

## DETERMINATION AND FINDINGS FOR A SOLE SOURCE

Agency: District of Columbia Public Schools, Office of Contracts and Acquisitions  
Contract No: GAGA-2019-C-0073  
Contractor: American Express TRS Company (**Amex**)  
Caption: Amex Buy Down Program

### FINDINGS

**1. Authorization:**

D.C Code 2-354.04., 27 DCMR Sections 1304 and 1702

**2. Minimum Need:**

The District of Columbia Public Schools (DCPS), Office of Contracts and Acquisitions (OCA) has a critical need to continue with the Buy Down Program through contracting with AMEX. This program allows DCPS schools and programs to purchase educational, office, custodial and small equipment requirements utilizing internet-based ordering from authorized vendors.

**3. Estimated Fair and Reasonable Cost: \$60,999,000.00**

Base Year (Date of Award through September 30, 2019) Amount: \$999,000.00  
Option Year One (October 1, 2019 through September 30, 2020) Amount: \$15,000,000.00  
Option Year Two (October 1, 2020 through September 30, 2021) Amount: \$15,000,000.00  
Option Year Three (October 1, 2021 through September 30, 2022) Amount: \$15,000,000.00  
Option Year Four (October 1, 2022 through September 30, 2023) Amount: \$15,000,000.00

**4. Facts which Justify A Sole Source Procurement:**

**Background and History**

The AMEX program was the result of a strategic sourcing initiative as a means to handle the high-volume low-value purchases for DCPS. In 2005 a Memorandum of Understanding (MOU) was issued between DCPS and AMEX to implement a pilot program, for a 2-month period, to evaluate the effectiveness and efficiency of using a corporate purchasing buy down account program for online ordering. The pilot program included 17 schools and one pre-approved vendor. DCPS was satisfied with the outcome of the pilot program and obtained the Board of Education and City Council approval to fully implement the American Express Buy Down Account Program.

Over the 3 Contract iterations (a 13-year contract period) all DCPS schools and programs with budgets for supplies and small equipment have become active users of the Amex Buy Down program. The program has transitioned from using 1 open market vendor to 13 Certified Business Enterprises with an annual spend growth from \$500K to over \$14M. This program has been very successful at reducing administrative costs in processing requisitions, while ensuring the DCPS meets all of CBE spending compliance and controlling costs to purchase office/school/custodial supplies and small equipment. Currently it is estimated that over 9,000 transactions per year are processed through the AMEX Program. Without the Program, these transactions would have to have been processed as requisitions

by DCPS Contract Specialists. Or conversely, be purchased as micro-purchases via the District Purchase Card (PCard) Program. However, the PCard Program is structured as a “chase and pay” system, meaning that the program users are permitted to use their pcards with any vendor (with very limited restrictions – there no distinctions or limitations between CBEs and open market vendors) and the agency only has insight to those expenditures at the monthly reconciliation point.

DCPS unique budget landscape makes this program a priority, and necessity. While DCPS is one agency with one overall budget, each school is given its own budget allocation, funding attributes and limited budget authority. While most agencies have 1-4 pcard users supporting the entire agency from a central budget which can be monitored closely; DCPS has over 150+ pcard users, at over 118 locations given authority to expend on behalf of the agency. Given that over \$20M of DCPS’ annual budget is dedicated to office, educational, and custodial supplies (things traditionally reserved for pcard), this internally mandated program provides clear guidelines for users which in turn allows the agency to better control expenditures and reach CBE goals annually.

Currently, the American Express Buy Down Program is comprised of the following 13 approved CBE vendors with pre-approved prices and products :

No.	Vendor Name	Service Description	Web Address
1	General Merchandise Supplies	Custodial Supplies/Educational Supplies/Sports Equipment	<a href="http://www.gmsupplies.org">www.gmsupplies.org</a>
2	The Aquiline Group	Novelties & Printing/Educational Supplies	<a href="http://www.theaquilinegroup.com">www.theaquilinegroup.com</a>
3	Premier Suppliers	Office & Medical Supplies/Educational Supplies	<a href="http://www.premiersuppliers.com">www.premiersuppliers.com</a>
4	Bluebay Office Inc.	Office Supplies/Educational Supplies	<a href="http://www.bluebayoffice.com">www.bluebayoffice.com</a>
5	Capital Services &	Office & Educational Supplies	<a href="http://www.capitalservices.net">www.capitalservices.net</a>
6	Laser Art	Office & Educational Supplies	<a href="http://www.4laserart.com">www.4laserart.com</a>
7	Metropolitan Office Products	Office & Educational Supplies	<a href="http://www.shopmoproducts.com">www.shopmoproducts.com</a>
8	Sky, LLC DBA US Office Solutions	Office & Educational Supplies	<a href="http://www.usosop.com">www.usosop.com</a>
9	Standard Office Supply	Office Furniture & Supplies	<a href="http://www.standardofficesupply.com">www.standardofficesupply.com</a>

10	American Business	Educational and Office Supplies	www.orderabs.com
11	MVS, Inc.	Computer Devices	www.mvsconsulting.com
12	Public Performance Management	Computer Devices/Textbooks	www.publicpm.com
13	Stockbridge Consulting	Computer Devices	www.stockbridgeconsulting.com/

Additionally, the program provides expedited delivery of supplies directly to the ordering user. Each of the participating vendors has competitive pricing via corporative agreements, DCSS and GSA as a result of competition from local and state solicitations. All users of the Program are trained by the Contracts and Acquisitions Division (C&A). The users must fund their account in advance with a fully approved PO and American Express limits purchases to that amount. The program requires monthly reconciliations that are closely monitored by C&A and the OCFO.

**5. Adverse Impact of Not Choosing This Vendor or Completing This Project**

DCPS has a critical need for a conduit to purchase high-volume, low-dollar consumables. The continuation of a contract with AMEX will avert supply disruptions to our schools and preserve the following key benefits of the program:

- Maintain turnaround times to 3 days or less;
- Reduce requisition processing by C&A;
- Keep buying control in the hands of schools and programs;
- Expedited payment to vendors; and
- Maintain CBE spending throughout the District.

All of the key stakeholders inclusive of American Express, the 13 participating vendors, the 117 schools and central administration staff have been trained and retrained on this virtual online ordering platform which enhances the ability of DCPS to procure supplies and materials efficiently and timely to meet the needs of the students and school administrators. It is a necessary governmental function and in the best interest of DCPS to continue this business procurement model pursuant to the effectiveness of the program, 13-year investment in the operation of the program and the high demand and need of the DCPS key stakeholders.

**6. Certification by Contract Specialist:**

I hereby certify that the above findings are correct and the anticipated cost to DCPS is fair and reasonable.

\_\_\_\_\_   
 Date

\_\_\_\_\_   
 Dana Garnett, Contracting Specialist

**CERTIFICATION AND DETERMINATION**

Based on the above certified findings in accordance cited authority, I hereby determine that it is not feasible or practical to invoke the competitive bidding process under Section 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; DC Code 2-354 and 27 DCMR 1304 and 1702.

\_\_\_\_\_  
Date

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Candace Butler, Chief Procurement Officer