



## CITY COUNCIL ACTION REPORT

May 3, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services  
Susan A. Leirstein, Purchasing Director  
Timothy L. Richnak, Public Works Director

SUBJECT: Standard Purchasing Resolution 1: – Award To Low Bidder – Printing/Distribution of Water and Sewer Bills –

### **Supplemental Information**

On April 21, 2008, the recommendation to award a contract to the low bidder for the Printing / Distribution of the City's Water and Sewer Bills was postponed to allow management time to investigate the next lowest bidder, Lasercom of Troy, Michigan. CC Res #2008-04-143

Lasercom's references were called and a site visit was conducted on April 29, 2008, by two members of the City's Public Works Department - Richard Shepler, Superintendent of Water and Sewer and Emily Frontera, Office Coordinator.

Both American Mailers, Inc. and Lasercom, LLC received positive comments from their references. References received for both companies concentrated heavily on mail processing, which is a vital part of this contract.

During the site visits each company's equipment, staffing and processes were examined. It was ascertained that American Mailers has five times the staff and six times the equipment than Lasercom. In addition, American Mailers can provide a 24/7 operation utilizing three shifts and has in place a back-up facility for emergency purposes. Lasercom offers only a 12 hour operation, which requires staggering their employees per shift and currently has no back-up facility in case of an emergency. Additionally, American Mailers has a full-time staffed technology department for downloading and processing data. Lasercom does not offer a dedicated IT staff.

Based on the site visits and further conversations with both vendors, City management recommends awarding the printing and distribution of the water and sewer bills to American Mailers, the lowest, most qualified bidder based on their proposal pricing, experience, equipment resources, and staffing.

In our opinion, both companies could provide the services as required per our bid specifications. However, due to serious performance issues this past year by our water billing contractor, the real purpose for our site visits and tour of the facilities was to find out which company can best serve the City of Troy.

In the past, the City has experienced problems with processing and delivery delays when utilizing smaller staffed companies to do this work. By awarding to an established company that has the staffing and equipment resources, these issues should be alleviated. In addition, awarding a contract based on local preference before a policy is in place, raises ethical questions and would be unfair to those vendors who participated in this bidding process.

## Laser Printing and Distribution of the City of Troy's Water and Sewer Bills

American Mailers, Inc.

Lasercom

<b>1</b>	<b>Number of years providing printing services</b>	63 Years	10 Years
<b>2</b>	<b>Number of clients company currently serves?</b>	1,012 Clients	100 +
<b>3</b>	<b>Three (3) client references. Similar work performed in the last five (5) years.</b>	1. Michigan Department of Treasury; 2. City of Detroit Elections Department; 3. City of Madison Heights	1. Discovery Business Systems 2. MBS 3. City of Oak Park
<b>4</b>	<b>One sample document of a project completed similar in scope to the City of Troy.</b>	Mich Dept of Treasury - Personal Property Statement	Observer & Eccentric Newspaper Invoice
<b>5</b>	<b>Number of Employees.</b>		
	<b>Full Time Employees</b>	63	7
	<b>Part Time Employees</b>	5	10
<b>6</b>	<b>Personnel assigned to the City of Troy project.</b>	1. Kim Peasley, Director Client Relations - Sales & Customer Service 2. Andrea Grubb, Customer Service Rep 3. William Cadavid, IT/Data Manager 4. Ken Burak, Production/Warehouse Manager 5. Jill Ruiz, Accounts Payable Clerk	1. David Grudzinski, Owner 2. Phillip Grudzinski, Operations Manager 3. Rose Harding, Administrative Manager
<b>7</b>	<b>Initial set-up timeline.</b>	Initial set up 4 days. After initial set up, data files and mailing processed and mailed in 48 hours from receipt of the files.	10 - 14 Days from receipt of file to first proof
<b>8</b>	<b>Back-up plans to ensure that if your printing location were to have a major printing problem that bills for the City would still be printed.</b>	Another location in Illinois runs the same equipment. In the event of a major printing problem here, they would use the Illinois facility	Currently negotiating a mirror image agreement with an out of state processor
<b>9</b>	<b>Procedure to ensure that all bills have been printed.</b>	Has quality assurance processes in place to ensure that each record is printed and counts are verified in production prior to dropping the mail. Any damaged mail pieces are reprinted and reprocessed.	Critical document procedure where counts are verified at 3 points in production
<b>10</b>	<b>Describe printing and mailing operations.</b>	Has been in business for 63 years. Has processed a wide variety of mailing pieces for automotive, city, county, service and gaming industries. Equipment list attached to bid.	1. Troy based business 2. Communicate directly with the owner 3. Experience with billing documents 4. Right size account for us
<b>11</b>	<b>Post Office Used</b>	Generally delivers to the SCF/BMC in Detroit, but can deliver to the Troy Post Office if required.	Royal Oak SCF on Bellingham
<b>12</b>	<b>Does company utilize CASS certified software to review postal coding? What advantages does this service provide?</b>	Yes, processes all mailings through CASS Certification software. The software standardizes address for the USPS and identifies addresses with missing or inaccurate information.	Yes. Advantage is that it allows Troy all possible postage discounts
<b>13</b>	<b>Services subcontracted</b>	Offset printing would be done by New Echelon Direct located in Brighton, Michigan, which American Mailers has an interest in the company.	Printing of envelopes done by Husky Envelope (Walled Lake, MI); forms by offset printer Monarch Printing (Grass Lake, MI)
<b>14</b>	<b>What beneficial options can your firm provide.</b>	Provides delivery point validation on data files. This will verify the deliverability of all addresses. Clients are provided with the information if an address is listed as undeliverable.	Not at this time
<b>15</b>	<b>Current open contracts</b>	None with Troy. Has open contracts with the City of Detroit; Detroit Casinos; Michigan Department of Treasury; etc.	No open contracts at this time. 30%-40% of business is providing mailing services. Felt they had no formal contracts in place but do have some purchase orders.

## Reference Calls

### **American Mailers, Inc.**

#### Michigan Dept of Treasury, Mr. Darron Birchmeier

Mr. Darron Birchmeier has been working with American Mailers since 2002 and is extremely pleased with the company and the services they provide. They are easy to communicate and get in contact with. American Mailers currently provides labeling and mailing services for the State of Michigan Tax Return Booklets, but Mr. Birchmeier believes that they are very capable of providing the printing services if every given the opportunity. American Mailers has performed exceptionally well in times of emergencies and consistently meets deadlines.

#### City of Madison Heights, Recreation Dept, Ms. Jenny Martin

American Mailers has been providing mailing services for the City of Madison Heights, Recreation Dept for over 10 years. Ms. Martin is very happy with their performance. They consistently meet or exceed the required mailing deadlines.

#### City of Detroit, Elections Department, Mr. Daniel Baxter

American Mailers provides election ballots for the City of Detroit. Mr. Daniel Baxter is very satisfied with the services that they provide and says that they do an excellent job with the processing of their election ballots.

### **Lasercom LLC**

#### Discovery Business Systems, Sam Ginola

Lasercom provides mailing services for letters, invoices and paychecks to Discovery Business Systems' customers since 1997/1998. Mr. Sam Ginola states that they are a good company to work with, very flexible and willing to bend over backwards to get the job done. They have processed 10,000 piece orders for Discovery Business at 3,000-5,000 pieces per day. He is very satisfied with their services.

#### MBS Inc, Steve Dewitt

Lasercom has provided laser printing of invoices and mailing services. Mr. Steve Dewitt states that he has been working with Lasercom for the past 15 years and they have provided excellent services. They can provide same day processing.

#### City of Oak Park, Dean Bush, City Assessor

Lasercom has been providing mailing services to the City of Oak Park for the last couple of years. They are responsible for the folding, stuffing and mailing of assessment notices that are supplied by Oak Park. Mr. Dean Bush is satisfied with Lasercom's work and says that they have not experienced any problems with them in the past.

**Site Visit**

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**Lasercom**

**American Mailers**

<b>Laser Printing ability</b>	Yes	Yes
<b>Utility printing experience</b>	No	No
<b>Equipment</b>	1 laser printer 100/pp 1 smaller redundant laser printer	2 laser printers cut forms 3000/hr 3 laser printers continuous feed 15000/hr 2 digital/laser printers 2500/hr
<b>Staff</b>	12 full time runs 12 hrs per day staggering employees 1 employee to download file & data processing 1 assistant to process job once it is formatted	63+ full time can run 24/7 utilizing 3 shifts Staffed IT department for file download and data processing
<b>Back-up Facility</b>	No	Yes
<b>QC Process</b>	Yes	Yes
<b>Intial Set-Up</b>	10-14 days	4 days
<b>Extras</b>	None	Staffed IT Department Digital printing capablity On site postmaster
<b>Samples</b>	Crittenton Billing Invoice	Ford Motor Notice

three (3) additional one (1) year periods to next lowest total bidder, LaserCom of Troy, Michigan for an estimated total cost of \$12,874.94 per year, plus the actual cost of first class postage, at unit prices contained in the bid tabulation opened April 1, 2008, a copy of which shall be **ATTACHED** to the original Minutes of this meeting expiring April 30, 2009 because LaserCom is a Troy, Michigan business and there is of the minimum difference of .18% between their bid and the low total bidder, American Mailers, Inc. of Detroit, Michigan.

BE IT FURTHER RESOLVED, That the award is **CONTINGENT** upon all of the same specified requirements imposed upon American Mailers, Inc.

**Vote on Resolution to Postpone to the Regular City Council Meeting of May 12, 2008**

Resolution #2008-04-143

Moved by Broomfield

Seconded by Fleming

RESOLVED, That Troy City Council hereby **POSTPONES** Standard Purchasing Resolution 1: Award to Low Bidder – Printing/Distribution of Water and Sewer Bills to the next Regular City Council Meeting on May 12, 2008 to allow management time to investigate the next lowest bidder, LaserCom of Troy, Michigan; and

BE IT FURTHER RESOLVED, That Troy City Council hereby **DIRECTS** City Staff to provide a recommendation in regard to structuring the bidding process in a way that the process remains fair but yet favors City of Troy businesses to an extent that is reasonable.

Yes: Broomfield, Eisenbacher, Fleming, Kerwin, Schilling, Beltramini

No: Howrylak

**MOTION CARRIED**

**MEMORANDUMS AND FUTURE COUNCIL AGENDA ITEMS:**

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**G-1 Announcement of Public Hearings:**

- a) Rezoning Application – Proposed Troy Museum and Historic Village Expansion, North Side of Wattles, West of Livernois, Section 16 – R-1B to C-F (File Number Z-730) – May 12, 2008
- b) Zoning Ordinance Text Amendment (File Number: ZOTA 233) – Article III – Digital Application Submission Requirements – May 12, 2008
- c) Outdoor Seating Request in Excess of 20 Seats – Buffalo Wild Wings, 1873 E. Big Beaver Road – May 12, 2008
- d) Adoption of the 2008/09 Annual Budget – May 19, 2008  
Noted and Filed



# CITY COUNCIL ACTION REPORT

April 11, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Economic Development Services  
Susan A. Leirstein, Purchasing Director  
Timothy L. Richnak, Public Works Director

SUBJECT: Standard Purchasing Resolution 1: – Award To Low Bidder –Printing/Distribution of Water and Sewer Bills

## **Background**

- On April 1, 2008, bid proposals were received to provide one-year requirements of production, printing and distribution of the City of Troy water and sewer bills, with three (3) additional one-year options to renew.
- 143 vendors were notified via the MITN system with twelve (12) bid responses received.
- The award recommendation considered the vendor that best satisfies the following combination of factors: cost, professional competence, references, ability to meet processing time requirements, and best suited to meet the needs of the Water Division.
- American Mailers is the low total bidder providing printing and distribution services for 63 years.
- American Mailers Inc will be completing most of the work in-house, but sub-contracting the offset printing services to New Echelon Direct. They have over 1000 clients including Michigan Department of Treasury, Cities of Detroit and Madison Heights.

## **Financial Considerations**

- Funds are available in the operating budgets of the Water Division.

## **Legal Considerations**

- ITB-COT 08-15, one-year requirements of Printing/Distribution of Water and Sewer Bill services was competitively bid in accordance with City Charter and Code.

## **Policy Considerations**

- All bidders were given the opportunity to respond with their level of interest in supplying services to the City of Troy. (Goal #II)

## **Options**

- City management and the Public Works Department recommend awarding the contract to low total bidder, American Mailers Inc of Detroit, MI for an estimated total cost of \$12,851.30, at unit prices contained in the bid tabulation, which expires April 30, 2009.

Opening Date -- 4-01-08  
 Date Prepared -- 4-1-08 (sl)

VENDOR NAME:

** American Mailers Inc.	Lasercom LLC	Divdat	Data Prose, Inc.
575033715			
CHECK # - replaces 76819	337433537	761246482	004919
CHECK AMOUNT - \$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00

**PROPOSAL:** FURNISH ALL LABOR, MATERIALS, AND EQUIPMENT TO PROVIDE ONE-YEAR REQUIREMENTS OF LASER PRINTING AND DISTRIBUTION FOR THE CITY OF TROY'S WATER AND SEWER BILLS, WITH AN OPTION TO RENEW FOR THREE(3) ADDITIONAL ONE-YEAR PERIODS.

EST QTY	SERVICE DESCRIPTION	UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE
1	One Time, Account Set-Up	\$ 300.00	\$ -	Waived	Waived
1	Edit Charge - Hourly Rate	\$ 40.00	\$ -	\$ 125.00	\$ 150.00
109,400	Water Bill Stock - Offset Printing	\$ 0.0286	\$ 0.0200	\$ 0.018	\$ 0.022
109,400	Processing & Printing	\$ 0.025	\$ 0.030	\$ 0.034	\$ 0.0275
109,400	Mail Service- (Fold, Insert, Sort,etc)	\$ 0.015	\$ 0.025	\$ 0.025	\$ 0.0274
109,400	Carrier Envelopes - Printing on #10	\$ 0.0229	\$ 0.0221	\$ 0.025	\$ 0.033
102,000	Return Envelopes - Printing on #9	\$ 0.0206	\$ 0.0211	\$ 0.020	\$ 0.026
50	House Holding - 6 x 9 Envelope	\$ 3.00	\$ 1.00	\$ 0.057	\$ 0.05
50	House Holding - 9 x 12 Envelope	\$ 5.00	\$ 1.00	\$ 0.045	\$ 0.20
<b>ESTIMATED TOTAL COST:</b>		<b>\$ 12,851.30</b>	\$ 12,874.94	#VALUE!	#VALUE!
PROCESSING TIME: 60 Hours					
Can Meet		XX	XX	XX	XX
Cannot Meet					
SERVICE FACILITY:					
Location		Detroit, MI	Troy, MI	Ferndale, MI	Irving, TX
24-Hour Phone Number		313.842.4000 X 3204	248.670.7491	800.356.8561	972.871.4431
Hours of Operation		7 AM to 5:30 PM	M-F 7 AM to 7 PM	24/7 - 365 Days	24/7
TERMS:		N-30	N 30	Net 30	30 Day Net
DELIVERY / COMPLETION:		60 Continuous Hours - per bid proposal (page 2 of 3)			
EXCEPTIONS:		Blank	Blank	Blank	Deduct actual postage funds from City's required postage deposit which is held on file at Data Prose
ACKNOWLEDGEMENT: Y or N		Yes	Yes	Yes	Price increases based on CPI
Addendum #1		Yes	Yes	Yes	No
Addendum #2 or #2a		No	Yes	Yes	Yes
VENDOR QUESTIONNAIRE:					
Attached		Yes	Yes	Yes	Yes
Not Attached					
COST BREAKDOWN - SUPPLY INVENTORY					
Attached		Yes	Yes	Yes	Yes
Not Attached					

\*Decimal point corrected on Water Bill Stock & Carrier Envlp Unit Price

\*\* DENOTES LOW TOTAL BIDDER

**ATTEST:**  
 Diane Fisher  
 Emily Frontera  
 Richard Shepler  
 Linda Bockstanz

Susan Leirstein CPPB  
 Purchasing Director

CITY OF TROY  
 BID TABULATION  
 PRINTING OF WATER & SEWER BILLS

Opening Date -- 4-01-08  
 Date Prepared -- 4-01-08

VENDOR NAME:

Lasertec, Inc.	HOV Services LLC	National Data	Centron Data
	/Lason	Services	Services, Inc.
CHECK # - 078943561	078966068	5103441	514140996
CHECK AMOUNT - \$2,100.00	\$2,100.00	\$2,100.00	\$2,100.00

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EST QTY	SERVICE DESCRIPTION	UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE
1	One Time, Account Set-Up	\$ 300.00	\$ 250.00	\$ 2,100.00	\$ 500.00
1	Edit Charge - Hourly Rate	\$ 100.00	\$ 125.00	\$ 75.00	\$ 85.00
109,400	Water Bill Stock - Offset Printing	\$ 0.018157	\$ 0.0090	\$ 0.02441	\$ 0.018
109,400	Processing & Printing	\$ 0.023	\$ 0.0430	\$ 0.0378	\$ 0.045
109,400	Mail Service- (Fold, Insert, Sort,etc)	\$ 0.034	\$ 0.0585	\$ 0.03767	\$ 0.035
109,400	Carrier Envelopes - Printing on #10	\$ 0.03374	\$ 0.0277	\$ 0.02622	\$ 0.035
102,000	Return Envelopes - Printing on #9	\$ 0.02799	\$ 0.0240	\$ 0.02091	\$ 0.032
50	House Holding - 6 x 9 Envelope	\$ 0.4000	\$ 0.2500	\$ 0.1131	\$ 1.00
50	House Holding - 9 x 12 Envelope	\$ 0.4000	\$ 0.2500	\$ 0.1131	\$ 1.00

**ESTIMATED TOTAL COST:** \$ 15,208.31 \$ 17,967.08 \$ 18,114.47 \$ 18,499.20

PROCESSING TIME: 60 Hours

Can Meet	XX	XX	XX	XX
Cannot Meet				
But offers:				

SERVICE FACILITY:

Location	Sterling Heights, MI	Livonia, MI	St. Charles, IL	Northon Shores, MI
24-Hour Phone Number	586.274.4500	734.632.1604	630.845.7000	800.732.8787
Hours of Operation	8 to 5 - 24 hr peak	24/7	6 days /24 hrs	M-F 24 hrs

TERMS:

Blank	Net 30	Net 30	N 30
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DELIVERY / COMPLETION:

60 Continuous Hours - per bid proposal (page 2 of 3)

EXCEPTIONS:

Attachment 1 is not Applicable, prices are all inclusive for stock	No Exceptions	Blank	None
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ACKNOWLEDGEMENT: Y or N

Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes
No	Yes	Yes	Yes

VENDOR QUESTIONNAIRE:

Attached	Yes	Yes	Yes
Not Attached			

COST BREAKDOWN - SUPPLY INVENTORY

Attached	Yes	Yes	Yes
Not Attached			

Opening Date -- 4-01-08  
Date Prepared -- 4-01-08

CITY OF TROY  
BID TABULATION  
PRINTING OF WATER & SEWER BILLS

VENDOR NAME:

DataMail	DataMatx, Inc.	SFS Check	EDGE
Services		LLC dba NoCheck	Document
			Solutions, LLC
CHECK # -	337433543	611504453	47831751-755
CHECK AMOUNT -	\$2,100.00	\$2,100.00	\$2,100.00

**PROPOSAL:** FURNISH ALL LABOR, MATERIALS, AND EQUIPMENT TO PROVIDE ONE-YEAR REQUIREMENTS OF LASER PRINTING AND DISTRIBUTION FOR THE CITY OF TROY'S WATER AND SEWER BILLS, WITH AN OPTION TO RENEW FOR THREE(3) ADDITIONAL ONE-YEAR PERIODS.

EST QTY	SERVICE DESCRIPTION	UNIT PRICE	UNIT PRICE	UNIT PRICE	UNIT PRICE
1	One Time, Account Set-Up	\$ 500.00	\$ 1,000.00	\$ 2,500.00	\$ 600.00
1	Edit Charge - Hour Rate	\$ 85.00	\$ 100.00	\$ 65.00	\$ 150.00
109,400	Water Bill Stock - Offset Printing	\$ 0.0145	\$ 0.016	\$ 0.0211	\$ 0.01897
109,400	Processing & Printing	\$ 0.055	\$ 0.034	\$ 0.0550	\$ 0.075
109,400	Mail Service- (Fold, Insert, Sort,etc)	\$ 0.045	\$ 0.05	\$ 0.0500	\$ 0.396
109,400	Carrier Envelopes - Printing on #10	\$ 0.0225	\$ 0.045	\$ 0.0231	\$ 0.025
102,000	Return Envelopes - Printing on #9	\$ 0.028	\$ 0.028	\$ 0.0172	\$ 0.02
50	House Holding - 6 x 9 Envelope	\$ 3.90	\$ 0.10	\$ 1.00	\$ 0.50
50	House Holding - 9 x 12 Envelope	\$ 1.90	\$ 0.20	\$ 1.00	\$ 0.75

**ESTIMATED TOTAL COST:**

\$ 18,718.80	\$ 19,834.00	\$ 20,741.88	\$ 59,190.22
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PROCESSING TIME: 60 Hours

Can Meet  
Cannot Meet  
But offers:

XX	XX	XX	XX
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SERVICE FACILITY:

Location  
24-Hour Phone Number  
Hours of Operation

Madison Heights, MI	Ashland, VA	Novi, MI	Indianapolis, IN
248.588.2415	804.365.1000	248.406.4050	887.334.3362
7am-11pm 24 hrs	M-F 7AM to 11PM	9 AM to Midnight	8 AM to 5 PM

TERMS:

10 Days or Required	Sat/Sun - Day Shift Net 30	Net 30	Net 30
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DELIVERY / COMPLETION:

60 Continuous Hours - per bid proposal (page 2 of 3)

EXCEPTIONS:

		-Alternate process submitted -	
Need Security	Highly recommends	Blank	Blank

Deposit for postage	use of Datamatx window		
	envelopes to reduce costs		

ACKNOWLEDGEMENT: Y or N

Yes	Yes	Yes	Yes
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Addendum #1

Addendum #2 or #2a

No	No	Yes	Yes
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Yes	No	Yes	Yes
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VENDOR QUESTIONNAIRE:

Attached  
Not Attached

Yes	Yes	Yes	Yes
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COST BREAKDOWN - SUPPLY INVENTORY

Attached  
Not Attached

Yes	Yes	Yes	Yes
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\*Unit Prices bid at a cost per thousand  
Calculated each cost by dividing amount by 1,000

\*Unit Prices bid at a cost per thousand  
Calculated each cost by dividing amount by 1,000