



# City Council Report

**Date:** March 23, 2015  
**To:** City Council  
**Through:** Alex Deshuk, Manager of Technology and Innovation  
**From:** Edward Quedens, MPA, C.P.M., CPPO, Business Services Director  
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator  
**Subject:** One-Year Renewal of the Term Contract for Presort Mail Services for the Business Services Department **(Citywide)**

## Purpose and Recommendation

Council is requested to approve the Renewal of the Term Contract for Presort Mail Services as recommended.

Business Services and Purchasing recommend authorizing a one-year renewal with Pitney Bowes Presort Services, Inc. at \$32,000.00, based on estimated requirements.

## Background / Discussion

This contract provides a presort mail company to process the City's residual mail, sorting and barcoding (thus qualifying for First Class automation discounts) and then submitting to the Post Office the same day.

On January 25, 2011, management approved the initial three-year contract from 2/1/2011 through 1/31/2014. On December 2, 2013, Council approved the one-year renewal from 2/1/2014 through 1/31/2015. On February 11, 2015, Purchasing extended this contract through 3/31/2015 to submit this final one-year renewal to Council for approval.

Pitney Bowes maintained pricing for the entire initial three-year term and the first, one-year renewal. Pitney has offered to renew the contract maintaining the current pricing. Inflation (Consumer Price Index) for this commodity has been consistent during the past year. The City has been satisfied with the vendor's performance. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

## Alternatives

Council may choose not to authorize the purchase and new bids will be obtained.

## Fiscal Impact

The total amount of \$32,000.00 is available in the Mail Services Unit's operating budget.

## Coordinated With

Business Services - Mail Services and Purchasing

## **PURCHASING INFORMATION**

Action: Renewal

Procurement Type: Request for Proposals

Solicitation Number: 2010227

Responses Received: 2

Initial Contract Term: 2/1/2011 through 1/31/2014

Second, Renewal Term (Final): 4/1/2015 through 1/31/2016

Renewal Terms Remaining: None

Prices: The vendor has offered to renew the final, one-year contract maintaining the current pricing.

## **RENEWAL RECOMMENDATION** ***Pitney Bowes Presort Services, Inc.*** **Phoenix, AZ**

Description
<b>Flat Mail</b> <u>Rate the City will be able to meter Flat Mail:</u> 3-Digit Automated (Current 3 oz. Rate): <b>\$0.994</b>  <u>Per piece charge and percentage qualifying rate for Flat Mail:</u> Automated Flat Mail (1-11 ounces): <b>\$0.15</b> per piece <b>100%</b> Qualifying Rate Non-Automated Flat Mail (12 & 13 ounces): <b>\$0.062</b> per piece <b>100%</b> Qualifying  <b>Automation Compatible Letter Mail</b> <u>Lowest rate the City will be able to meter the following:</u> Automation Letters (1 ounce): <b>\$0.36</b> Postcards: <b>\$0.246</b>  <u>Per piece charge and percentage qualifying rate for barcoding/presorting the following:</u> Automation Letters (1 ounce): <b>\$0.02</b> per piece <b>100%</b> Qualifying Rate Postcards: <b>\$0.00</b> per piece <b>100%</b> Qualifying Rate  <b>Non-Automation Compatible Letter Mail</b> <u>Lowest rate the City will be able to meter the following:</u> Non-Automation Letters (1 ounce): <b>\$0.433</b>  <u>Per piece charge and percentage qualifying rate for barcoding/presorting the following:</u> Non-Automation Letters (1 ounce letter): <b>\$0.00</b> per piece <b>100%</b> Qualifying Rate  <b>Annual Contract Amount: <u>\$32,000.00</u></b>