

Agenda Report

August 21, 2017

TO: Honorable Mayor and City Council
FROM: Department of Finance
SUBJECT: CONTRACT AWARD TO LICHER DIRECT MAIL, INC. AND ROBERT MYERS STUDIO FOR PRINTING SERVICES NOT TO EXCEED \$1,630,424 AND \$218,632, RESPECTIVELY

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Accept the bid dated June 22, 2017, submitted by Licher Direct Mail, Inc. in response to specifications to Furnish Labor and Materials for Printing Services and authorize the City Manager to enter a contract with Licher Direct Mail, Inc. for one-year in an amount not to exceed \$407,606 with the option for three additional one-year terms in the annual amount of \$407,606, at the discretion of the City Manager, for a total of \$1,630,424 for four years; and
3. Accept the bid dated June 22, 2017, submitted by Robert Myers Studios in response to specifications to Furnish Labor and Materials for Printing Services and authorize the City Manager to enter a contract with Robert Myers Studio for one-year, in an amount not to exceed \$54,658, with the option for three additional one-year terms in the annual amount of \$54,658, at the discretion of the City Manager, for a total of \$218,632 for four years; and
4. Reject all other bids received.

BACKGROUND:

The Printing Services section of the Department of Finance will occasionally outsource printing services including: brochures; catalogs; booklets; bill inserts; postcards; envelopes; oversized printing; and additional projects as required. This contract will address the need for printing overflow work when current in-house production is at maximum capacity and for projects that require production specifications beyond the capabilities of in-house equipment. For improved efficiency, control and consistency of the services, the City has undertaken a competitive bidding process and selected vendors for offset printing, digital printing, envelope printing and oversized printing.

On June 8, 2017, a Notice Inviting Bids for provision of printing services was published in the *Pasadena Journal* and *Pasadena Weekly*, and posted on the City's website, which generated notices to 400 vendors, 39 of which were local vendors. The bid package included an estimated volume of total outsourced printing projects over a 12-month period.

Based on historical data, a selection of representative print run specifications were established and divided into four main categories. These categories include offset printing, digital printing, envelope printing and oversized printing. The total cost of each of these print runs was then multiplied by an estimated number of print runs that will be ordered, annually. The totals were used to establish the annual cost of each category, which were then totaled to establish a total annual cost of outsourced printing.

Vendors were invited to bid on one or more of these categories, which would be awarded individually, by category. Following advertising, bids were received on June 27, 2017, and the bid results are as follows:

Category 1: Offset Printing

<u>Bidders</u>	<u>Location</u>	<u>Bid Amount (\$)</u>
Licher Direct Mail, Inc.	Pasadena, CA	\$283,484.06
I Color Printing and Mailing, Inc.	Los Angeles, CA	\$356,864.31
PGI - Pacific Graphics, Inc.	Industry, CA	\$409,714.54
KZRW Lee, Inc.	Monterey Park, CA	\$622,137.86

Category 2: Digital Printing

<u>Bidders</u>	<u>Location</u>	<u>Bid Amount (\$)</u>
Licher Direct Mail, Inc.	Pasadena, CA	\$31,905.08
I Color Printing and Mailing, Inc.	Los Angeles, CA	\$71,535.75
PGI - Pacific Graphics, Inc.	Industry, CA	\$79,096.05
KZRW Lee, Inc.	Monterey Park, CA	\$136,205.02

Category 3: Envelope Printing

<u>Bidders</u>	<u>Location</u>	<u>Bid Amount (\$)</u>
Licher Direct Mail, Inc.	Pasadena, CA	\$92,216.74
PGI - Pacific Graphics, Inc.	City of Industry, CA	\$92,435.33
I Color Printing and Mailing, Inc.	Los Angeles, CA	\$107,325.37
KZRW Lee, Inc.	Monterey Park, CA	\$138,584.47

Category 4: Oversized Printing

<u>Bidders</u>	<u>Location</u>	<u>Bid Amount (\$)</u>
Robert Myers Studio	Pasadena, CA	\$54,657.75
I Color Printing and Mailing, Inc.	Los Angeles, CA	\$65,645.85
ARC Document Solutions, Inc.	Pasadena, CA	\$93,615.40
KZRW Lee, Inc.	Monterey Park, CA	\$140,434.31
PGI - Pacific Graphics, Inc.	Industry, CA	\$285,215.13

Licher Direct Mail, Inc. was the lowest responsive and responsible bidder in three categories: offset printing, digital printing, envelope printing. The City has done business with Licher Direct Mail, Inc. in the past, issuing purchase orders totaling over \$74,000 since 2014 for printing services.

Robert Myers Studio was the lowest responsive and responsible bidder in Category 4, oversized printing. The City has done business with Robert Myers Studio in the past, issuing purchase orders totaling over \$34,000 since 2015 for printing services.

It is recommended that the City Council authorize the contract awards for the four categories to Licher Direct Mail, Inc. and Robert Myers Studio as they are the lowest responsive and responsible bidders. The proposed contracts fully comply with the Competitive Bidding and Living Wage Ordinances.

COUNCIL POLICY CONSIDERATIONS:

Approval of this contract award addresses the City Council's goals of maintaining fiscal responsibility and stability and supporting and promoting the local economy.

ENVIRONMENTAL IMPACT:

The action proposed herein is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization to enter into a contract with Licher Direct Mail, Inc. and Robert Myers Studio for printing services is an administrative activity (e.g., purchasing of supplies). This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State

CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

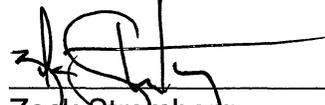
FISCAL IMPACT:

The maximum cost of this action will be approximately \$1,849,054 over a four-year period. Sufficient funding for this action is available in the annual operating budget.

Respectfully submitted,


MATTHEW E. HAWKESWORTH
Director of Finance

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STEVE MERMELL
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