



Agenda Report

September 8, 2025

TO: Honorable Mayor and City Council

FROM: Department of Finance

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH KELLY SPICERS, INC., DBA KELLY SPICERS STORES FOR SHEET-CUT PAPER, PARENT-SIZE PAPER, NCR, AND ENVELOPES FOR AN AMOUNT NOT TO EXCEED \$1,226,685**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378;
2. Award contract to lowest and best bid dated July 9, 2025 submitted by Kelly Spicers, Inc. DBA Kelly Spicers Stores in response to the specifications for Sheet-cut Paper, Parent-size Paper, NCR, and Envelopes, authorize the City Manager to enter into a five-year contract for an amount not-to-exceed \$1,226,685, which includes the base contract amount of \$736,011 and the option for two one-year extensions or an amount not to exceed \$490,674 whichever occurs first, at the discretion of the City Manager, and;
3. Authorize the City Manager to approve no-cost amendments to the subject contract including durational extensions.

BACKGROUND:

The Printing Services section of the Department of Finance is dependent on reliable and fast delivery of substrate materials (e.g. envelopes, paper) for successful ongoing operations. These materials cover a large range of sizes, weights, and finishes that are not available from office supply companies and are used to fulfill all in-house printing orders.

On June 20, 2025, a notice inviting bids for provision of sheet-cut paper, parent-sized paper, No Carbon Required (NCR) and envelopes was published via OpenGov, which generated notices to 4,073 vendors, 369 of which are local vendors.

Based on historical data, a selection of representative paper order specifications were established. The total cost of each of these paper orders was then multiplied by an estimated number of orders that will be placed annually. The total was used to establish the annual cost of large-format outsourced printing.

Three vendors submitted bids by the due date of July 14, 2025. One bidder was found to be responsive and responsible, as all other bidders did not submit complete bids. The results are as follows:

<u>Bidder</u>	<u>Location</u>	<u>Bid Amount</u>
Kelly Spicers Stores	Santa Fe Springs, CA	\$245,336.87

Kelly Spicers Stores was the lowest responsive and responsible bidder, as the only bidder to bid on all items listed in the bid specifications. The bid was conducted as a single bid primarily to take advantage of cost savings that come with the City agreeing to purchase a wide range of products. The City has done business with Kelly Spicers Stores in the past, issuing purchase orders totaling over \$200,000 since 2015 for paper supply.

It is recommended that the City Council authorize a contract award to Kelly Spicers Stores as they are the lowest responsive and responsible bidder. The proposed contract fully complies 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.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" continuing administrative or maintenance activities, such as purchases for supplies and services. The actions proposed herein, authorizing the City Manager to enter into a contract to purchase Sheet-cut Paper, Parent-size Paper, NCR, and Envelopes, is the purchasing of supplies and services, and therefore is not a "project" as defined by CEQA. 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 \$1,226,685 over a five-year period. The annual costs for Fiscal Year (FY) 2026 will be covered by existing appropriations in the FY 2026 Adopted Operating Budget for the Finance Department. Thereafter, appropriations will be budgeted during the annual operating budget process to address the remainder of the contract terms.

Respectfully submitted,



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Approved by:



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