

**DETERMINATION AND FINDING  
FOR A SOLE SOURCE RENEWAL PROCUREMENT**

**CONTRACT NO.** GAGA-2013-C-0029

**CAPTION:** The Amex Buy Down Program

**CONTRACTOR:** American Express TRS Company (Amex)

**AGENCY:** District of Columbia Public Schools -

**FINDINGS**

**1. AUTHORIZATION:**

D.C. Official Code §2-354.04, 27 DCMR, Section 1304, 1700, 1701 and 2005.6(b).

**2. MINIMUM NEED:**

The District of Columbia Public Schools (DCPS), Office of Contract and Acquisitions (OCA) have a critical need to continue with the Buy Down Program and the contract 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 COST:**

The estimated reasonable cost is \$10,000,000.00

**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 purchase for DCPS. The Office of Contracts and Acquisitions (OCA) researched a US Communities Government Purchasing Alliance Cooperative Agreement (#02059-RFP AERTS) between AMEX and the Maricopa County that was available for other government entities to use. This contract was effective since April 29, 2003; revised December 28, 2007 with contract end date of February 28, 2013. In October 2012 the Maricopa Chief Procurement Officer confirmed that they will not continue this contract with AMEX after February 2013.

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 including 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 eight year contract period all DCPS schools and programs with budgets for supplies and small equipment became active users of the AMEX BUY Down program. The program has grown

from using 1 vendor to 12 vendors with an annual spend increase from \$500K to over \$9M. This program has been very successful at reducing administrative costs and costs to purchase supplies. 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.

In the American Express Buy Down Program, the following 12 vendors with pre-approved prices and products participate:

No	Vendor Name	Certified Business Enterprise (CBE)	Service/Supply Description
1	General Merchandise Supplies	Y	Custodial Supplies
2	Washington Supply Net	Y	Custodial Supplies
3	Office Depot	N	Educational & Office Supplies
4	Kaplan Early Learning	N	Educational Supplies
5	Lakeshore Learning	N	Educational Supplies
6	School Specialty	N	Educational Supplies
7	Premier Supplier	Y	Office & Medical Supplies
8	Capital Services & Supplies	Y	Office Supplies
9	Laser Art	Y	Office Supplies
10	Metropolitan Office Products	Y	Office Supplies
11	MDM dba Standard Office Supply	Y	Office Supplies
12	The Aquiline Group	Y	Printing and Novelties

Of the 12 vendors on the program 8 are Certified Business Enterprises (CBEs). 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 Buy Down account are trained by OCA. The users must fund their account in advance and American Express limits purchases to that amount. The program requires monthly reconciliations that are closely monitored by OCA and the OCFO.

**5. Vendor's Unique Qualifications**

American express TRS Company is a subsidiary of the American Express Company. The American Express Company is a global travel, financial, and network services provider. The company is a fortune 500 company with profits that exceed \$3 billion per year. The contractor has been providing Buy Down Account services to DCPS for approximately eight years. The company has been rated as satisfactory.

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

DCPS has a critical need for uninterrupted services. 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 OCA
- Keep buying control in the hands of schools and programs
- Pay vendors when goods are delivered

All of the key stakeholders inclusive of American Express, the 12 participating vendors, the 123 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, 8 year investment in the operation of the program and the high demand and need of the DCPS key stakeholders.

**7. Certification By Contract Specialist:**

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

**CERTIFICATION BY THE CONTRACTING OFFICER:**

I have reviewed the above finding and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify that the notice of intent to award a sole source contract was published in accordance with 27 DCMR 1304..

\_\_\_\_\_  
Date

\_\_\_\_\_  
James Armstrong  
Contracting Officer

**CERTIFICATION AND DETERMINATION**

Based on the above findings and in accordance the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under either Section under Section 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; DC Official Code §2-354.02 or 2-354.03). Accordingly, I determine that the District is justified in using the sole source method of procurement.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Procurement Officer