



Staff Summary Report

Council Meeting Date: 04-03-2008

Agenda Item Number: _____

SUBJECT: Request approval to increase the contract amount with PSI Group, Inc. for pre-sort mailing services.

DOCUMENT NAME: 20080403fsta06 **PURCHASES (1004-01)**

SUPPORTING DOCS: No

COMMENTS: (T06-049-01) Increase in the amount of \$240,000 from \$70,000 to \$310,000.

PREPARED BY: Ted Stallings, CPPB, Procurement Officer, 480-350-8617

REVIEWED BY: Michael Greene, CPM, Central Services Administrator, 480-350-8516
Jerry Hart, Financial Services Manager, 480-350-8505

**LEGAL REVIEW AS
TO CONTRACT FORM**

ONLY: N/A

FISCAL NOTE: Sufficient funds have been appropriated in 1852, 1841-6704.

RECOMMENDATION: Increase the contract value.

ADDITIONAL INFO: Council approved the renewal of this contract on September 6, 2007 in an amount not to exceed \$70,000. The City has outsourced mail inserting of utility billing and tax notices due the demolition of the Goodwin building which housed Duplicating. The majority of the requested increase (\$210,000) represents postage costs that were traditionally purchased directly from the U.S. Post Office that now will be included in this contract as a pass through cost. The remaining increase (\$30,000) will be used to pay for routine pre-sort mail processing services. The total increase to this contract shall not exceed \$240,000.