



City of San Antonio

Legislation Details (With Text)

File #: 17-2894

Type: Purchase of Equipment

In control: City Council Special Meeting

On agenda: 5/25/2017

Title: An Ordinance accepting the bid from Quantum Office Solutions, Inc. for the purchase of two replacement mail systems, including maintenance, service and support, and the lease of two postage meters for an initial, total annual cost of \$50,059.62, funded from the FY 2017 Finance Department Procurement Fund. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance]

Sponsors:

Indexes:

Code sections:

Attachments: 1. 61-8575 Quantum Office Solutions, Inc., 2. Bid Tab, 3. 1295, 4. Draft Ordinance, 5. Ordinance 2017-05-25-0377

Date	Ver.	Action By	Action	Result
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DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Mail Systems for the Print Shop

SUMMARY:

This ordinance authorizes a contract with Quantum Office Solutions, Inc. to provide the City with two mail systems, including maintenance support, and supplies for the term of the contract and the lease of two postage meters for an initial cost of \$50,059.62. This contract will provide maintenance and support for five years commencing upon acceptance of the equipment, for a total contract cost of \$72,689.70. Annual maintenance, supplies and support will be an operating fund expenditure subject to future budget approvals.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is a bid submitted by Quantum Office Solutions, Inc. to

provide the City with a contract for the replacement of two mail systems, including maintenance support, and supplies for the term of the contract and the lease of two postage meters for a total cost of \$72,689.70. The mail section currently operates two purchased mail systems and leased postage meters that have been in operation since 2009. Both machines are at end of life and are operating without maintenance agreements, incurring maintenance charges on an as needed basis. The mail section has seen an increased volume in metered mail due to new programs, notices, and increased communications between the City and its residents.

The initial term for this contract is upon award through March 31, 2018 with 4, 1 year renewal options upon City Council approval.

ISSUE:

This contract will provide the Finance Department's Print Shop with a contractor to provide two mail systems including maintenance support, and supplies for the term of the contract and the lease of two postage meters required to carry out the general mailing needs of City departments. The current equipment has been in service since 2009 and has exceeded its life expectancy of five years. It has become increasingly difficult to source replacement parts and contracted services for this end of life equipment.

This contract is within the scope of the SBEDA Program. However, due to lack of available firms and/or subcontracting opportunities, the Goal Setting Committee was unable to apply a SBEDA tool to this contract.

The recommended award is to the lowest responsive bidder, who is also a local business. Therefore, application of the Local Preference Program was not required.

The Veteran-Owned Small Business Preference Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

Two vendors were disqualified for taking material exceptions to the terms and conditions listed in the City's IFB.

Quantum Office Solutions, Inc. will remove existing equipment and has offered a credit of \$4,080.00 towards the second year of maintenance and support. This credit was offered in lieu of a buy-back amount for existing equipment.

ALTERNATIVES:

Should this contract not be approved, a potential delay in providing timely mailing services to City departments could occur on time sensitive, high profile out-going mail. If the City does not have an in-house mail section, the cost to have the mail metered at full postage would be \$75,495.00 more per year based on FY16 total metered mail pieces.

FISCAL IMPACT:

Staff is requesting City Council's authorization of the contract with Quantum Office Solutions, Inc. for purchase of two mail systems including maintenance support, and supplies for the term of the contract as well as the lease of two postage meters for a total cost not to exceed \$72,689.70. The total cost includes a one-time

capital expenditure of \$47,462.10 for the purchase of the two mail systems funded from the Purchasing and General Services Fund's FY 2017 Adopted Budget and \$25,227.60 for maintenance support, and supplies for a period of five years, also funded out of the Purchasing and General Services Fund over that term.

RECOMMENDATION:

Staff recommends the approval of this contract with Quantum Office Solutions, Inc. to provide two mail systems, including maintenance support, and supplies for the term of the contract and the lease of two postage meters for a total cost not to exceed \$72,689.70.

This contract was procured by means of competitive bid and a Contracts Disclosure Form is not required.