



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 12

Agenda Date: September 19, 2024

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Annual Contract Mail Systems, Meters, Maintenance and Support for the Print Shop

SUMMARY:

This ordinance authorizes a contract with Pitney Bowes, Inc. for the purchase of two (2) high-volume, turnkey mail systems and peripherals for the Finance Department's Print and Mail Operation with an estimated total cost of 191,000.00 over three years. Funding in the amount of \$121,000.00 is available from the Purchasing and General Services Fund FY 2024 Adopted Budget. Funding in the amount of \$35,000 annually for equipment maintenance and subscription fees for years two and three is contingent upon City Council approval of the annual budget.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is the offer submitted by Pitney Bowes, Inc. in the estimated amount of \$191,000. This contract will provide two (2) high-volume, turnkey mail machines for a total cost of \$121,000 on a cloud-based, single sign-on platform for automating metering, shipping, receiving, tracking. It also includes peripherals and parcel-holding lockers as well as maintenance and support for the Finance Department's Print and Mail Operations.

The mail equipment will be used by the Finance Department's Print and Mail Operations to meet the City's general mail services needs in compliance with United States Postal Service requirements. The mail team operates on a full-time basis, processing approximately three million pieces of outgoing mail, of which one million is metered. The new system will allow for tracking of incoming parcels which is conservatively estimated at 5,000 parcels per year.

The current equipment has been in service since 2017 and has a life expectancy of five years. It will be replaced by a modernized mail handling and processing system, an online platform with end-user serviceability, improved fiscal processing, and elimination of manual certified mail logs.

The initial 12-month period cost of \$121,000 is for the one-time payment of the two mail systems and the peripherals (i.e., wireless scanners, signature pads, scales, and training). Renewal years two and three will be for annual equipment maintenance and subscription fees, for a total estimated annual cost of \$35,000 each year.

The City issued a Request for Offer (RFO) for "Mail Systems, Meters, Maintenance and Support for the Print Shop" (RFO, 6100017065) to Pitney Bowes, Inc., a cooperative vendor, on November 20, 2023, with a submission deadline of December 11, 2023. Pitney Bowes, Inc. submitted an offer, meets the published specifications and is recommended for contract award.

This contract was procured based on a TXMAS Cooperative # 985-C1 and is made by the State Purchasing and General Services Commission Cooperative Purchasing Program passed through Resolution No. 91-39-53, dated 9/12/1991. The use of the cooperative contract allows the Finance Department's Print and Mail Operations to secure specialized goods and services needed to provide incoming and out-going mail services.

This contract will begin upon the effective date of the ordinance awarding the contract. At the City's option, this contract may be renewed under the same terms and conditions for two additional one-year periods. Any renewal is contingent upon TXMAS renewal of the underlying cooperative contract No. 985-C1, Mailroom Equipment and Supplies, which currently expires on May 14, 2025, and may be subject to two, one-year renewals. Renewals will be in writing and signed by the Finance Department Director, without further action by City Council, subject to and contingent upon appropriation of funding.

ISSUE:

Submitted for City Council consideration and action is the offer submitted by Pitney Bowes, Inc. to provide the City's Print and Mail Operations with the purchase of two (2) high-volume, turnkey mail machines on a cloud-based single sign-on platform, automating metering, shipping, receiving, tracking, peripherals, and lockers to include maintenance and support. The equipment comes with a one-year warranty, or manufacturers warranty whichever is greater. The equipment has a five-year life cycle.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived as this equipment will be purchased from Non-SBEDA eligible vendor, Pitney Bowes, Inc., utilizing the TXMAS cooperative contract number 985-C1.

This contract is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to goods and supplies, and non-professional services, so no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, the City could continue to utilize the current mail system that was purchased in May 2017. However, due to the aging of the equipment, replacement parts may not be readily available. Another option would be to outsource mail services, which may result in increased costs to City departments and would require additional lead time and notification.

FISCAL IMPACT:

This ordinance authorizes a contract with Pitney Bowes, Inc. for the purchase of two (2) high-volume, turnkey mail systems and peripherals for the Finance Department's Print and Mail Operation with an estimated total cost of 191,000.00 over three years. Funding in the amount of \$121,000.00 is available from the Purchasing and General Services Fund FY 2024 Adopted Budget. Funding in the amount of \$35,000 annually for equipment maintenance and subscription fees for years two and three is contingent upon City Council approval of the annual budget.

RECOMMENDATION:

Staff recommends the approval of this ordinance.

This contract was procured using cooperative purchasing and a Contracts Disclosure Form is not required.