



City Council Report

Date: August 21, 2023
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Cooperative Contract Use for the Purchase of a Folding Inserting Solution (Replacement) with In-Line Metering for the Business Services Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the award as recommended.

The Business Services Department and Purchasing recommend authorizing the purchase using the State of Arizona cooperative contract with Quadient, Inc. for \$111,000.

Background / Discussion

This purchase will provide a folder/inserter mail machine including a postage meter that is essential for monthly processing of the City's utility bills for the Mail Services Division. The initial purchase (one-time) cost for the machine is \$110,871 and the ongoing annual maintenance cost starting in the second year will be \$20,256 per year.

Mail Services currently has one folder/inserter machine that takes outgoing documents/bills and folds them and inserts them in mailing envelopes. The machine is 7 ½ years old, has been problematic over the past 18 months and is due for replacement.

The State of Arizona (Department of Administration) cooperative contract was competitively bid and meets the City of Mesa's procurement requirements. Utilizing this cooperative contract allows the City to receive competitive rates based on a formally solicited agreement. The City believes the pricing is fair and reasonable and soliciting for this product would not result in the City receiving any more favorable pricing or terms.

Purchase Information

Action: Award

Procurement Type: Cooperative Contract Use

Contract Number: 2024006

Contracting Agency/Contract Number: Arizona Department of Administration -
NASPO/#CTR058807

Local Consideration: Policy did not apply to this procurement method

Funding Source: Business Services Department – Mail Services operating budget

AWARD RECOMMENDATION

Folding Inserting Solution with In-Line Metering per Contract No. 2024006, Arizona Department of Administration – NASPO #CTR058807 and Proposal dated 4/13/2023:

DS-700iQ 2 HiCapStation Tower plus 3 Insert Feeders	\$84,378.00
DS-700iQ 2 Annual Maintenance (\$15,552.00/Year)	1 st Year Free
ix-9 In-Line Postage Meter	\$25,353.00
ix-9 Annual Maintenance (\$3,564.00/Year)	1 st Year Free
ix-9 Annual Meter Rental	\$1,140.00/Year
Installation and Training	<u>Included</u>
Initial Purchase Cost	<u>\$110,871.00</u>