

Mayor and Council Communication

DATE: 02/22/22

M&C FILE NUMBER: M&C 22-0108

LOG NAME: 13P AMEND COOP AMAZON FMS MG

SUBJECT

(ALL) Authorize an Increase to the Cooperative Agreement with Amazon Services, LLC dba Amazon Business, using OMNIA Partners Purchasing Agreement R-TC-17006 for the Purchase of Goods in the Amount of \$200,000.00, for a Total Annual Amount Up to \$500,000.00 for Each Year of the Term, Authorize Two Two-Year Renewal Options in an Annual Amount Up to \$500,000.00 for Each Year of the Renewal Term, and Ratify Expenditures in an Amount Up to \$20,000.00 for All City Departments

RECOMMENDATION:

It is recommended that the City Council authorize an increase to the Cooperative Agreement with Amazon Services, LLC dba Amazon Business, using OMNIA Partners Purchasing Agreement R-TC-17006 for the purchase of goods in the amount of \$200,000.00, for a total annual amount up to \$500,000.00 for each year of the term, authorize two two-year renewal options in an annual amount up to \$500,000.00 for each year in the renewal term, and ratify expenditures in an amount up to \$20,000.00 for all City Departments.

DISCUSSION:

On February 18, 2020, Mayor and Council approved an agreement with Amazon Business (M&C 20-0076) in an annual amount of \$300,000.00 through OMNIA Partners Cooperative Contract R-TC-17006. Under the cooperative agreement, federal and local governments are able to purchase goods through Amazon under Business Prime which offers free standard shipping for orders over \$25.00 and next day shipping on items that are in stock.

Staff is requesting that the spending authority for this agreement be increased to \$500,000.00 annually and authorize two two-year renewal options in accordance with the terms of the OMNIA Partners cooperative contract. The OMNIA Partners cooperative contract began on January 19, 2017 and will expire on January 18, 2022 with three additional two-year renewal periods through January 18, 2028. The increase in the spending authority is requested so that Departments will be able to have an additional supplier for a variety of items due to current supply chain issues.

The maximum amount allowed under this agreement will be \$500,000.00 annually, however the actual amount used will be based on needs of the department and available budget.

The City's current agreement with Amazon Business expired on January 18, 2022. It is requested that City Council approve ratification of expenditures up to \$20,000.00 for any purchases made between January 19, 2022 and the execution of the renewal agreement in February.

COOPERATIVE PURCHASE - State law provides that a local government purchasing an item under a Cooperative Purchasing Agreement satisfies state laws requiring that the local government seek competitive bids for purchase of the item. OMNIA Partners Cooperative contracts are competitively bid to increase and simplify the purchasing power of government entities across the State of Texas.

ADMINISTRATIVE CHANGE ORDER - An administrative change order or increase may be made by the City Manager in the amount up to maximum allowed under state law and the City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

AGREEMENT TERM -This Agreement will commence upon City Council approval and end on January 18, 2024 to coincide with OMNIA Partners contract dates.

RENEWAL OPTIONS - This Agreement may be renewed for two additional two-year periods in accordance with the terms of the OMNIA Partners contract. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

BUSINESS EQUITY- A MBE goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

A Form 1295 is not required because: This contract will be with a publicly-traded business entity or a wholly-owned subsidiary of a publicly-traded business entity: Amazon Services LLC

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budgets, as previously appropriated, in the participating departments' Operating Funds to support the approval of the above recommendation and execution of the purchase agreement. Prior to any expenditure being incurred, the participating departments have the responsibility to validate the availability of funds.

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