

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: AWARD BID NO. 023-EE10 -- MAIL-SORTING SERVICE

COMMITTEE: BUSINESS AND FINANCIAL SERVICES

The purpose of this bid is to establish a contract to process the District's outgoing mail, according to specific criteria established by the U.S. Postal Service, in order to obtain reduced postal rates.

The bid, opened on November 16, 2004, requires the awarded vendor to pickup outgoing District mail and sort it, along with the mail of other customers, by zip code. These presorted bundles are then eligible for reduced postal rates. For example, a one-ounce first-class letter requires 37 cents in postage. By presorting and bundling all letters with the same zip code, the required postage for each letter is 27.8 cents. The resulting 9.2 cents in savings is split between the District and the vendor. The District realizes a cost savings of 7.534 cents per letter, and the vendor retains 1.665 cents per letter.

Not all pieces are eligible for reduced postage rates. Specifically, any mailings that are certified, priority, express, or insured require standard, published postage. In addition, there are regulations as to the minimum number of pieces that must be bundled into one zip code, in order to be eligible for discounted postage.

The District's postage budget is \$801,901 per year. The amount retained by the vendor is approximately \$45,000 per year and the District realizes a net savings of approximately \$140,000 per year, by utilizing a mail-presort service.

This is a term bid. Of 14 vendors sent bid forms or card notices of this advertised bid, 1 responded.

In situations where only one bid was received, the Board has requested additional information. Included with each bid is a form requesting information as to why the vendor chose not to submit a bid, however, no vendors returned the form. Staff in Procurement Management contacted several vendors who were notified of the solicitation. Several vendors responded that they could not provide this type of service and one vendor indicated that the bid was not received. Because of the need of a local vendor for this service, as well as an investment of specialized equipment, competition is limited.

A comparison of this bid with other school districts and municipalities did not produce a similar bid with competitive percentage rebates. The recommended vendor, Arrowmail Presort Company, Inc., holds the existing bid, and is offering the same percentage rebate currently offered to the Board.

Fund Source
0100 - General

M/WBE Eligibility
None

RECOMMENDED: That The School Board of Miami-Dade County, Florida, **AWARD** Bid No. 023-EE10 – MAIL-SORTING SERVICE, to establish a contract, at a fixed percentage rebate on the resulting postage savings, for the metering, presorting and commingling of the outgoing mail of The School Board of Miami-Dade County, Florida, during the term of the bid, effective January 1, 2005, through December 31, 2006, as follows:

1. **ARROWMAIL PRESORT COMPANY, INC.**
9825 N.W. 17 STREET
MIAMI, FL 33172
OWNER: RAFAEL A. FERNANDEZ, PRESIDENT

Item 1 - Percentage Rebate Offered – Mail-sorting Services
@ 81.9%.

OSP/lja