

12. Citywide Purchase Order Contract to Amazon Capital Services, Inc. for the Online Marketplace Purchase of Goods (Specification No. 24-091) (General Fund and Non-General Fund)

Department(s):

Recommended Action: Award a citywide purchase order contract to Amazon Capital Services, Inc. for online marketplace purchases of goods for a three and-a-half year term beginning August 1, 2024 and expiring January 18, 2028, for an annual amount not to exceed \$650,000.



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
August 20, 2024

TOPIC: Amazon Online Marketplace Purchase of Goods

AGENDA TITLE

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RECOMMENDED ACTION

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GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

Since 2019, the City has incorporated Amazon Capital Services, Inc. as a trusted and reliable vendor to provide miscellaneous arts and crafts supplies, small technology-related accessories, hard to find and specialty items, as well as items that are currently unavailable under existing City contracts. In 2022, the City expanded the Amazon Online Marketplace to all City agencies, allowing approved City staff to create shopping carts and initiate returns. This has created efficiencies to secure department orders at a much quicker pace. Amazon's Business Prime online ordering system also provides tracking and payment information for the requesting agency and spend analysis reports for Purchasing Division staff.

Currently, there are over 72,690 vendors located within Orange County selling on the Amazon Marketplace with over 5,145 located in Santa Ana. Amazon Capital Services, Inc. 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 items.

With the expansion of the Citywide Online Amazon Marketplace in 2022, orders for ergonomic chairs and related equipment have steadily increased due to their high quality and value pricing. The Human Resources Department, Risk Management Division utilizes this contract for the procurement of ergonomic equipment on a frequent

basis. Additionally, in Fiscal Year 2023-24, the Police Department began purchasing all required materials and apparel for incoming SAPD academy recruits under the direction of the Orange County Sheriff's Department through the Amazon Online Marketplace for the purpose of County-Wide standardization. A need for additional resources has also been identified due to a recent upsurge of purchases of community outreach and other event giveaways and activity-related arts and craft items by the Parks, Recreation and Community Services Agency, Library, and Water Resources Division.

Lastly, with the closure of the City's Stores facility effective June 30, 2024, departments will now rely heavily on several citywide contracts, including Amazon Marketplace, to purchase approved items that were previously provided by Stores and are required for daily operations, including personal protective equipment (PPE), fleet degreaser, disinfectant supplies, batteries, and miscellaneous safety equipment (gloves, goggles, etc.).

Santa Ana City Ordinance No. NS-3041 authorizes the City to purchase against contracts from any public agency utilizing a competitive bid process. Omnia Partners, a cooperative government purchasing agency, awarded a contract to Amazon Capital Services, Inc. (R-TC-17006) as a result of open, competitive bidding on behalf of its members, which includes government agencies.

Purchasing staff researched available procurement options and determined that Amazon Capital Services, Inc. meets the City's immediate needs and can provide non-contracted miscellaneous items utilized by citywide departments. This contract offers convenient options including free expedited shipping with as soon as same-day and next-day delivery, the opportunity to purchase hard to find, discontinued, or obsolete manufacturer supplies, many other volume discounted items, and a simple return process. By leveraging the procurement power through cooperative purchasing, the City of Santa Ana is able to obtain nationally vetted, high quality products at competitive volume pricing, and in accordance with the City's existing Purchasing Guidelines. Therefore, staff recommends awarding a contract to Amazon Capital Services, Inc. for an estimated annual amount not-to-exceed \$650,000, and a total contract not-to exceed amount of \$2,275,000 during the entire contract term.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with this action.

FISCAL IMPACT

Funding is available in the FY 2024-25 budget for an amount of \$650,000 in various departmental Miscellaneous Operating Expense account (no. 63001) and Operating Materials & Supplies Buildings/Grounds (no. 63200). Future fiscal year funding for a total amount not to exceed \$2,275,000, including any remaining amounts not spent in previous fiscal years during the term of the contract, will be included in the proposed budgets for City Council consideration. Prior to utilizing the citywide contracts, the

requesting departments will follow the Purchasing Policies and Procedures (Policy) and ensure funds are available. Upon successful completion of the fiscal review, the Purchasing Division will approve orders in accordance with the Policy.

The City's total annual budget for miscellaneous operating materials and supplies is \$21,249,330, of which the contract with Amazon Capital Services would only represent approximately three percent (3%) of the City's expenditures for these accounts.

EXHIBIT(S)

1. Omnia Executive Summary of Cooperative Contract #R-TC-17006

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

Approved By: Alvaro Nuñez, City Manager



ON-LINE MARKETPLACE FOR THE PURCHASES OF PRODUCTS AND SERVICES
Executive Summary

Lead Agency: Prince William County Public Schools	Solicitation: R-TC-17006
RFP Issued: September 14, 2016	Pre-Proposal Date: N/A
Response Due Date: October 14, 2016	Proposals Received: #12

Awarded to: Amazon Services, LLC, Contract #R-TC-17006

Prince William County Public Schools Purchasing Office issued RFP #R-TC-17006 on September 14, 2016, to establish a national cooperative contract for an On-line Marketplace for the Purchases of Products and Services.

The solicitation included cooperative purchasing in Section 1. Purpose:

The Purpose and Intent of this Request for Proposal (RFP) is to establish a cooperative contract, or contracts, for an On-line Marketplace for the purchase of the product categories in Section 4.1 for Prince William County Public Schools, Virginia, (herein referred to as "PWCS" or "Lead Public Agency") on behalf of all states, local governments, school districts, and higher education institutions in the United States of America, and other governmental agencies and nonprofit organizations (herein "Participating Public Agencies) through sealed proposals from qualified sources to establish term contract, to include delivery, through competitive negotiations in accordance with the statement of needs, terms and conditions stated herein.

Notice of the solicitation was sent to potential offerors, as well as advertised in the following:

- Daily Journal of Commerce, OR
- Fauquier Times, VA
- The Honolulu Star, HI
- The Buy Line Blog-City Purchasing, Seattle.gov
- The New York State Contract Reporter, NYSCR.ny.gov
- ONVIA
- Merx.com
- U.S. Communities
- Prince William County Public Schools, VA
- Virginia's e-Procurement Portal, eVA, dgs.virginia.gov
- Washington's Electronic Business Solutions

On October 14, 2016 proposals were received from the following offerors:

- | | |
|---------------------------------|------------------|
| • American Product Distributors | • Hi-Touch |
| • Complete Book & Media Supply | • Music and Arts |
| • Innoseal | • LD Products |

- World ERP
- Amazon Services, LLC/Amazon Business
- Essendent Co.
- Peripole, Inc. d.b.a. Peripole-Bergerault, Inc.
- Scull Studios, LLC
- Textbook Warehouse, LLC

Seven (7) proposals were deemed non-responsive, five (5) proposals were deemed responsive and evaluated by an evaluation committee. The five (5) responsive proposals are Amazon Services LLC/Amazon Business, Essendent, Peripole, Scull Studios and Textbook Warehouse. Using the evaluation criteria established in the RFP, the committee elected to award to Amazon Services, LLC /Amazon Business for an online marketplace.

Contract includes:

Amazon Business has everything you love about Amazon, tailored for the public sector, including state and local government agencies, public and private K-12 school districts and higher education organizations, and nonprofit businesses. Solution benefits include:

- Offers comparison shopping
- Tax Exemption Program
- Enable spending controls
- Approval workflows
- Level 3 transaction reporting
- Reporting and analytics

Term:

Initial five-year agreement from January 19, 2017 through January 18, 2022 with the option to renew for three (3) additional two (2) year periods through January 18, 2028.

Pricing/Discount:

The Prince William County Public Schools, VA awarded online marketplace makes it easy to compare prices and find the best deals. To begin, Amazon Business customers must be registered as participants of OMNIA Partners in order to use the contract. Please [Register to Participate](#). There are no costs, minimum quantity requirements or spend limits with OMNIA Partners or to create an Amazon Business account.

To get started, follow these steps:

Register for a FREE Amazon Business account by clicking [here](#).

Already have an Amazon Business account and registered with OMNIA Partners? Please enroll to use the contract by completing the contract enrollment form below.

Complete the contract enrollment form by clicking [here](#). Once you complete the form, an Amazon Business Customer Advisor will contact you within three business days to complete the registration process.

OMNIA Partners, Public Sector Landing Pages: <https://www.omniapartners.com/publicsector/contracts/supplier-contracts/amazon-business>