



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Authorization to Negotiate Purchase of Copy Paper

MEETING DATE: March 1, 1995

PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council authorize the Finance Director/Purchasing Officer to dispense with formal bidding, and negotiate the purchase of copy paper (xerographic or dual-purpose bond) for use by City Departments, for the six-month period ending August 31, 1995.

BACKGROUND INFORMATION: During the past six months, prices of paper products have increased by about 50%, due to heavy international buying and limitations in mill capacities. Further, an additional 10% increase in prices is forecast for the end of March.

In the past, the Purchasing Department has informally bid paper requirements in quantities of 200 cases. This amount is the minimum mill order (the least expensive method of purchase), and also the maximum number of cases that can be properly stored in the City's warehouse. Now, with the increase in prices, the cost of a 200-case order will be in the \$6,000 range, placing the requirement into formal bid territory.

Because of the volatility of prices, staff believes it would currently be in the City's interest to negotiate the best deals and act swiftly to lock in prices, rather than to proceed with the lengthy formal bid process while prices increase. Under the Lodi Municipal Code section 3.20.070, the City Council may authorize the dispensation of the bid process when the alternate method of purchase would be in the best interest of the City.

It is staff's further belief that the six-month period during which Purchasing could negotiate prices would allow the market to stabilize, and that the method of purchasing copy paper could be re-evaluated at that time.

FUNDING: Costs of supplies are included in each department's photocopying budget.


 H. D. Flynn, Finance Director

Prepared by Joel Harris, Purchasing Officer

APPROVED: _____


 THOMAS A. PETERSON
 City Manager



recycled paper