

# Agenda Report

July 27, 2015

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Finance  
**SUBJECT: PURCHASE ORDER CONTRACT AWARD TO I COLOR PRINTING & MAILING, INC. TO FURNISH PRINTING SERVICES NOT TO EXCEED \$181,998**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines in accordance with Title 14, Chapter 3, Class 1, Section 15301; and
2. Accept the bid dated November 18, 2014, submitted by I Color Printing & Mailing, Inc. in response to the notice to furnish labor and materials for Printing Services and authorize the City Manager to issue a purchase order contract to I Color Printing & Mailing, Inc. in an amount not to exceed \$181,998 for a one-year term, renewable at the discretion of the City Manager for an additional year, also not to exceed an annual amount of \$181,998.

## **BACKGROUND:**

The Printing Services division of the Finance Department outsources approximately 20 percent of its printing services including brochures, catalogs, booklets, bill inserts, postcards, envelopes, oversized printing, and additional projects as required. This contract addresses the need for projects requiring production specifications that are beyond the print shop's capabilities and for overflow work when current in-house production is at maximum capacity. To improve efficiency, control and consistency of these services, which have been provided by several vendors in the past, the City has undertaken a competitive bidding process and selected a single vendor.

Two of the services that are beyond the capabilities of our equipment, as well as the capability of many printers, are high-volume digital printing and four or more color offset printing.

On October 30, 2014, Printing Services undertook a competitive bidding process for outsourcing printing services which was divided into several types of printing formats (offset, digital envelope, oversized) in an effort to allow smaller printing companies to bid. The bid package included an estimated volume of total outsourced printing projects over a 12-month period. Not all submitters bid on each type of service. After advertising, bids were received on November 19, 2014. (Though the bids were received in November 2014, all bids will still be honored by the vendors.)

Listed below are the bids received by the City.

Bidder	Offset Output Bid Amount(\$)	Digital Output Bid Amount(\$)	Envelope Output Bid Amount(\$)	Oversize Output Bid Amount(\$)
1. I Color Printing & Mailing, Inc., Los Angeles, CA	\$66,915.10	\$19,434.70	\$58,860.00	\$36,787.50
2. Licher Direct Mail, Inc., Pasadena, CA	\$83,063.45	\$21,648.49	No bid	No bid
3. DataStream Designs, Inc., Winchester, CA	\$123,465.71	No bid	No bid	No bid

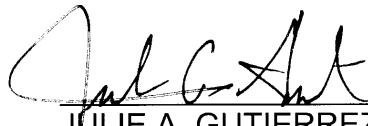
This is Printing Services' first time contracting with I Color Printing & Mailing, Inc. and this contract will allow a single vendor to supply services that have, in the past, typically been supplied by multiple vendors. Also, this action will result in better quality control, more competitive pricing, and more efficient workflow.

Staff examined the lack of local bidders for the services requested in this bid. It was determined that many smaller local printers do not have the capital to invest in costly equipment that produces the output desired at a competitive price.

**FISCAL IMPACT:**

The cost of this action will be \$181,998 and will be spent throughout fiscal year 2016. The entire funding is included in the existing budgeted FY 2016 budget appropriations in account 8110-508-325300. This action will not increase the cost currently budgeted for printing and will have no fiscal impact on any indirect or support cost requirements. The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,



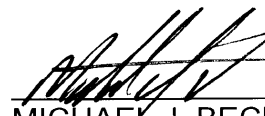
JULIE A. GUTIERREZ  
Interim Director of Finance  
Finance Department

Prepared by:



Zack Stromberg  
Central Services Supervisor

Approved by:



MICHAEL J. BECK  
City Manager