

BOARD MEETING DATE: May 1, 2015

AGENDA NO. 7

PROPOSAL: Execute Lease Contract for Mailing Equipment

SYNOPSIS: On January 9, 2015, the Board approved the release of an RFQ to solicit lease proposals to replace the mailroom's United States Postal Service-compliant mailing system and to lease additional equipment for folding, inserting, and addressing mail. This action is to execute a 5-year lease agreement with Neopost Southwest District for the proposed mailing equipment.

COMMITTEE: Administrative, April 10, 2015; Recommended for Approval

**RECOMMENDED ACTION:**

Authorize the Executive Officer to execute a 5-year lease agreement with Neopost Southwest District, for mailing and shipping, folding, inserting, and addressing equipment, at a 5-year lease and maintenance cost of \$168,610.

Barry R. Wallerstein, D.Env.  
Executive Officer

WJ:SO

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**Background**

SCAQMD's current lease for high-volume United States Postal Service (USPS)-compliant postage and shipping equipment expires June 30, 2015. The lease also includes equipment that folds, inserts and addresses outgoing mail.

The Mail/Subscription Services staff processes all incoming and outgoing mail, including public hearing and workshop notices, Title V permit notices, etc. In 2014, staff processed 234,379 pieces of outgoing mail using the postage and shipping machine, and 183,618 pieces of mail utilizing the folding, inserting and/or addressing equipment.

In an effort to continue to save costs and increase flexibility and productivity, SCAQMD's RFQ solicitation included replacement of the existing postage and shipping system, including the folding, inserting and addressing equipment. This action is to obtain a new lease agreement for a comprehensive mailing system.

## **Outreach**

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFQ and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFQ has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

## **Bid Evaluation**

Fifteen copies of the RFQ were mailed out and three proposals, responding to one or more of the three categories included in the RFQ, were received by close of bidding at 2:00 p.m., February 11, 2015. Of the three responsive proposals, only one self-certified for off-peak hours delivery, for additional percentage points. Attachment A lists a summary of the responsive proposals.

## **Panel Composition**

The evaluation panel consisted of a Sr. Air Quality Engineering Manager, a Mail/Subscription Services Supervisor, a Print Shop Supervisor, and a Supervising Investigator. Of the four panelists, one is Asian Indian, two are African-American, and one is Caucasian; all are male.

## **Proposal**

This action is to execute a 5-year lease agreement with Neopost Southwest District for all three categories of mailing equipment solicited in the RFQ: high-production mailing and shipping; folding and inserting; and addressing. Neopost Southwest District was the single vendor with the lowest overall qualified proposal for all three categories with their additional percentage points.

## **Resource Impacts**

The annual lease and maintenance cost for the high-production mailing and shipping system is \$12,829 per year, the folding and inserting system is \$14,830, and the addressing system is \$6,063, for a total annual cost of \$33,722. Sufficient funds have been requested in the FY 2015-16 Budget for the first year, and funds will be requested in subsequent budgets for the remaining four years of the lease.

## **Attachment**

Evaluation Summary

**ATTACHMENT**

**EVALUATION SUMMARY**

RFQ# 2015-14

Mailing Equipment – 5-Year Lease

	<b>Neopost Southwest District*</b>	<b>Pitney Bowes</b>	<b>CBE Office Solutions</b>
<b>Category I-</b> Postage and Shipping	\$64,144.80	\$66,969.60	NA
<b>Category II-</b> Folding and Inserting	\$74,148.60	\$72,201.60	\$123,720.00
<b>Category III-</b> Addressing	\$30,314.40	\$38,062.80	\$30,300.00
<b>Total 5-Year Lease</b>	<b>\$168,607.80</b>	<b>\$177,234.00</b>	

\* Neopost Southwest District self-certified Off Peak Hours Delivery, receiving a 2% preferential point reduction. For the purpose of ranking, the preferential 2% reduction results in Neopost Southwest District having the lowest total cost proposal for all three categories.