



Pinellas County

Staff Report

File #: 20-1379D, Version: 1

Subject:

Purchase authorization with Amazon.com Services LLC for Online Marketplace services.

Recommended Action:

Approval by the County Administrator of the purchase authorization with Amazon.com Services LLC (Amazon) for Online Marketplace services.

- This purchase authorization will provide a centralized platform capable of oversight and control of the procurement of a variety of commodities including education, IT, maintenance, repair, and operation, and office supplies utilizing Amazon's Online Marketplace services.
- Amazon provides customer access to enhanced spend visibility, progressive discounts enhanced guided buying to enable organizations to set their procurement preferences and create a tailored purchasing process, Internet punchouts and shopping lists for ease of re-ordering. In addition, Amazon has a robust SBE program that will enable the County to further advance SBE participation.
- There are no fees to the County associated with this this Amazon account as we are entering into a standard business account. We cannot justify spending \$3,400.00 per year for a "Prime Account" with expedited shipping as most items ordered do not and should not require expedited freight.
- The State of Utah Division of Purchasing on behalf of OMNIA Partners, Public Sector (OMNIA), issued an RFP January 8, 2020, to establish a national cooperative contract for Online Marketplace services. The State of Utah, OMNIA and Amazon successfully negotiated a contract and the State of Utah executed the Agreement with a contract effective date of September 9, 2020.
- Amazon has identified eighty-nine separate Amazon accounts that are registered using the pinellascounty.org email domain and twenty-four that are registered with the co.pinellas.fl.us email domain. These accounts have a combined total spend of approximately \$230,000.00. in purchases in 2020. Amazon will combine these accounts into one account for easy oversight and spend tracking. By utilizing the new Amazon Business Account, we can monitor what departments and individual employees are spending and provide much needed oversight and controls.
- Additionally, County Resolution 06-70 prohibits the County from indemnifying others in most situations. Section 5 of Amazon's online account terms and conditions requires all users to indemnify Amazon. The County Attorney's Office has opined and requested Amazon remove the indemnification provision from the online terms and conditions. As with most large organizations, Amazon will not revise their standard terms and conditions. We are proceeding anyway as the benefit derived from utilizing this one Amazon account far exceeds the minimal controls currently in place. This Agreement is low risk to the County as only "off the shelf goods" are purchased from Amazon and departments will continue to utilize Amazon with or without this Agreement.

- Purchases will be affected utilizing P-cards and will be held to the P-card limit of \$5K per transaction.

Contract No. 21-0238-PB Online Marketplace in the not to exceed amount of \$240,000 for a term of twelve (12) months.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

Summary:

This purchase authorization will provide a centralized platform capable of oversight and control of the procurement of a variety of commodities including education, IT, MRO, and office supplies using Amazon's Online Marketplace services with dynamic pricing. Amazon accounts utilizing Pinellas County's email domains will be consolidated into a single business account, to allow for audit of all purchases and restriction of selected commodities. This account structure will additionally provide access to reporting capabilities, which will allow for more accurate tracking of current and anticipation of future expenses.

Amazon provides a non-fee based membership and a fee based membership program for \$3,499.00 (providing customer access to enhanced guided buying, enhanced spend visibility, unlimited free 2-day shipping, and progressive discounts), enhanced guided buying to enable organizations to set their procurement preferences and create a tailored purchasing experience, punchout (procurement provider integration) benefits, pay by invoice to improve cash flow by extending payment to thirty (30) days past date of shipment, and shopping lists for easy re-ordering. Purchasing staff has elected the non-fee-based membership which does not provide unlimited free 2-day shipping.

Additionally, County Resolution 06-70 prohibits the County from indemnifying others in most situations. Section 5 of Amazon's online account terms and conditions requires all users to indemnify Amazon. The County Attorney's Office has opined and requested Amazon remove the indemnification provision from the online terms and conditions. Amazon will not modify their online terms and conditions and further illustrated that Section 8.3 is specific to public sector entities that if the laws of such public sector entity would result in other provisions of the online terms and conditions being deemed unlawful, void or for any reason unenforceable, those provisions will not apply to the public sector entity and will be deemed severable from the online terms and conditions. Purchasing staff has reviewed and considers the Amazon account for the purpose of purchasing small commodities to be of low risk.

Background/Explanation:

The State of Utah Division of Purchasing, acting as the Principal Procurement Agency with OMNIA Partners, Public Sector (OMNIA) issued RFP MG20-81 on January 8, 2020, to establish a national cooperative contract for Online Marketplace services. The State of Utah, OMNIA and Amazon successfully negotiated contract MA3457, and the State of Utah executed the agreement with a contract effective date of September 9, 2020.

Amazon has identified eighty-nine (89) separate Amazon.com accounts that are registered using the pinellascounty.org email domain and twenty-four (24) that are registered with the co.pinellas.fl.us email domain. These accounts have a combined total spend of approximately \$230,000 in purchases in 2020.

Fiscal Impact:

Not-to-exceed twelve-month purchase authorization: \$240,000.00

Funding is derived from requisitioning departments operating funds.

Delegated Authority:

Authority for the County Administrator to approve this purchase authorization is granted under Code Section 2-164(b).

Staff Member Responsible:

Joe Lauro, Director, Administrative Services

Merry Celeste, Division Director, Purchasing and Risk Management

Partners:

N/A

Attachments:

N/A