

## EXECUTIVE SUMMARY

### Recommendation for Renewal and Additional Spending Authority 18-160B – Letter and Legal-Sized Paper

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#### **Introduction**

##### **Responsible: Procurement & Warehousing Services (PWS)**

This request is to approve the recommendation to exercise the first renewal option and additional spending authority for Invitation to Bid (ITB) 18-160B – Letter and Legal-sized Paper with Office Depot Inc. and School Specialty Inc. This ITB was approved for an award at the May 8, 2018, School Board Meeting for two (2) years from August 1, 2018 through July 31, 2020 and \$2,450,000 of spending authority.

This request is to exercise the first of two (2) renewal options from August 1, 2020 through July 31, 2021, with an additional spending authority request of \$925,000.

#### **Goods/Services Description**

##### **Responsible: District-wide**

Letter and legal-sized paper are needed throughout the District for daily use to print special projects, documents, emails, facsimiles, etc. This ITB will allow schools and departments to order these items directly from the Warehouse for truckload orders of white copy paper, and School Specialty for color paper in smaller quantities. The Warehouse is ordering the truckloads from Office Depot.

#### **Procurement Method**

##### **Responsible: PWS**

The procurement method chosen is through a competitive solicitation, which is required by Purchasing Policy 3320, Part II, Rule D, and Florida Administrative Code 6A-1.012(7).

The School Board of Broward County, Florida, released Invitation to Bid (ITB) 18-160B on January 30, 2018, and was opened on February 26, 2018. Procurement & Warehousing Services received seven (7) bids, of which three (3) are certified Small/Minority/Women Business Enterprise vendors.

#### **Financial Impact**

##### **Responsible: PWS**

The additional spending authority estimated for one (1) year contract is \$925,000, which was determined based on historical usage reports and forecasted expenditures. The amount requested will provide adequate funding for the District to continue ordering copy paper as needed. Upon approval of this item, the new spending authority will be \$3,375,000.

This renewal recommendation is in the best interests of the District. Staff indicated that vendors' performance is satisfactory and recommended the renewal and continuation of services. Both vendors agreed to renew with an increase of three (3) percent from the original approved cost.

The decision to renew this contract was based on information collected from the United States Department of Labor about the Product Price Index (PPI). The table below shows that the PPI for this commodity went up from 2017 to 2019 by four-point two hundred thirty-five (4.235) percent compared to the three (3) percent of the renewal.

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**Latest Observation:**  
 December 2019  
**139.3**

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**Jan 2017 - Dec 2019**  
 Minimum Value: March 2017  
**133.4**

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Maximum Value: November 2018  
**146.0**

PPI industry group data for Pulp, paper & paperboard mills			
Year	Observation Value	Difference in Value	Percentage
2017	133.4		
2019	139.3	5.90	4.235%

Also, PWS performed a price benchmarking with two (2) other agencies. Miami Dade County Public Schools (MDCPS) has a bid in place which is structured differently, offering no baseline for comparison. Palm Beach County Public Schools (PBCPS) is piggybacking from the State of Florida Contract #14111500-15-1, whose prices are comparable with SBBC's, as shown below.

Price comparison between Florida State/PBCPS and SBBC contract prices:

Product Description	Florida State/ PBCBS Contract prices	SBBC Contract Prices		Distribution
		Current	3% Increase	
Paper, Dual Purpose, White , 8.5 x 11, 20lb., 92 Bright	\$26.65	\$24.67	\$25.41	98%
Paper, Dual Purpose, White , 8.5 x 14, 20lb., 92 Bright	\$36.39	\$35.55	\$36.62	2%

\* all prices are per case.

Spending calculation is shown below:

Current average monthly spending (FAW)	\$ 95,412
Projected spending for the remaining five (5) months on the current term (A)	\$ 477,060
(+) Average monthly spending with three (3) percent increase	\$ 98,274
Projected spending authority for additional twelve (12) months (B)	\$1,179,292
(-) Unused authorized spending authority (C)	\$ 732,584
Estimated additional spending request (A) + (B) – (C)	\$ 923,768
<b>Recommended additional spending authority (rounded)</b>	<b>\$ 925,000</b>

**Financial Impact Table**

Action	Date	Term (years)	Amount
Original Award + Spending Authority Request	3/8/2018	2	\$ 2,450,000
1st Amendment + Additional Spending Authority	4/21/2020	1	\$ 925,000
<b>New Total Contract Amount</b>			<b>\$ 3,375,000</b>

The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.

Funding for this Bid will come from the schools' and departments' operating budgets.

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Spending Breakdown Details:

ELEMENTARY SCHOOL	48%
MIDDLE SCHOOLS	15%
HIGH SCHOOLS	24%
CENTERS	4%
OTHER DEPARTMENTS	9%