



**City Manager's Report**  
**August 9, 2016, City Council Meeting**  
**Prepared by: Dave Warren, Director of Finance**  
**Item #: 8.4**

**Subject:** Adopt a resolution approving the purchase of a Model DS-85 folder-inserter in the amount of \$18,146 from Neopost, Inc. and authorizing the Director of Finance to execute a purchase agreement.

**Background:**

The City utilizes a folder/inserter to automate the preparation of various billing documents and Public Notices for mailing. The current Neopost Model SI 72 folder/inserter is over sixteen years old, has exceeded its useful life, and replacement parts are no longer available. Tonight, staff recommends the City Council approve the purchase of a Model DS-85 folder-inserter in the amount of \$18,146 from Neopost, Inc. and authorize the Director of Finance to execute a purchase agreement.

**Discussion:**

The current SI 72 folder/inserter is used to tri-fold 8" x 12" billing statements (e.g., utility bills, business license renewals, other accounts receivable statements, etc.) and periodic Public Notices. The folder/inserter also inserts the folded billing statements, Public Notices, and return envelope, into postmarked envelopes for mailing. The City sought proposals from four reputable folder/inserter dealers in the Sacramento area which are summarized below:

<b>Description</b>	<b>FP-USA</b>	<b>Hassler</b>	<b>Neopost</b>	<b>Pitney Bowes</b>
Model	FPI-5600	M85	DS-85	D1500
Cycle Speed Per Hour	4,000	4,000	4,000	3,600
Monthly Volume	60,000	60,000	60,000	42,500
Programmable Jobs	25	25	25	20
Feeders	4	5	6	6
Purchase Price	\$20,291.74	\$19,582.56	\$18,146.39	\$22,487.76
Maintenance Agreement	\$1,440.00	\$3,348.00	\$2,963.00	\$1,909.00
Maintenance Price Guarantee	Year 2	Years 2 & 3	Years 2 & 3	Years 2 - 5

As you can see, Neopost, Inc. had the lowest responsible bid for the Model DS-85 folder/inserter.

The current folder/inserter has five feeder trays that can insert up to two notices with the utility bills. There have been several instances in the past few years when the City needed to insert three notices with the utility bills. When this situation occurred, staff would manually insert the

third notice by hand. The proposed Neopost Model DS-85 folder-inserter has six feeder trays that insert up to three notices thereby saving valuable staff time in manually inserting the third notice.

**Options:**

1. Adopt a resolution approving the purchase of a Model DS-85 folder-inserter from Neopost, Inc. as presented.
2. Direct staff to take other actions.

**Cost:**

The total purchase cost for the Neopost DS-85 folder/inserter is \$18,146. The machine comes with a one-year warranty. The annual maintenance agreement for the new folder/inserter will be \$2,963 thereafter.

**Budget Impact:**

At its meeting held on February 10, 2015, the City Council approved a \$706,518 capital lease for thirteen pieces of equipment, including \$19,583 for a new folder/inserter. The proposed \$18,146 folder-inserter purchase from Neopost, Inc. is within the \$19,583 set aside in the 2015 equipment lease. Staff plans on incorporating the \$2,963 maintenance agreement in the proposed Fiscal Year 2017/2018 Operating Budget.

**Recommendation:**

Adopt a resolution approving the purchase of a Model DS-85 folder-inserter in the amount of \$18,146 from Neopost, Inc. and authorizing the Director of Finance to execute a purchase agreement.



**M. Cleve Morris, City Manager**



**Dave Warren, Director Finance**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACREVILLE  
APPROVING THE PURCHASE OF A MODEL DS-85 FOLDER/INSERTER IN  
THE AMOUNT OF \$18,146 FROM NEOPOST, INC. AND AUTHORIZING THE  
DIRECTOR OF FINANCE TO EXECUTE A PURCHASE AGREEMENT**

**WHEREAS**, the City utilizes a folder/insertter to automate the preparation of various billing documents and Public Notices for mailing; and

**WHEREAS**, the current Neopost Model SI 72 folder/insertter is over sixteen years old, has exceeded its useful life, and replacement parts are no longer available; and

**WHEREAS**, the City Council desires to purchase a Model DS-85 folder-insertter in the amount of \$18,146 from Neopost, Inc. as a replacement for the old SI 72 folder/insertter.

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Placerville herby approves the purchase of a Model DS-85 folder-insertter in the amount of \$18,146 from Neopost, Inc. and authorizes the Director of Finance to execute a purchase agreement.

The foregoing Resolution was introduced at a special meeting of the City Council of the City of Placerville held on August 9, 2016, by Council member \_\_\_\_\_, who moved its adoption. The motion was seconded by Council member \_\_\_\_\_. A poll was taken, which stood as follows:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

There being a majority of votes "AYE", Motion carried and was so ordered.

\_\_\_\_\_  
Mayor Trisha Wilkins

Attest:

\_\_\_\_\_  
Regina O'Connell, Interim City Clerk