



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
July 19, 2022

TOPIC: Amendment to the Online Marketplace Purchase of Goods Contract

AGENDA TITLE:

Approve an Amendment to the Amazon Capital Services, Inc. Contract for the Purchase of Online Marketplace Goods for an Annual Amount Not to Exceed \$400,000 per Year, for a Two-Year Term (Specification No. 19-028) (General and Non-General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute an amendment to increase the blanket order contract with Amazon Capital Services, Inc. for an additional \$300,000 per year for the period beginning July 20, 2022 and expiring June 30, 2024, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

On May 21, 2019, The Santa Ana City Council awarded a contract to Amazon Capital Services, Inc. for the purchases of online marketplace goods. The awarded amount was not to exceed an annual amount of \$100,000 per year. Since the enactment of the contract, multiple City agencies regularly mention that Amazon can easily provide one-off items consistently at a cost effective rate. Furthermore, Amazon's Business Prime online ordering system provides tracking and payment information for the requesting agency and spend analysis reports for buyers.

Over the past three years, the utilization of the Amazon ordering system has significantly reduced non-Public Works related services and goods, and has created efficiencies within departments to secure their orders at a much quicker pace. Currently, there are over 20,000 vendors located within Orange County selling on Amazon with 840 of them in Santa Ana. Amazon has also created a campaign to highlight Santa Ana vendors as a first choice option, then Orange County vendors as a second choice, followed by various sellers while departments search for their items.

Additionally, with the implementation of the City's Amazon Business Prime account in 2019, orders have steadily increased due to the vast assortment of one-off items that Amazon routinely provides. Therefore, staff recommends amending the contract to increase the contract amount by \$300,000 per year.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

Funds for the duration of the contract period, an amount not to exceed \$400,000 annually, will be budgeted in various departmental Miscellaneous Operating Expense account (no.63001).

Submitted By: Kathryn Downs, Finance and Management Services Executive Director

Approved By: Kristine Ridge, City Manager