



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 11/29/2011

Report Type: Consent

Title: Contract Supplement: Printing and Mailing Services – Two-Thirds Vote Required

Report ID: 2011-00985

Location: Citywide

Recommendation: Adopt a Resolution: 1) suspending competitive bidding in the best interests of the city; 2) authorizing the City Manager or the City Manager's designee to execute Contract Supplement No. 1 to City Contract No. 2006-320 with Mailing Systems, Inc. (MSI) for printing and mailing services increasing the time of performance by two years; and 3) authorizing the City Manager or the City Manager's designee to execute the agreement specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contact: Marc Robles, Program Analyst, (916) 808-6343; Craig Lymus, Acting Procurement Services Manager, (916) 808-5524, General Services Department

Presenter: None

Department: General Services Dept

Division: Procurement Services Admin

Dept ID: 13001061

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Contract With Mailing Systems

City Attorney Review

Approved as to Form
Lan Wang
11/22/2011 3:33:25 PM

Approvals/Acknowledgements

Department Director or Designee: Reina Schwartz 11/22/2011 10:19:00 AM

Description/Analysis

Issue: On December 5, 2006, City Council adopted Resolution No. 2006-876 awarding MSI a two-year contract with three one-year renewal options for a total not-to-exceed value of \$1,604,429 for the potential five-year term for printing and mailing services. The Department of General Services has an ongoing requirement to provide printing and mailing services in support of City departments and MSI has proven to be a valuable partner in providing these services. This report, therefore, recommends suspending competitive bidding per City Code and executing Contract Supplement No. 1 to increase the contract time of performance by two years.

Policy Considerations: The recommendations in this report are in accordance with: 1) the provisions of City Code Section 3.56.230(C), which states that the City Council may, by two-thirds vote, suspend competitive bidding for any purchase or contract in the best interests of the City; 2) City procurement policy AP 4101 requiring City Council approval for contract terms greater than five years for contracts greater than \$100,000; and 3) Resolution No. 2010-346 prohibiting the City from entering into any contract to purchase goods or services from any business or entity headquartered in Arizona.

Environmental Considerations:

California Environmental Quality Act (CEQA): The recommendations in this report involve the purchase of printing and mailing services and are not a 'project' that is subject to CEQA, in accordance with Section 15378(b)(2) of the CEQA Guidelines. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability: None

Commission/Committee Action: None

Rationale for Recommendation: On December 5, 2006, City Council adopted Resolution No. 2006-876 awarding MSI a two-year contract with three one-year renewal options for a total not-to-exceed value of \$1,604,429 for the potential five-year term for printing and mailing services. The Department of General Services has an ongoing requirement to provide printing and mailing services in support of City departments and MSI has proven to be a valuable partner in providing these services. This report, therefore, recommends suspending competitive bidding per City Code and executing Contract Supplement No. 1 to increase the time of performance by two years.

As the existing contract is approaching the end of its five year term, a new competitive process would typically be started for a new contract. However, this report recommends suspending competitive bidding and awarding a two-year extension to MSI for the following reasons:

- MSI is a recognized leader in the local market for printing and mailing services
- Staff has researched vendor pricing and determined that MSI's rates are favorable when compared to industry rates
- MSI has provided value-added service during the original five-year contract term by providing City departments with bulk mailing consulting services
- MSI has proven to be a valuable partner by working diligently with City departments to reduce mailing costs

Financial Considerations: Funding for this service will be provided by the various department operating budgets or capital improvement project (CIP) budgets that utilize the service. MSI has agreed that pricing for the first year of the contract supplement will be at the original bid price. Price increases are capped at a maximum of four percent for the second, and final, year of the contract supplement. Sufficient funding is available in the FY2011/12 operating and CIP budgets for purchases through June 30, 2012. Purchases made after June 30, 2012 are subject to funding availability in the budget adopted for the applicable fiscal year(s).

Emerging Small Business Development (ESBD): MSI is not certified with the City as an emerging/small business firm.



RESOLUTION NO. 2011-XXXX

Adopted by the Sacramento City Council

December 6, 2011

AWARDING CONTRACT SUPPLEMENT NO. 1 TO CITY CONTRACT NO. 2006-320 FOR PRINTING AND MAILING SERVICES – TWO-THIRDS VOTE REQUIRED

BACKGROUND

- A. On December 5, 2006, City Council adopted Resolution No. 2006-876 awarding Mailing Systems, Inc. (MSI) a two-year contract with three one-year renewal options for a total not-to-exceed value of \$1,604,429 for the potential five-year term for printing and mailing services.
- B. The Department of General Services has an ongoing requirement to provide printing and mailing services in support of City departments and MSI has proven to be a valuable partner in providing these services by providing value-added services such as consulting with City departments regarding bulk mailing and working diligently with City departments to reduce mailing costs.
- C. In accordance with City Code Section 3.56.230(C), the City Council may, by two-thirds vote, suspend competitive bidding for any purchase or contract in the best interests of the City.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. In the best interests of the City, competitive bidding is hereby suspended for the purchase of printing and mailing services.
- Section 2. The City Manager or the City Manager's designee is authorized to execute Contract Supplement No. 1 to City Contract No. 2006-320 with MSI for printing and mailing services increasing the time of performance by two years.
- Section 3. The City Manager or the City Manager's designee is authorized to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).
- Section 4. Exhibit A is a part of this resolution.



City of Sacramento Contract Cover and Routing Form

Requires Council Approval: No YES Meeting: Nov. 29

General Information

Type: Non Professional Services

CHANGE: None CH #: 1

\$ Not to Exceed: \$ 1,604,429.00

Original Contract Number: 2006-320

Original Contract Amount: \$1,604,429.00

Contractor: Mailing Systems, Inc. (MSI)



Project Name: Printing and Mailing Services

Project Number:

Bid Transaction #: B071187019

E/SBE-DBE-M/WBE: No

Department Information

Department: General Services

Division: Procurement

Project Mgr: Marc Robles

Supervisor: Craig Lymus

Contract Services:

Division Mgr:

Phone Number: x6343

Org Number: 13001611

Comment:

Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	<i>MR</i>	11-21-11
Accounting:	-	
Contract Services:	<i>CBF</i>	11/21/11
Supervisor:	<i>CBF</i>	11/21/11
Division Manager:	<i>CBF</i>	11/21/11

City Attorney Signature or Initial Date

City Attorney: _____

Send Interoffice Mail Notify for Pick Up

Authorization Signature or Initial Date

Schwartz, Reina
Department Director: _____

City Mgr: yes No

For City Clerk Processing Finalized:

Initial: _____ Date: _____

Imaged:

Initial: _____ Date: _____

Resolution No: (If Applicable)

Contract No:

This coversheet is to remain with the original signed Contract.

Responsibility

General Information: May be completed by Project Manager or Contract Services.

Department Information: May be completed by Project Manager or Contract Services.

Review and Signature Routing:

Department

Project Manager: Verification of Technical Specs.

Accounting: Verification of Funding Sources.

Contract Services: BOT Number, Insurance, Bonds, Solicitation (BID, RFP, RFQ, RFI, Quote, Sole Source, or Emergency), Contractor Signatures, E/SBE, DBE or M/WBE Project Participation.

City Attorney

Approval of Contract Form and Bonds (if applicable)

Verification that Insurance Documents are Included (if required for contract approval)

Authorization

Department Director: Review All Contracts; Signing Authority <\$100,000

City Manager: Signing Authority delegated for < \$100,000

Signing Authority delegated to Assistant City Manager for = or > \$100,000

AFTER Council Authorization

Types of Contracts

Type	City Code	Type	City Code
Commodity	3.56	Reimbursement/Credit	
Development	18.16	Settlement	
Grant		Supplies	3.56
Hold Harmless			
Individual Participation			
Master Services			
Memorandum			
Non-Professional Services	3.56		
Owner Participation		Received City Clerk (2nd Receipt)	
Professional Services	3.64		
Public Project	3.60		
Real Property Lease City Owned	3.68		
Real Property Sale City Owned	3.88		
Real Property Non-City Owned (NCO)			

**CONTRACT SUPPLEMENT
(Nonprofessional Services)**

Project Title and Job Number: Printing and Mailing Services
Purchase Order #:

Date: 11/21/11
Contract Supplement No.: 1

The City of Sacramento ("City") and Mailing Systems, Inc. (MSI), as parties to that certain Nonprofessional Services Agreement designated as Agreement Number 2006-320, including any prior contract supplements modifying said agreement (said agreement and contract supplements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:

Time of performance is extended through December 4, 2013

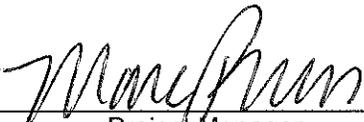
2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is **not changed** and said maximum not-to-exceed amount is as follows:

Agreement's original not-to-exceed amount:	<u>\$1,604,429.</u>
Net change by previous contract supplements:	<u>0</u>
Not-to-exceed amount prior to this contract supplement:	<u>0</u>
Increase/decrease by this contract supplement:	<u>0</u>
New not-to exceed amount including all contract supplements:	<u>\$1,604,429.</u>

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
4. Contractor warrants and represents that the person or persons executing this contract supplement on behalf of Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this contract supplement.

Approval Recommended By:

Approved As To Form By:



Project Manager

City Attorney

Approved By:



Contractor

Attested To By:

Approved By:

City of Sacramento

City Clerk