



Agenda Report

June 1, 2020

TO: Honorable Mayor and City Council

FROM: City Clerk

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH QUADIENT, INC., FOR A FIVE-YEAR LEASE TO FURNISH MAIL ROOM EQUIPMENT FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$223,154

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 Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment; and
2. Accept the bid dated April 14, 2020 submitted by Quadient, Inc., for a five-year lease to furnish mail room equipment; reject all other bids received; and authorize the City Manager to enter into a purchase order contract with Quadient, Inc., for a five-year lease to furnish mail room equipment for a total not-to-exceed the amount of \$223,154.

BACKGROUND:

The Mail Services Division of the City Clerk's Office operates a mail operation center for Interoffice and US mail processing, which serves all City departments and Operating Companies. The Division processes approximately 7,000 pieces of mail per day, including postage metering and insertion for parking citations, utility bills, preferential parking notices, business licenses, and direct mailers, including those distributed to City Council district constituents.

To support the City's mail operations, the Department has an existing five-year mail equipment lease agreement with Quadient, Inc., (formerly Neopost USA, Inc.), at a cost of \$50,155 per year. The lease furnishes mail machines and maintenance services, and is set to expire on June 30, 2020. In coordination with the Finance Department's Purchasing Division, the Mail Services Division conducted a formal

low bid process, seeking a new five-year lease arrangement to furnish equipment, software, installation, training, and maintenance support as was detailed in the project specifications.

On March 12, 2020, the Notice Inviting Bids was posted on Planet Bids, which reached over 900 potential bidders and included 50 local Pasadena companies. However, due to the specialized nature of the equipment, services, and support required, only a handful of mail services vendors are able to provide the required equipment and services necessary to be deemed a responsive bidder. On April 14, 2020, a total of three bids were received.

In reviewing the bid responses, one bidder, Pitney Bowes, was deemed non-responsive as its proposed mailing system did not meet all the required specifications contained in the bid documents. The following table shows the results of the two remaining responsive bids received:

| Vendor Name | Location | Annual Cost | Bid Amount |
|--------------------|-----------------|--------------------|-------------------|
| Quadient | Torrance, CA | \$44,630.76 | \$223,153.80 |
| CBE | Irvine, CA | \$80,134.86 | \$400,673.40 |

Based on this, Quadient, Inc., was determined to be the lowest responsive bidder, meeting all requirements as published in the project specifications. Therefore, staff's recommendation is to award the five-year purchase order lease agreement to Quadient, Inc., in an amount not-to-exceed \$223,154, covering a five-year lease period (equal to \$44,631 annually).

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed purchase order contract is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

FISCAL IMPACT:

The current annual cost for the existing mail room equipment lease is \$50,155, which is an ongoing operating expense and is included in the Mail Services Division budget. The recommended action would replace the existing equipment with new, updated equipment, for a total annual cost of \$44,631. Funding for this action is available in Account No. 8114-101-13005.

Respectfully submitted,



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City Clerk

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