



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Specifications and Advertisement for Bids for
Utility Bill Folder/Inserter

MEETING DATE: July 1, 1998

PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council approve the specifications and authorize advertisement for bids for a replacement mail folding/inserting machine for utility bill mailing.

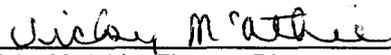
BACKGROUND INFORMATION: The existing mail folding/inserting equipment was purchased in June, 1992. Since that time, the equipment has been used for folding and inserting utility bills, utility bill supplemental inserts (for other City departments), business license renewals, and other mass mailings.

During the last two years, virtually every moving part on the equipment has been replaced. Reliability has deteriorated, and the manufacturer's service technician has advised us that breakdowns will likely become more frequent, adding that machine adjustments may no longer hold up adequately to meet our needs.

Several alternatives to purchase of new equipment were reviewed by staff. One option provided for the Finance Department to print the utility bills, then outsource the folding/inserting operation for the bills and supplemental inserts that may be included in the mailings; a second option had the entire printing/folding/inserting operation done by a private contractor. In both cases, however, privacy and security issues could not be adequately addressed. Further, estimated costs of outsourcing exceeded the estimated costs to perform the operation in-house: informal estimates to outsource the function exceeded \$34,000.

FUNDING: 1201 Equipment Replacement Fund
Estimated Cost: \$22,000

BID OPENING: July 22, 1998


Vicky McAthie, Finance Director

Prepared by Joel Harris, Purchasing Officer

APPROVED: _____


H. Dixon Flynn -- City Manager



SPECIFICATIONS SHEET FOLDER/INSERTER MACHINE

1. Size/Dimensions - Must be desktop model and be capable of fitting in a space 80 inches in length, 28 inches in width and 22 inches in height.
2. Bid/Purchase option - The bid must include a lease option in addition to the purchase. Bid must also include service/maintenance contracts.
3. Service Life - Machine must have a service life of at least 1.3 million pieces. Must be capable of processing an average monthly volume of 27,000 pieces.
4. References - Bidder must supply five (5) references where product is currently installed and the sites must be comparable in size and volume.
5. The machine must have a minimum of three stations for insertion.
6. Machine must be capable of multiple passes of envelope and materials through machine.
7. Paper requirements - Machine must have the ability to process a variety of paper texture and quality. Requirements would include:

Grain	Color
Weight	Texture
Size	
8. Must accept paper materials ranging in size from 3 1/2 x 7 to 8 1/2 x 11.
9. Machine must have capability of folding and inserting materials using several different folding styles.
10. Machine must have the ability to insert multiple page bills using optical mark recognition (OMR)
11. A thirty (30) day demo must be included as part of contract.