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| TO: | CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JANUARY 20, 2015 |
| FROM: | MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER |
| SUBJECT: | SINGLE SOURCE 15-04 SUPPLY AND DELIVERY OF GENERAL OFFICE PRODUCTS (PUBLICALLY FUNDED ORGANIZATION, ONTARIO MINISTRY OF GOVERNMENT AND CONSUMER SERVICES SMART CONSUMPTION AGREEMENT #OSS - 00419472) |

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| RECOMMENDATION |
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, following actions **BE TAKEN** with respect to the award of the supply and delivery of general office products:

- a) That approval hereby **BE GIVEN** to enter into a thirty (30) month contract with an option for one (1) additional year for the supply and delivery of general office products to Staples Advantage, 550 Pendant Drive, Mississauga, Ontario, L5T 2W6.
- b) That Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this contract.
- c) Approval hereby given **BE CONDITIONAL** upon the Corporation negotiating satisfactory prices, terms and conditions with Staples Advantage to the satisfaction of the Manager of Purchasing and Supply and the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.
- d) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order relating to the subject matter of this approval.

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| BACKGROUND |
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Purpose

Staples Advantage was originally awarded this contract on December 1, 2010 as a result of a Province of Ontario award in September, 2010. The supply and delivery of general office products tender was competitively bid through the Ministry of Government and Consumer Services/ Supply Chain of Ontario and vendor of record #OSS – 00419472 and has been awarded to Staples Advantage again for a second consecutive term. The recommendation to participate is made in accordance with section 14.4 g) Single Sourcing of the Procurement of Goods and Services Policy. “It is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body.”

The Province of Ontario, the City of London and any other Broader Public Sector member will share the benefits of this agreement but each entity will separately administer their own procurement contracts. The City not only shares the benefits of this agreement but also saves the administrative costs associated with tendering this commodity.

Purchasing Process

Staples Advantage submitted the lowest overall bid representing a 16.2% annual savings over the current contract pricing and meets our terms and conditions in all areas.

This contract is for a thirty (30) month period with an option to renew at the City’s discretion for up to one (1) additional year.

Financial Impact

Funding for the current year has been included in various 2015 operating budgets and will be requested in future operating budget submissions.

The total annual expenditure in 2014 for this commodity is approximately \$237,163.00 (excluding HST). With a 16.2% annual savings we forecast 2015 expenditure to be approximately \$198,640.00.

Acknowledgements

This report was prepared by Chris Rinehart, Procurement Specialist, Purchasing and Supply.

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| SUBMITTED BY: | RECOMMENDED BY: |
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| JOHN FREEMAN MANAGER OF PURCHASING & SUPPLY | MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER |