The Chicago Park District ("CPD") requires a company that can supply and deliver office supplies, copier paper, and related services. Rather than advertise our own solicitation and award the related contract for the purchase of these goods, the CPD's Department of Purchasing ("Purchasing") is recommending the CPD participate in the City of Chicago's ("City") contract with Office Depot.

Broadly speaking, this request to use the City's contract is an exercise of Intergovernmental Cooperation. Intergovernmental Cooperation is a well-established and widely practiced principle wherein governmental agencies at the local, state, and federal levels share, transfer, utilize, and/or combine their resources typically to reduce costs and for increased efficiencies. The authority for Intergovernmental Cooperation in Illinois begins with Article VII, Section 10 of the Constitution of Illinois of 1970 titled "Intergovernmental Cooperation", and it continues with the Illinois Intergovernmental Cooperation Act (5 ILCS 220), the Illinois Joint Purchasing Act (30 ILCS 525), and Chapter XI, Section D, 7 of the Code of the Chicago Park District.

For procurement, Intergovernmental Cooperation is often times referred to as Cooperative Purchasing, and one type of it is commonly known as "Piggybacking" which is the what the CPD is requesting to do by participating in the City's contract with Office Depot. Among the reasons one agency may seek to "Piggy-Back" on another agency's contract are: (i) access to larger volume pricing;

and/or (ii) efficiency in the procurement process.

Annually, the CPD budgets approximately \$220,000 for the purchase of office supplies and paper, and in its RFP, the City stated that their annual spend for office supplies and paper is approximately \$3,000,000 to \$5,000,000. This considerably larger economy and buying power from the City translates into unit pricing and discounts that the CPD would be unlikely to receive if it advertised its own stand-alone bid for office supplies and paper. As an example, for some office supplies available for purchase on this City contract, Office Depot is providing a 55% discount. Lastly, Purchasing researched prices for select office supplies that are available on this contract against the prices for similar office supplies available at other retailers, and found that the pricing on the City's contract is better for those items.

Regarding efficiencies in the procurement process, the CPD's Department of Purchasing is relatively small, three persons to prepare solicitations and ensure contracts are in place, and "Piggy-Backing" is a necessary tool for Purchasing to make sure contracts for goods and services are available in a timely manner.

Cooperative purchasing is not new to the CPD. If approved by the Board, this City contract with Office Depot will be the 27th City or Cook County contract that the CPD piggy-backs on that CPD Purchasing has been relieved from bidding and ensuring that a contract is awarded and ready for use. Some of these contracts that the CPD piggy-backs on include the purchase of garbage trucks, HVAC parts, copiers, small and industrial tools, the rental and lease of equipment, and glass repair and replacement. In addition to piggy-backing, the CPD also utilizes different types of cooperative purchasing. For example, the Public Building Commission bids, awards contracts, and builds projects for the CPD such as 31st Street Harbor and more recently the rehabilitation of the facilities at Archer, Douglas, Harrison, McKinley and Robichaux parks. Lastly, the CPD contracts for medical, dental, vision, and prescription drug benefits through solicitations advertised by either the City or a Sister Agency, and beach water is tested through a contract with the University of Illinois-Chicago.

The City's procurement process for their contract with Office Depot, like the CPD's, was open, public, competitive, and transparent: the RFP was publicly advertised in the Chicago Sun-Times, the RFP explicitly identified the Chicago Park District as one of the local governmental agencies that may participate in the contract, six proposals were received by the due date and time, an evaluation committee was convened, and at the conclusion of their evaluation they recommended Office Depot for award.

The boilerplate in the City's contract with Office Depot is very similar to that as in CPD contracts. Most importantly, the boilerplate in the City contract includes early termination language so that at any time and for any reason, without showing cause, the CPD can terminate its participation in the City's contract.

As a result of the foregoing, it's in the best interest of the Chicago Park District to participate in City of Chicago contract 33233 with Office Depot for the purchase of office supplies, paper, and related services.

VI. General Conditions

1. *Conflicts*: No agreement authorized herein shall be legally binding on the Chicago Park District if entered into in violation of the provisions of the Public Officer Prohibited Activities Act, 50 ILCS 105/0.01 *et seq.*
2. *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of all agreements authorized herein.
3. *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to Section 17(i) of the Chicago Park District Act, 70 ILCS 1505/17(i). All agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.
4. *Economic Disclosure Statement ("EDS")*: Contractor has submitted a full and complete EDS prior to execution of the contract.