

17. Award Blanket Order Contract to Quadient, Inc. for Postage, Supplies, and Shipping Parcels in an Annual Amount Not to Exceed \$200,000 (Specification No. 24-043) (General Fund)

**Department(s):**

**Recommended Action:** Award Blanket Order Contract to Quadient, Inc. for postage, supplies, and shipping parcels for an initial one-year term beginning May 8, 2024 and expiring on May 7, 2025, with provisions for annual renewal of the contract until terminated.



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**May 7, 2024**

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**TOPIC:** Blanket Order Contract for Postage, Supplies, and Shipping Parcels

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**AGENDA TITLE**

Award Blanket Order Contract to Quadient, Inc. for Postage, Supplies, and Shipping Parcels in an Annual Amount Not to Exceed \$200,000 (Specification No. 24-043) (General Fund)

**RECOMMENDED ACTION**

Award Blanket Order Contract to Quadient, Inc. for postage, supplies, and shipping parcels for an initial one-year term beginning May 8, 2024 and expiring on May 7, 2025, with provisions for annual renewal of the contract until terminated.

**GOVERNMENT CODE §84308 APPLIES:** Yes

**DISCUSSION**

The Finance and Management Services Agency's Central Services Division provides automated mailing services for the City, including bulk mailing of public notices for meetings, neighborhood meeting invitation flyers, business tax certificates, and various other daily mailings.

On July 6, 2023, the Finance and Management Services Agency purchased a Quadient iX-9 Automated Mailing Machine after staff performed market research and determined it was the automated mailing machine that best fit the City's needs. This machine was installed and has been utilized since October 2023, replacing an older Quadient mailing machine, the Hasler Neopost IM5000 Mailing System, purchased in 2014 which had become non-compliant due to updated United States Postal Service (USPS) standards and regulations related to Intelligent Mail Indicia.

Previously, the process to pay for USPS Postage required the City to provide a check payable to the USPS, which would then transfer payment to Quadient for depositing into an online account accessible to the City for as-needed postage.

The postage payment process has since changed, and with the new Quadient machine, USPS Postage is pre-paid by Quadient, then invoiced to the City on an as-needed basis. The cost of shipping parcels and mailing machine supplies (mail meter strips,

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shipping labels, and ink) is also billed to the City under this contract. Based on historical spending and anticipated increase of services, staff recommends creating a Blanket Order Contract with an annual not-to-exceed amount of \$200,000 to ensure sufficient postage and related resources are available. Staff is also requesting the ability to automatically renew the contract annually, as payment of postage can only be made via Quadient, and the City does not foresee any shortage of shipping needs in the near or distant future. The Blanket Order Contract will be terminated when no longer needed by the City.

**FISCAL IMPACT**

Funding is available in the current FY 2023-24 budget and funding for subsequent fiscal years will be included in the proposed budget for City Council consideration.

<b>Fiscal Year</b>	<b>Accounting Unit-Account #</b>	<b>Fund Description</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
2023-24 May – Jun	01110120-63020	General Fund/FIN/MGMT SVS - Purchasing	Postage/Printing	\$33,334
2024-25 Jul – May	01110120-63020	General Fund/FIN/MGMT SVS - Purchasing	Postage/Printing	\$166,666

Submitted By: Kathryn Downs, Executive Director of Finance and Management Services

Approved By: Alvaro Nuñez, Acting City Manager