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DEPARTMENT OF  
FINANCE

PROCUREMENT SERVICES DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

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August 26, 1997

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City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: ADOPTION OF SPECIFICATIONS AND AWARD OF BID NO. 1759 FOR MAIL PREPARATION AND PRE-SORTING SERVICES, IN A TOTAL AMOUNT NOT TO EXCEED \$610,000.00 PER YEAR**

**LOCATION AND COUNCIL DISTRICT:** City-wide; All districts

**STAFF RECOMMENDATION:**

Staff recommends that the City Council adopt specifications and accept the lowest responsible bid for the contract resulting from Bid No. 1759 for Mail Preparation and Pre-sorting Services. Award is recommended to: International Mail Processing, 1700 Enterprise Blvd., West Sacramento, CA 95691 in a total amount not to exceed \$610,000.00 per year.

**CONTACT PERSON:** Dennis Kerhulas, Senior Buyer, 433-6242

**FOR COUNCIL MEETING OF:** August 26, 1997

**SUMMARY:**

This report provides a recommendation for award of Bid No. 1759 for Mail Preparation and Pre-sorting Services, which are used by the Revenue Division and the Central Services Section of the Administrative Services Department, as well as by other City departments on an as-needed basis.

**BACKGROUND:**

The services provided under this contract will be used by the Revenue Division for utility billings and other mailings and by the Central Services Section for general City mailings, as well as by other City departments



on an as-needed basis. The services to be provided involve City mail that is sent via the U.S. Postal Service (USPS), and include mail pick-up, pre-sorting, bar-coding, addressing, inserting, bulk-mailing, delivery of mail to the USPS system, and miscellaneous other mailing-related services. The services include provisions to achieve favorable USPS automated-mail postage rates for the types of mail handled under the contract.

Staff recommends that a contract be awarded to International Mail Processing, 1700 Enterprise Blvd., West Sacramento, CA 95691, in a total amount not to exceed \$610,000.00 per year. This was the lowest of the two bids received for these services, as shown on the attached bid tabulation sheet (Attachment 1). The tabulation sheet lists pricing summaries by service category for the services called for under the contract. The current contractor, Blue Shield of California, Inc., has been undergoing organizational changes over the past several months, and chose not to renew their contract with the City.

The automated mail postage rates under the new contract will be \$0.261 per one-ounce mail piece, versus a rate of \$0.254 per one-ounce piece under the current contract. However, due to lower fees under the new contract for sorting and other ancillary mail services such as folding and inserting, overall City mailing costs should remain stable, and may decrease slightly.

Based on their submission of the lowest competitive bid, staff recommends that the Council authorize a contract for mail preparation and pre-sorting services with International Mail Processing in a total amount not to exceed \$610,000.00 per year, which reflects the approximate amount anticipated to be expended each year of this potential five-year contract.

#### **FINANCIAL CONSIDERATIONS:**

Funds for postage are budgeted annually in the Revenue Division for utility billings and other mailings, in Central Services for postage costs, and in other City departments for general mailing. Mailings processed by Central Services for other departments are billed to the individual City departments on a charge-back basis. Since overall mailing costs are expected to remain at approximately their current levels, no budget augmentations are requested.

#### **ENVIRONMENTAL CONSIDERATIONS:**

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

#### **POLICY CONSIDERATIONS:**

This recommendation is consistent with the requirements for competitive bidding and award of contracts for supplies and non-professional services as detailed in Title 57 of the Sacramento City Code.

**M/WBE EFFORTS:**

Requests for bid (RFB) were sent to 35 prospective bidders, 8 of which were identified as M/WBE firms. While International Mailing Services indicated in their bid that they are an M/WBE firm, neither of the two bids received was from a City-certified M/WBE firm.

Respectfully Submitted,



Robert B. Holbrook  
Procurement Services Manager

**RECOMMENDATION APPROVED:**



WILLIAM H. EDGAR  
City Manager

1 Attachment

**Bid Tabulation Sheet**  
for Bid No. 1759 - Mail Preparation and Pre-sorting Services

<b>Service/Item</b> (Pricing is for unit cost totals by service category)	<b>International Mail Processing</b>	<b>Pride Industries</b>
Mailing Services (Postage, sort, barcode, pick-up)	\$10.846	\$12.856
Machine Inserting/Folding Services	86.000	128.500
Hand Inserting/Folding Services	160.000	275.000
Addressing Services (Labels, printing)	19.000 <sup>(1)</sup>	50.000 <sup>(1)</sup>
Miscellaneous Services (Address data conversion, etc.)	114.000	110.000
<b>Total Bid Amount</b>	<b>\$389.846</b>	<b>\$576.356</b>
Prompt Payment Discount	N/A	N/A
Local Business Tax Preference	N/A	N/A
M/WBE Preference	No	No
<b><i>Bid Evaluation Total</i></b>	<b><u>\$389.846</u></b>	<b>\$576.356</b>
<sup>(1)</sup> One Item was un-priced in this service category.		

Award of Contract To:

Using Departments: All City Departments

International Mail Processing  
1700 Enterprise Blvd.  
West Sacramento, CA 95691

**Total Bid Amount:** \$ 389.846\***Total Amount of Contract:** \$ 610,000.00**Original Estimated Cost:** \$ 610,000.00

\* The lowest responsible bid amount of \$389.846 represents a total for the single-unit prices of the services selected for bid evaluation purposes only. Authorization is requested to enter into a contract in an amount not to exceed \$610,000.00 per contract year, which more closely reflects the amount anticipated to be expended each year of this potential five (5) year contract.

**Total No. of  
Bids Solicited****No. of M/WBE  
Bids Solicited****No. of M/WBE  
Responses****Award to  
M/WBE Vendor?**

35

8

0

No



TITLE OF BID  
MAIL PREPARATION AND PRESORTING SERVICES

BID NO. 1759

Due Date AUGUST 6, 1997	Estimate \$750,000.00	Successful Bidder
Date of Award	Contract Number	Total Price of Awarded Bid

Name of Firm	Phone #	Address (Include ZIP Code)	M/WBE
Eldridge Bid Reporter		P. O. Box 699 West Sacramento, CA 95691	
Small Business Exchange Attn: Catherine Popelka		1400 S Street, Suite 100 Sacramento, CA 95814	
Construction Data		P. O. Box 13816 Sacramento, CA 95853	
International Data Base Bidnet		P. O. Box 5600 Albany, NY 12205	
NIGP		11800 Sunrise Valley Dr., #1050 Reston, VA 22091	
Business Journal		1401 21st Street Sacramento, CA 95815	
A H S Group Inc. Attn: Craig Cox		1310 Terminal Street W. Sacramento, CA 95691-3313	
A P S Business Services		P. O. Box 188182 Sacramento, CA 95818-8182	
A - Applied Mailing Service		6830 Antelope Rd. Citrus Heights, CA 95621-1977	
Admail West Inc. Attn: Kathy Pescetti		1515 North C Street Sacramento, CA 95814-0610	WBE
American Diversified Mailing Services	No Bid FORM	P. O. Box 2498 Rancho Cordova, CA 95741-2498	
American Mail Service		6224 Turner Rd. Sacramento, CA 95829-9324	
Automate Mailing		<del>5901 Broadway</del> 10769 Coloma Rd. Sacramento, CA <del>95820-184101</del> Rancho Cordova 95670-2513	
Business Mail Express		4641 Pell Dr., Ste. 15 Sacramento, CA 95838-2000	
Capitol Mailing Service		5401 Warehouse Way Sacramento, CA 95825-4925	
Cleveland Mailing Service		1317 15th Street Sacramento, CA 95814-5090	





Name of Firm	Phone #	Address (Include ZIP Code)	M/WBE
Custom Mailing Services		3487 Orange Grove Ave. North Highlands, CA 95660-5524	
D & D Mass Mailing Services Attn: Dan Andrade		819 N. 10th Street Sacramento, CA 95814-0324	
Data Mailing Systems		1106 North D Street Sacramento, CA 95814-0331	
J P Direct Mail Service Attn: Peggy		P. O. Box 1321 Carmichael, CA 95609-1321	
Jet Express Mail Inc.		2947 Ramona Ave., Unit B7 Sacramento, CA 95826-3882	
K/P Corp. Attn: Randy Armstrong		759 Enterprise Blvd. Sacramento, CA 95691-3457	
Metro Mailing Service Attn: Sonja Quintana		3920 Lennane Dr. Sacramento, CA 95834-1909	
P S I Group Attn: Mike McBride		819 N. 10th Street Sacramento, CA 95814-0324	
Pride Industries		1 Sierragate Plaza Roseville, CA 95678	
Print Mail 2000		5901 Broadway Sacramento, CA 95820-1841	
Regional Mail Xpress Attn: Pat S. Caruso		P. O. Box 20684 Reno, NV 89515-0684	
Sacramento Service & Development Attn: Haze Bergeron		2425 Alhambra Blvd., Ste. A Sacramento, CA 95817-1127	
Sprint Mailing Services Attn: Dennis Jenkins		3068 Kilgore Rd. Rancho Cordova, CA 95670	
Tri City Mailing & Printing		1415 West North Market Blvd. Sacramento, CA 95834-1935	
Wordmasters		120 Main Ave. Sacramento, CA 95838-2043	
Intn'l Mail Processing		1700 Enterprise Blvd., Ste. C W. Sacramento, CA 95691	
J. Kepini Co.		1500 West El Camino Ave., Ste. 495 Sacramento, CA 95833	WBE
Blue Shield		1230 Harter Ave., #C Woodland, CA 95776	
Associated Resources		7300 Folsom Blvd., Ste. 203 Sacramento, CA 95826	MBE



Name of Firm	Phone #	Address (Include ZIP Code)	M/WBE
BIP Print Design		3600 Madison Ave., #62 North Highlands, CA 95660	WBE
Capital Printing	NO BID <del>#</del> FORM	1103 North B Street Sacramento, CA 95814	WBE
Litza Marie Coughlin Graphic Promotions		120 Mountain Oak Court Folsom, CA 95630	WBE
Research Unlimited		1012 2nd Street Sacramento, CA 95814	WBE
Lowabe Express		P. O. Box 162490 Sacramento, CA 95816	WBE
Conlon Barnes		7902 Gerber Rd. Sta. 294 SAC. CA 95824	

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