



Kriss Worthington

Councilmember, City of Berkeley District 7
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CONSENT CALENDAR

April 21, 2009

To: Honorable Mayor and Members of the City Council
From: Councilmember Kriss Worthington

Subject: Declaring Diane Griffin Day, And Thanking Her For Helping Save Taxpayers
\$289,000 In Overcharges

RECOMMENDATION:

City Council to issue proclamation declaring Diane Griffin Day, and thanking her for helping identify overcharges, thereby saving taxpayer's approximately.

BACKGROUND:

Local businessperson Diane Griffin is a national advocate for small businesses. She serves on the board of the National Office Products Alliance, and is the owner of Radstons. She attended several City Council meetings to raise questions about possible overcharges of the City in our Office Depot account. She wrote emails to the City to alert us of her concerns. She submitted requests for information and then provided dozens of pages of analysis. Her meticulous research indicated that there appeared to be a significant issue.

The City of Berkeley Finance Department followed up on these concerns and identified a total of approximately \$289,000 in overcharges. Finance Department head Robert Hicks, and Sharon Thygesen in particular seriously evaluated the issue and successfully reached agreement with Office Depot to issue a refund by April 17, 2009.

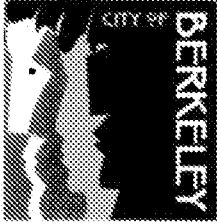
Diane was born in Berkeley, has two kids, and is a Cancer survivor. When she is not volunteering her time to methodically research City bills, she volunteers with the Rotary Club, serves as a high school community advisor and sings in a women's choir with WomanSing.

FINANCIAL IMPLICATIONS:

None.

CONTACT PERSON:

Councilmember Kriss Worthington 981-7170.



Office of the City Manager

Date: April 6, 2009
TO: Honorable Mayor and Members of the City Council
FROM: Phil Kamlarz, City Manager
SUBMITTED BY: Robert Hicks, Director of Finance
SUBJECT: Update on Office Depot Analysis

This is an update regarding the analysis of purchases made from Office Depot for the period of July 1, 2006 through March 31, 2009.

A final analysis of the reports provided by Office Depot of expenditures made by the City of Berkeley since fiscal year 2007 has been completed. Staff has identified approximately \$289,000 dollars owed to the City, because the City did not receive its full 55% blended discount, and some core items were charged incorrectly. The discount and the core prices were established based on the proposal submitted by Office Depot in 2006. During most of the first term of this agreement, there was a lack of attention to the management of our account, which resulted in some incorrect pricing and the City not receiving its blended discount.

Office Depot was responsive to our requests for reports, and met with us in good faith to arrive at a mutual understanding of the intent of the 2006 proposal. In the years since the proposal was submitted, Office Depot has not increased any of the core prices including the 100% recycled processed chlorine free paper, which shows their desire work with the City of Berkeley to retain its business. Office Depot has agreed to issue a check to refund the money to the City of Berkeley by April 17, 2009.

As a result of the analysis, it has been determined that beginning April 1, 2009, monitoring of the office supply contract will be done on a quarterly basis to ensure compliance with the terms of the original Request for Proposal. It is the intent of Finance – General Service to exercise the City's option for fiscal year 2010 with Office Depot. Staff is pleased with the service provided and are satisfied in the future there will be no issues with pricing as Office Depot has looked at their internal operations and will provide proactive account management, and a regular business review.

cc: Lisa Caronna, Deputy City Manager
Christine Daniel, Deputy City Manager
Ann-Marie Hogan, City Auditor
Deanna Despain, Acting City Clerk