

is.group wins US Communities contract

18 August 2010 - Indianapolis (IN), USA

US Communities has announced that it intends to award its office supplies contract to independent dealer group is.group.

Following weeks of speculation, the lead agency on the cooperative contract, LA County, has released a letter of intent to award the new contract to is.group.

The notice of intent to award will now be open to a three-day comment period before actual notice of the award is given.

LA County's decision represents a huge boost for the independent dealer community in the US, with the contract worth up to \$500 million a year in sales.

Despite the decision of US Communities' long-time partner Office Depot not to bid on the new contract, it was still felt that Depot may have some negotiating leverage with US Communities which could have resulted in the current bid process being scrapped.

However, that has not transpired and US Communities has put its faith in the independent channel, promising a "new and improved contract" in a communication to participating agencies.

Interestingly, three of the enhancements in the new contract that US Communities is touting are lower pricing, a renewed commitment to best overall government pricing, and pricing transparency and accountability, issues that were at the heart of the problems with Office Depot over the last two years following the revelations of ex-Depot employee, Dave Sherwin.

The new contract will come into effect on 1 January 2011. US Communities says that between now and then it will work with is group to ensure that each participating agency can transition to the new contract and that further details will be made available in the next few weeks when Los Angeles County awards the new contract.

More comment and reaction to follow soon on **opi.net**.

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