RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE CONTRACTS FOR AS-NEEDED OFFICE SUPPLIES AND EQUIPMENT WITH STAPLES CONTRACT & COMMERCIAL LLC AND OFFICE DEPOT INC., EACH WITH A MAXIMUM TERM OF FIVE YEARS FOR A COMBINED TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $1,600,000

Douglas Guthrie
President and CEO

Howard Baum
Deputy General Counsel

Purpose:
To enter into two new contracts with: 1) Staples Contract & Commercial LLC (Staples); and 2) Office Depot Inc. (Office Depot), hereinafter collectively referred to as (“Firms”), for a combined total amount not-to-exceed $1,600,000. The proposed contracts will allow the Housing Authority to purchase office supplies and equipment on an as-needed basis to support the daily needs and functions of Housing Authority departments (the “Departments”).

Issues:
In 2015, the Housing Authority entered into a five-year contract with Staples (Contract No. HA-2015-87), to provide office supplies and equipment, on an as-needed basis, to support the daily needs and functions of the Departments. This contract will expire on August 14, 2020.

The Housing Authority conducted a review of the Departments purchasing needs to establish a comprehensive list of the office supplies and equipment needed on a regular basis. Individual purchases include items such as, office supplies, technology equipment, office furniture and janitorial supplies. More recent purchases include PPE as detailed below.

Allowing the Housing Authority to contract with both Firms ensures that the Departments benefit from competitive pricing and purchasing options. In addition, it increases the purchasing options for specific needs such as personal protective equipment (PPE) and specific cleaning supplies, which are currently in short supply due to the impact of the COVID-19 pandemic.
Procurement:

The U.S. Department of Housing and Urban Development (HUD) permits and encourages housing authorities to purchase common goods and services that are routine in nature under competitively awarded contracts entered into by other public agencies through a procedure called "Cooperative Purchasing" (also known as "piggy-backing") to realize greater economy, efficiencies and reduce costs. Office supplies and equipment qualify as routine goods, suitable for cooperative purchasing.

The Housing Authority has determined that utilizing the following two Cooperative Purchasing contracts between: 1) Sourcewell and Staples; and 2) Oakland County, Michigan and Office Depot, would be the most economical and preferred method of procuring new office supplies and equipment on an as-needed basis.

Sourcewell and Staples

Sourcewell is a public agency that creates national cooperative purchasing contracting solutions on behalf of over 50,000 member entities, including the Housing Authority. Sourcewell's contracts offer competitive pricing based on the volume discounts and member purchasing power.

In December of 2018, Sourcewell issued a Request for Proposal ("RFP") (No. 012320), for office supplies and equipment, resulting in a cooperative purchasing contract between Sourcewell and Staples (Contract No.012320-SCC), effective August 1, 2020 through April 6, 2024, with an additional one-year option to renew. This Sourcewell Contract with Staples (Contract No. 012320_SCC), also provides that the Housing Authority will receive a reduction in the net pricing, to allow for savings at the time of purchase.

Oakland County, Michigan and Office Depot

The Oakland County, Michigan operates its own inter-governmental Cooperative Purchasing Program, for use by the Oakland County, Michigan and other governmental entities, such as the Housing Authority, for the purpose of contracting with awarded vendors at an overall lower cost by combining volumes and increasing purchasing power.

In April of 2018, Oakland County, Michigan issued an RFP (No. 004692), for office supplies and equipment, resulting in a cooperative purchasing contract between Oakland County, Michigan and Office Depot (Contract No. 005489), effective September 24, 2018, through September 30, 2021, with two (2) two-year options. This Contract between Oakland County,
Michigan and Office Depot (Contract No. 005489) provides that the Housing Authority will receive the following annual rebates:

a) All purchases with volume rebate rates ranging from 1% to 4%; and
b) All purchases of “facility” and “copy & print” category items with rebates ranging from 2% to 5%; and
c) “Order size incentives”, with rebates ranging from 1% to 1.5%; and
d) An additional point-of-sale discount based on pre-tax order size.

The Housing Authority recommends an award of $1,440,000, plus an additional $160,000 (approx. 10% of the supplies cost), to cover sales tax, computed at the time of delivery, for a total award of $1,600,000, depicted below:

<table>
<thead>
<tr>
<th>Office Supplies/Equipment</th>
<th>$1,440,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est. Sales Tax</td>
<td>$ 160,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,600,000</strong></td>
</tr>
</tbody>
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**Contract Award Between Two Contractors**

The Housing Authority requests that the President and CEO, or designee, grant the authorization to alter or adjust the total awarded sum of $1,600,000, between the two awarded cooperative purchase contracts with Staples and Office Depot, on an as-needed basis, with consideration given to pricing, supply availability, vendor performance and business needs.

**Vision Plan:**

**PATHWAYS Strategy #7: Identify opportunities to reduce operating and administrative costs so that scarce resources are maximized.**

This purchasing option will provide the Housing Authority with the purchasing power of lower pricing of office supplies and equipment, due to pre-negotiated pricing along with multiple added rebates ranging from 1% to 5%.

**Funding:** The Chief Administrative Officer confirms the necessary funds are available and will be included in the FY2020 and future year Budgets. Agency-wide purchase of goods and supplies from Staples and Office Depot will be sufficiently funded and included in various budget lines with the Departments. Departments are monitored on a monthly basis to ensure budget controls are maintained.
Section 3 – Economic Opportunities Program:

Section 3 – Economic Opportunities ("Section 3") covers contracts for services and does not apply to contracts for the purchase of supplies and materials (24 CFR Part 135.5; HUD Handbook No 7460.8 Rev2). Moreover, these contracts are being procured through piggyback contracts, the terms of which have been previously negotiated. Notwithstanding, the Housing Authority extended Section 3 applicability to the procurements, in accordance with the Housing Authority’s Section 3 Guide and Compliance Plan. Both Staples and Office Depot have made commitments.

Staples committed to contributing 3% of net sales to the Housing Authority’s Section 3. The funds will be used to purchase supplies and furnishings for the WorkSource Centers (WSC’s) and computer labs at various public housing sites. This will allow the facilities to update their computers, printers and equip the WSC’s with technology and other supplies, in order to effectively serve Section 3 Residents and others. This model has worked well under the previous contract with Staples, where the WSC’s used the funds to purchase much needed technology and office furnishings for its offices, including, most recently, for the Nickerson Gardens Jobs Plus office space.

Office Depot has also made commitments to satisfy its obligations. In addition to its existing annual contributions to the Los Angeles County schools and Back to School donations to low-income students, Office Depot will also contribute to the Section 3 fund.
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WHEREAS, the Housing Authority of the City of Los Angeles ("Authority") requires office supplies and equipment for use throughout the agency, on an as-needed basis; and

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") encourages housing agencies to purchase common goods and services that are routine in nature under contracts awarded by other public agencies through a "cooperative purchasing" procedure ("piggy-backing") to realize greater economy, efficiencies, and reduce costs; and

WHEREAS, Sourcewell's competitive solicitation for office supplies (Request for Proposal No. 012320), resulted in award of a cooperative purchasing contract with Staples Contract & Commercial LLC (Contract No. 012320-SCC), which is effective through April 6, 2024; and

WHEREAS, Michigan's Oakland County's competitive solicitation for general office supplies (Request for Proposal No. 004692) resulted in award of a cooperative purchasing contract with Office Depot, Inc. (Contract No. 005489), which is effective through September 30, 2021; and

WHEREAS, the Authority has independently determined that the pricing of the Sourcewell and Oakland County contracts is reasonable, the procurements were conducted fairly and with adequate vendor participation, and that it is economical to piggy-back off of the Sourcewell and Oakland County procurements; and

WHEREAS, the Authority desires to enter into a contract with Staples Contract & Commercial LLC, and Office Depot Inc., each for a maximum term of five years and for a combined total maximum not-to-exceed $1,600,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners authorizes the President and CEO, or designee, to execute individual contracts with 1) Staples Contract & Commercial LLC; and 2) Office Depot Inc., each for a maximum term of five years and a combined total maximum not-to-exceed $1,600,000; and to alter or adjust the authorized sum between the two awarded contracts, on an as-needed basis.
BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM: JAMES JOHNSON  
HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

BY: ___________________________  BY: ___________________________
GENERAL COUNSEL  CHAIRPERSON

DATE ADOPTED: ___________________________

WHEREOF the Authority is comprised of one non-profit corporation, the Board of Commissioners, and two seated members, a President and Chief Executive Officer.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners sanctions the resolution of the General Counsel and the Chief Executive Officer adopting the Resolution as follows:

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO DESIGNATE THE COMMERCIAL LLC & COMMERCIAL TCC OF OFFICE SPACE FOR COMMERCIAL USE FOR A MAXIMUM TERM OF FIVE YEARS EACH FOR A COMBINED TOTAL CONTRACT AMOUNT NOT TO EXCEED $1,000,000.

The resolution shall take effect immediately.

DATED: ___________________________
SIGNED: ___________________________

GENERAL COUNSEL