



# CITY OF LODI

# COUNCIL COMMUNICATION

**AGENDA TITLE:** Contract Award for Printed Envelopes, 1998 Requirements (\$15,554.74)  
**MEETING DATE:** January 21, 1998  
**SUBMITTED BY:** Finance Director

**RECOMMENDED ACTION:** That the City Council adopt the attached resolution awarding a contract to produce and deliver printed envelopes, as required by the City during calendar year 1998, to the 1997 contractor, Envelope Products Company of Vallejo, in the amount of \$15,554.74.

**BACKGROUND INFORMATION:** In March, 1997, the City Council awarded the 1997 envelope contract to Envelope Products Company, the low bidder at \$16,098.39. The award has been an excellent one for the City, as Envelope Products produces a high-quality product, and their service and reliability ratings have been outstanding.

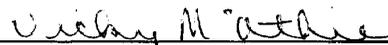
During 1997, the State of California awarded Envelope Products Company a contract under CMAS, and several of the City's envelopes now qualify for CMAS pricing. When comparing the CMAS prices to the City's 1997 contract prices staff found that the City could realize savings on four of the City's twelve envelopes if purchased through CMAS, that the *City's 1997 contract* prices were favorable on five others, but that three envelopes didn't qualify for CMAS pricing.

Staff requested of Envelope Products the best of both contracts... CMAS pricing on the four envelopes where price reduction was available, and an extension through 1998 the 1997 contract prices for the three envelopes not covered by CMAS and the five envelopes on which pricing favored the City. The supplier agreed. This pricing structure would reduce the 1998 average cost of envelopes by about 5% compared to 1997, and, if this recommendation is approved by the Council, the cost of bidding could be avoided as well.

Lodi City Code Section 3.20.070 provides that bidding may be dispensed with when the City Council determines that the method of purchase would be in the best interest of the City. Considering the 5% reduction in average cost and the supplier's track record through 1997, it is staff's recommendation that the City Council approve this award.

Envelopes will be ordered and paid for periodically during the year as needed by various City departments. Exhibits A and B (attached) show the projected delivery schedule and volume/price comparisons for 1998 to 1997.

**FUNDING:** Each department budgets annually for printing requirements, and funding for the purchase of envelopes is included in those budgeted amounts.

  
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 Vicky McAthie, Finance Director

Prepared by Joel Harris, Purchasing Officer

APPROVED: \_\_\_\_\_

  
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 H. DIXON FLYNN  
 City Manager

EXHIBIT A  
City of Lodi  
Printed Envelopes  
1998 Projected Delivery Schedule

<u>Envelope Description</u>	<u>Annual Req.</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Spec. Window, Bus. Lic. Appl.	8,000	-	-	-	-	-	-	-	-	8,000	-	-	-
#9 Window, Accts Payable,	10,000	-	-	-	-	10,000	-	-	-	-	-	-	-
#9 Regular, Utility Payment	300,000	-	-	75,000	-	75,000	-	-	-	75,000	-	-	75,000
#9 Regular, Delinq. Util. Paymt	25,000	-	-	-	-	12,500	-	-	-	-	-	-	12,500
#10 Regular, Letterhead	45,000	-	-	15,000	-	-	-	-	15,000	-	-	-	15,000
#10 Regular, Police Dept.	10,000	-	-	-	-	5,000	-	-	-	-	-	-	5,000
#10 Regular, Parks/Rec	10,000	-	-	-	-	-	-	-	-	10,000	-	-	-
#10 Window, Utility Bill	300,000	-	-	75,000	-	75,000	-	-	-	75,000	-	-	75,000
#10 Window, Delinq. Util Bill	25,000	-	-	-	-	12,500	-	-	-	-	-	-	12,500
#10 Window, City Letterhead	15,000	-	-	5,000	-	-	-	-	5,000	-	-	-	5,000
#10 Window, Police Dept.	10,000	-	-	5,000	-	-	-	-	-	5,000	-	-	-
#10 Window, Library	10,000	-	-	5,000	-	-	-	-	5,000	-	-	-	-

**PRINTED ENVELOPES**  
**VOLUME / PRICE COMPARISONS**  
1998 vs. 1997

Envelope Description	1997		1998		
	Volume	Price/M	Volume	Price/M	
Spec. Window-Bus. Lic. Appl.	5,000	\$59.75	8,000	\$59.75	
#9 Window, Accounts Payable	10,000	\$19.91	10,000	\$18.99*	
#9 Regular, Utility Payment	300,000	\$18.80	300,000	\$17.08*	
#9 Regular, Delinq Utility Payment	25,000	\$21.53	25,000	\$21.53	
#10 Regular, City Letterhead	45,000	\$17.55	45,000	\$17.55	
#10 Regular, Police Letterhead	10,000	\$17.55	10,000	\$17.55	
#10 Regular, Parks & Rec Letterh'd	10,000	\$17.55	10,000	\$17.55	
#10 Window, Utility Bill	300,000	\$20.05	300,000	\$18.99*	
#10 Window, Delinquent Utility Bill	25,000	\$23.22	25,000	\$23.22	
#10 Window, City Letterhead	10,000	\$22.95	15,000	\$19.29*	
#10 Window, Police Letterhead	5,000	\$19.91	10,000	\$19.91	
#10 Window, Library	10,000	\$19.91	10,000	\$19.91	
Total Annual Volumes	755,000		768,000		(+1.8%)
Total Cost (before tax)		\$14,940.50		\$14,435.95	(-3.4%)
Average Unit Cost (before tax)		\$0.198		\$0.188	(-5.05%)
Total Annual Cost		\$16,098.39		\$15,554.74	(-3.4%)

\*CMAS Prices

RESOLUTION NO. 98-12

A RESOLUTION OF THE LODI CITY COUNCIL  
AWARDING THE BID FOR PRINTED ENVELOPES

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WHEREAS, Lodi Municipal Code, §3.20.070, authorizes dispensing with bids for purchases of supplies, services or equipment when it is in the best interests of the City to do so; and

WHEREAS, in March 1997, the City Council awarded the 1997 envelope contract to Envelope Products Company, which is an excellent company that produces a high-quality product, and their services and reliability ratings have been outstanding; and

WHEREAS, during 1997, the State of California has awarded Envelope Products Company a contract under the California Multiple Awards Schedule (CMAS) through the Department of General Services, and several of the City's envelopes now qualify for the CMAS pricing; and

WHEREAS, the City of Lodi currently orders twelve different envelopes and Envelope Products Company has agreed to provide CMAS pricing on the four envelopes where price reduction was available, and an extension through 1998 the 1997 contract prices for three envelopes not covered by CMAS, and five envelopes on which pricing favored the City, thus reducing the 1998 average cost of envelopes by approximately five percent (5%) compared to 1997; and

WHEREAS, staff recommends awarding the contract to produce and deliver printed envelopes, as required by the City during calendar year 1998, to the 1997 contractor, Envelope Products Company of Vallejo, California.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the award of the bid for Printed Envelopes for the 1998 calendar year, be and is hereby awarded to Envelope Products Company of Vallejo, California in the amount of \$15,554.74.

Dated: January 21, 1998

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I hereby certify that Resolution No. 98-12 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 21, 1998, by the following vote:

- AYES: COUNCIL MEMBERS - Land, Mann, Pennino, Warner and Sieglock (Mayor)
- NOES: COUNCIL MEMBERS - None
- ABSENT: COUNCIL MEMBERS - None
- ABSTAIN: COUNCIL MEMBERS - None

*Alice M. Reimche*  
ALICE M. REIMCHE  
City Clerk