



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Cassey Ogden

DATE: April 16, 2024

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Amazon Services, LLC, through the Omnia Partners Contract Number R-TC-17006, for the procurement of business products and office supplies through an online marketplace for various City of Denton departments, providing for the expenditure of funds therefor; and providing an effective date (File 8497 – awarded to Amazon Services, LLC, in the five (5) year not-to-exceed amount of \$6,000,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability and Promote Sustainability and the Environment.

INFORMATION/BACKGROUND

Amazon Business provides one-stop shopping for a vast selection of business-relevant items, such as office supplies and equipment, furniture, technology equipment, products, services and software, and custodial supplies and equipment. The online marketplace offers manufacturers and distributors from a wide variety of industries and specialties. Amazon Business customers also see exclusive pricing on a growing selection of items.

An Amazon Business Prime subscription further supplements the discounted prices and variety offered by the Amazon marketplace. The subscription features a reduced government rate, bulk and customer-specific pricing, and free expedited shipping. The Purchasing department funds the Business Prime subscription, making it available for P-card purchases citywide. In addition to cost savings, this subscription offers configurable features that align with the City's procurement processes and policies, including tax-exempt shopping, spending approvals, and control, diversified spending and tracking (to historically underutilized (HUB) businesses), and detailed transaction reporting. City policy rules can prevent employees from purchasing restricted products and reporting shows spending analysis to help make budgetary decisions and prevent procurement violations.

Staff reviewed previous spending history under the current contract with Staples to create a list of the top 100 goods for evaluation. The list of goods was then sent to several vendors to input pricing, utilizing the various cooperative agreements to evaluate the estimated annual cost with each pricing structure. Each cooperative offers different pricing structures, benefits, fees, and rebates. The pricing comparison shows

each cooperative pricing of goods. The Amazon cooperative contract with Omnia provided the overall best value to the City.

Staff will follow up with Omnia Partners Cooperative Purchasing Network before the expiration to confirm that the contracts will be renewed for an additional period. If the contracts are not renewed, this item will automatically expire, and a new contract will be awarded.

In fiscal year 2023, City departments purchased approximately \$775,000 in PCards from Amazon and \$285,000 in Purchase Orders from Staples. Purchases included office supplies and equipment, training materials, work clothing, safety gear, program supplies, electronics, furniture, janitorial products, and other miscellaneous items.

Project Description	Estimated 5-Year Expenditure
Year 1	\$1,100,000
Year 2	1,100,000
Year 3	1,100,000
Year 4	1,100,000
Year 5	1,100,000
Contingency-price increases and increased usage by departments	500,000
Total	\$6,000,000

Pricing obtained through the Omnia Partners contract has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 14, 2021, City Council approved the interlocal agreement with the Omnia Partners (Ordinance 2021-1842).

RECOMMENDATION

Award a contract with Amazon Services, LLC, for the procurement of business products and office supplies through an online marketplace for various City of Denton departments, in a five (5) year not-to-exceed amount of \$6,000,000.

PRINCIPAL PLACE OF BUSINESS

Amazon Services, LLC
Seattle, WA

SUSTAINABILITY MEASURES

Purchasing all of the City's office supplies through Amazon reduces air pollution through the use of their climate-friendly vehicles. Amazon provides their Climate Pledge Friendly program which highlights companies that provide environmentally friendly products to their end users.

ESTIMATED SCHEDULE OF PROJECT

This is a five (5) year contract. Omnia Partners contract R-TC-17006 has a term of January 19, 2017, to January 18, 2022, with the option to renew for three (3) additional two (2) year periods through January 18, 2028.

FISCAL INFORMATION

These products and services will be funded through the using department's budget on an as-needed basis.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Price Comparison

Exhibit 3: Ordinance

Respectfully submitted:
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Purchasing Manager

For information concerning this acquisition, contact: Lori Hewell, 940-349-7100.

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