



CITY COUNCIL ACTION REPORT

July 30, 2007

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager /Finance and Administration
Susan A. Leirstein, Purchasing Director
Gertrude Paraskevin, IT Director
Charles T. Craft, Police Chief

SUBJECT: Bid Waiver – Digital Conversion and Microfilm Services

Background

- The City has been utilizing the state contract to convert paper documents to both digital and microfilm formats for many years.
- The most recent provider of optical scanning services – statewide – under the State of Michigan MiDEAL Program is Graphic Sciences. They have been working with various departments to convert documents as part of our document imaging project, as well as providing microfilm for long-term backup storage. We have been very pleased with the results so far.
- Unfortunately, the contract with the State expired January 31, 2006. The State had planned to rebid the contract when the existing one expired; however, this has been delayed and is just now out for bid. Final award of a new contract is expected later this year.
- Since the expiration of the contract, Graphic Sciences has continued to provide services to the State under the same terms and conditions. They also continue to offer local governments the same contract pricing.
- No other cooperative contract exists that includes all needed services.

Financial Considerations

- Funds are budgeted in various departmental accounts for these services.

Legal Considerations

- Formal bidding procedures are waived, as no benefit would be derived from soliciting formal bids.

Policy Considerations

- Minimize the cost and increase the efficiency and effectiveness of City government by utilizing cooperative contracts. (Goal II)
- Digital format expands the electronic function and allows for more efficient use of time when accessing information. (Goal II)

July 30, 2007

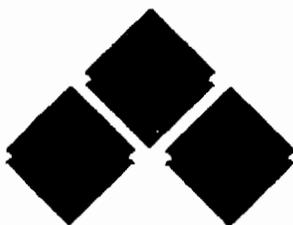
To: Phillip Nelson, City Manager

Re: Bid Wavier – Digital Conversion and Microfilm Services

- Enhance the flow of communication internally by providing easy access to information to City employees. (Goal IV)

Options

- City management is requesting a waiver of the formal bid process and authorization to utilize Graphic Sciences for digital conversion and microfilm services under the same pricing, terms and conditions as dictated by the original agreement with the State of Michigan, until a new contract is awarded by the State.
- In addition, staff requests confirmation for the cost of services rendered over the administrative limit made for digital conversion and microfilm services in the police department at a total cost of \$20,000.00.



GRAPHIC
SCIENCES

Your partner in document and information management

4208 Normandy Court Royal Oak, Michigan 48073

July 13, 2007

City of Troy
500 W. Big Beaver Rd.
Troy, Mi. 48084

Attn: Julie Hamilton – Purchasing

Dear Ms. Hamilton,

Graphic Sciences was awarded a contract to perform digital conversion services for the State of Michigan and participating local governments in February of 2001. The original contract was issued for three years and then extended for an additional two years. The contract number for these services is 071P1003154. This current contract has expired and as of this date of this letter has not been extended. However, we are still performing the services offered in the contract under the same terms and conditions as dictated by that agreement to the State of Michigan and to local governments including the City of Troy.

The contract is currently out for bid and a new award should be issued on or about September 12, 2007.

We thank you for the opportunity to serve the City of Troy and I hope that this information is helpful.

Respectfully,

Gregory P. Colton
President, Graphic Sciences, Inc.

**PRICE QUOTATION
FOR
SOURCE DOCUMENT & MICROFILM TO IMAGE SERVICES**

All prices quoted to include all pick-up, delivery and distribution services (to and from the Records Center), and all testing, proofing and monitoring by the contractor for standards compliance and all output media labeling as specified on the job work statement. Prices quoted reflect 200 dpi TIF Group 4 images (or current standard) for black & white and grayscale images, and 300 dpi JPEG for Color images. Conversion to PDF is to PDF image only. Any OCR, ICR, or other data capture shall be specified and quoted on the job work statement.

Price quoted under the assumption that all documents are of high quality and are "scan ready". Documents requiring special handling shall be identified as such on the job work statement.

Document scanning (paper) to black & white image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	2,000	X	.04 EA	Per image	=	80.00
Up to 8 ½ x 11	900,000	X	.05 EA	Per image	=	45,000.00
Up to 8 ½ x 14	50,000	X	.055 EA	Per image	=	2,750.00
Up to 11 x 14	6,000	X	.062 EA	Per image	=	372.00
Engineering Drawings						
A size (8 ½ x 11)	1,000	X	.05 EA	Per image	=	50.00
B size (11 x 17)	600	X	.08 EA	Per image	=	48.00
C size (18 x 24)	400	X	.18 EA	Per image	=	72.00
D size (24 x 36)	8,000	X	.29 EA	Per image	=	2,320.00
E size (36 x 48)	1,000	X	.38 EA	Per image	=	380.00
Discount for volumes over 200,000 pieces per work statement						2% %

Document scanning (paper) to gray scale image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	200	X	.08 EA	Per image	=	16.00
Up to 8 ½ x 11	200	X	.09 EA	Per image	=	18.00
Up to 8 ½ x 14	200	X	.11 EA	Per image	=	22.00

Up to 11 x 14	200	X	.14 EA	Per image	=	28.00
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Document scanning (paper) to color image						
Document Size	Estimated Annual Volume Of		Price			Total
Up to 4x6	200	X	.35 EA	Per image	=	70.00
Up to 8 ½ x 11	3,000	X	.35 EA	Per image	=	1,050.00
Up to 8 ½ x 14	200	X	.35 EA	Per image	=	70.00
Up to 11 x 14	200	X	.35 EA	Per image	=	70.00

Microfilm security backup from source document (Including processing)						
Description	Estimated Annual Volume		Price			Total
Silver 16MM/5mil open spool (includes processing)	DSL 15,000,000.00	X	.0064	Per Frame	=	96,000.00
Diazo duplicate 16MM open spool	2,500,000.00	X	.0024	Per roll Frame	=	6,000.00

Microfilm scanning to black & white image						
Description	Estimated Annual Volume		Price			Total
16MM roll	600,000	X	.04 EA	Per image	=	24,000.00
16MM 5-channel jackets	20,000	X	.08 EA	Per image	=	1,600.00
35MM roll	20,000	X	.06 EA	Per image	=	1,200.00
35MM aperture cards	100,000	X	.78 EA	Per image	=	78,000.00
105mm microfiche	7,000	X	.08 EA	Per image	=	560.00
Discount for volumes over 200,000 pieces per work statement						2% %

Conversion of images from CD-R to microfilm						
Description	Estimated Annual Volume		Price			Total
*To Silver 16MM roll	75,000	X	.04 EA	Per image	=	3,000.00

Output Media						
Description	Estimated Annual Volume Of		Price			Total
CD-R (master)	1,000	X	10.00 EA	Per unit	=	10,000.00
CD-R (duplicate)	2,000	X	10.00 EA	Per unit	=	20,000.00
4MM DAT Cassette Tape	400	X	25.00	Per unit	=	10,000.00
8MM Cassette Tape	400	X	25.00	Per unit	=	10,000.00
3480/3490/3490E Cartridge Tape	400	X	45.00	Per unit	=	18,000.00

OTHER SERVICES						
Description	Estimated Annual Volume		Price			Total
Document Preparation	5,000	X	13.75	Per hour	=	68,750.00
Image finishing (standard)	400,000	X	.01	Per image	=	4,000.00
Image finishing (specialized)	1,000	X	25.00	Per hour	=	25,000.00
Additional quality control (in addition to the required 10%)	2,000	X	25.00	Per Hour	=	50,000.00
Data entry for indexing	100,000,000	X	.007	Per character	=	700,000.00
Full text Optical Character Recognition (OCR)	1,500	X	\$9.00	Per hour	=	13,500.00
Image conversion to PDF (up to 11 x 14)	30,000	X	\$.01	Per image	=	300.00
Image conversion to PDF (engineering drawings)	10,000	X	\$.01	Per image	=	100.00
Imbedded retrieval software	20	X	45.00	Per license	=	900.00
Custom Programming	100	X	125.00	Per hour	=	12,500.00
Pick-up & Delivery outside Greater Lansing	10	X	18.00	Per trip	=	180.00
Pick-up & Delivery Greater Lansing (other than Records Center)	10	X	18.00	Per trip	=	180.00