



Legislation Text

File #: 19-372, **Version:** 1

Approve a 3 year contract with Pitney Bowes in an amount not to exceed \$200,000, for the term May 14, 2019 through May 13, 2022, to provide pre-sort mailing services; and Authorize the General Services Director to sign the contract and any subsequent contract modifications and/or extensions not to exceed two additional 1 year periods and within the established budget

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of General Services recommends that the Board of Supervisors:

1. Approve a 3 year Contract with Pitney Bowes in an amount not to exceed \$200,000 for the term May 14, 2019 through May 13, 2022 to provide pre-sort mailing services; and
2. Authorize the General Services Director to sign the contract and subsequent contract modifications, amendments, and extensions, not to exceed two additional 1 year periods and within the established budget.

SUMMARY/DISCUSSION:

The proposed contract (Attachment A) will provide the County a mail metering discount of \$0.14 per piece of first class one ounce mail on outgoing United States Postal Service (USPS) mail. The retail rate of a first-class letter is \$0.55. Through pre-sorting the County will pay a reduced rate of approximately 25% or \$0.412 per one or two ounce(s) of first class mail. In FY2017/18, through contracting for pre-sort services, the County saved approximately \$110,401 in postage expenses. See Attachment B for detailed cost analysis.

The Agreement with Pitney Bowes is the result of a competitive solicitation process conducted in the open marketplace. 365 firms were notified of the solicitation, 49 firms downloaded the documents and Pitney Bowes was the only contractor to submit a bid.

FINANCIAL IMPACT:

Expenses associated with this contract for the remainder of FY2018/19, and during the term of this contract, will be offset by funds budgeted for postage expenses in General Services Budget Unit 1284. Postal expenses associated with the contract for subsequent years will be budgeted by General Services and charged to County Departments based on actual postage costs.

If the contract term is extended beyond the initial three year period (up to two additional 1 year periods), then General Services will include any increased pre-sort mailing services costs as part of the annual budget request.

The costs associated with preparing the agenda item are nominal and absorbed by department's FY2018/19 Adopted Budget.

ALTERNATIVES:

The Board could choose not to approve the proposed contract. This action is not recommended because presort services provide a significant savings in annual postage expenses.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved the contract as to form.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION