

OFFICE SUPPLY AGREEMENT

A Recommendation

1. **Division and Department:** Finance and Administration, Purchasing Department

2. **Introduction:** To assist departments in making the best use of scarce resources, Oakland University (University) periodically negotiates preferred office supply pricing through the competitive bidding process. In June 2008, the Board of Trustees (Board) approved a three-year agreement (with two optional one-year extensions) with Detroit Pencil Company, headquartered in Troy, Michigan. In June 2013, Oakland University started purchasing office supplies from the US Communities cooperative in a non-contractual preferred pricing arrangement, also managed through Detroit Pencil Company.

As there are multiple office supply cooperatives managed by multiple office supply companies, the University recently distributed a Request for Proposal (RFP) to determine the current best office supply arrangement. The University received office supply cooperative proposals from three office supply companies: Detroit Pencil Company, Office Max, and Staples.

Due diligence and evaluation of the proposals resulted in the determination that Detroit Pencil Company, through a combination of pricing and rebates, was the lowest cost qualified bidder, with a five-year contract.

It is recommended that the Board approve a five-year contract with Detroit Pencil Company to provide office supplies to the University through the US Communities cooperative.

3. **Previous Board Action:** In June 2008, the Board approved a three-year agreement with two optional one-year extensions with Detroit Pencil Company. In June 2013, the University started purchasing office supplies from the US Communities cooperative, which required no contractual obligation on the part of the University.
4. **Budget Implications:** The University spends approximately \$485,000 per year on office supplies.
5. **Educational Implications:** The purchase of supplies for academic departments enhances their ability to provide quality educational experiences.
6. **Personnel Implications:** None.

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7. **University Reviews/Approvals:** This Recommendation was prepared by the Purchasing Department Manager, and reviewed by the Assistant Vice President and Controller, Vice President for Finance and Administration, and President.

8. **Recommendation:**

RESOLVED, that the Board of Trustees approves the Detroit Pencil Company as the primary office supply vendor for the University and approves a five-year term for the agreement (Project); and, be it further


RESOLVED, that the Board of Trustees authorizes the President, the Vice President for Finance and Administration, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper in connection with the Project and the ongoing administration of the Project; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

9. **Attachments:**

Attachment 1: Price Comparison

Submitted to the President
on 3/25, 2015 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on 2/27, 2015
to the Board of Trustees for Approval by



Dr. George W. Hynd
President

**Oakland University
Office Supply Agreement
Price Comparison**

	Detroit Pencil	Detroit Pencil Alternate Match**	Staples	Office Max Alternate Match**
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Total Five-Year Cost*	\$ 2,319,475	\$ 2,077,920	\$ 2,768,635	\$ 2,186,378

*Total five-year cost is not a not-to-exceed amount but rather a quoted cost for nearly 2,500 specific items typically purchased by Oakland University departments, net of rebates and discounts.

**Both Detroit Pencil and Office Max provided an "alternate match" bid where their pricing included some alternate products from the bid list. Detroit Pencil's exact match bid is lower than Staples exact match and Detroit Pencil's alternate match bid is lower than Office Max's alternate match.