

Agenda Report

TO: CITY COUNCIL

MARCH 27, 2006

FROM: CITY CLERK

SUBJECT: AUTHORIZATION TO ISSUE ANNUAL PURCHASE ORDERS FOR POSTAGE FROM THE UNITED STATES POSTAL SERVICE FOR A PERIOD NOT TO EXCEED TEN YEARS

RECOMMENDATION:

It is recommended that the City Council authorize the Purchasing Administrator to issue purchase orders for the purchase of postage from the United States Postal Service on an annual basis, in amounts necessary to meet the needs of the City for a period not to exceed ten years. The proposed purchase orders are exempt from competitive bidding pursuant to City Charter Section 1002(H), contracts with other governmental entities for labor, material, supplies, or services.

BACKGROUND:

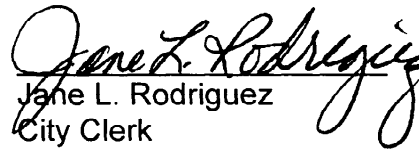
Each year the City of Pasadena issues approximately 1.4 million pieces of out-going mail. The largest volume of transactions are utility bills and the Pasadena In-Focus publication. Utility billings and other general City mail are processed through the use of a postage meter, while In-Focus is handled as presort standard (bulk mail) by the Postal Service. The City issues a single purchase order to the United States Postal Service for all its postage needs.

Prior to 1996, the City Council authorized the issuance of purchase orders to the United States Postal Service on an annual basis. In 1996, in an effort to streamline various processes and procedures, the City Council granted the authorization to issue annual purchase orders to the United States Postal Service for the purchase of postage, for a period not to exceed ten years. The ten-year authorization will expire in June 2006, and staff is requesting authorization for an additional ten-year period.

FISCAL IMPACT:

Annual expenditures for postage average \$600,000. Funds have been requested in the FY 2007 operating budgets of various departments to cover these costs and funds will continue to be requested in subsequent years.

Respectfully submitted,


Jane L. Rodriguez
City Clerk