

Agenda Report

April 25, 2016

TO: Honorable Mayor and City Council

FROM: City Clerk

SUBJECT: TEN YEAR AUTHORIZATION TO ENTER INTO AN ANNUAL PURCHASE ORDER WITH THE UNITED STATES POSTAL SERVICE, FOR AN AMOUNT NOT-TO-EXCEED \$600,000 PER YEAR

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), General Rule; and
- (2) Authorize the issuance of a purchase order with the United States Postal Service (USPS) on an annual basis, in amounts necessary to meet the postage needs of the City, for a period not-to-exceed ten years, with the estimated total value of the proposed action to be \$600,000 annually, or \$6,000,000 for the entirety of the ten year authorization. Neither Competitive Bidding nor Competitive Selection are required pursuant to City Charter Section 1002(H) and Pasadena Municipal Code Section 4.08.049(A)(3), contracts with other governmental entities.

BACKGROUND:

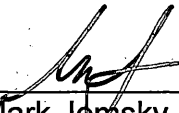
Each year the City of Pasadena produces approximately 1.4 million pieces of out-going mail, with an annual postage expense of approximately \$600,000. A large portion of the postage paid by the City is related to utility billing for City services and informational mailers to residents and businesses, such as the Pasadena In-Focus publication. The majority of mail issued by City departments is processed through the City Clerk's Mailroom utilizing postage and metering equipment. City Clerk's Mailroom staff prepares monthly check requests made payable to USPS to resupply the City's postage meters. Special mailings are at times handled separately by City departments using outside vendors. For example, Pasadena In-Focus is mailed as presort standard (bulk mail rate) through Licher Direct Mail, with the City issuing a postage check from the postage account to USPS and delivered to Licher for processing.

Prior to 1996, the City Council authorized the purchase of postage from the United States Postal Service on an annual basis. In 1996, in an effort to streamline various processes and procedures, the City Council granted a ten year authorization to purchase postage from USPS "in amounts necessary to meet the needs of the City." The ten-year authorization will expire in June 2016, and staff is requesting authorization for an additional ten-year period.

FISCAL IMPACT:

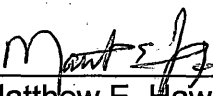
Annual expenditures for postage average \$600,000. While postage rates may increase over the next ten year period, staff is requesting that the approval level remain constant at this time. Staff will return for additional authorization in the event that the City Council's authorization needs to be adjusted in order to meet the needs of the City. Funds for postage are allocated within each department's annual operating budget line item (814400).

Respectfully submitted,



Mark Jonsky
City Clerk

Concurred by:



Matthew E. Hawkesworth
Director of Finance