



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Approve and Authorize the City Manager to Execute Amendment No. 4 to Contract with J.P. Graphics to Extend the Term by Six Months and Increase the Compensation by \$77,500</b>
<b>Category:</b>	Consent Calendar-Leadership and Support Services
<b>Meeting Date:</b>	1/21/2020
<b>Staff Contact:</b>	Chris Schroeder, Purchasing Agent, 408-586-3161
<b>Recommendation:</b>	Approve and Authorize the City Manager to Execute Amendment No. 4 to the contract with J.P. Graphics for printing services, extending the term by six months and increasing compensation by \$77,500 from \$780,010 to a not-to-exceed compensation amount of \$857,510.

### **Background:**

On February 1, 2015 as a result of Request for Proposals (“RFP”) No. 2083 for Citywide Printing Services, the City entered into a one-year contract in the annual amount of \$70,000 with J.P. Graphics. The contract included four one-year options to renew for a total potential contract term period of five years and a total potential contract value of \$350,000. J.P. Graphics provides a portal through which City employees can directly order business cards, letterhead, and envelopes. The portal also allows for the submission of custom print jobs ranging from simple one-page flyers to complex multi-page print jobs. Over time, the City has exercised each of the four one-year options to renew the contract while also increasing the annual contract amount through three amendments resulting in raising the annual contract value to \$155,000 per year and a total five-year contract value of \$780,010. The fifth-year term period of the contract ends on January 31, 2020.

The City has two types of printing service needs. Business cards, letterhead and envelopes are ordered at set prices through a portal that allows individual users to customize the name, address, phone number, title, etc. of the individual placing the order. The second service is custom full color printing which includes single page flyers, multi-page multi-fold newsletters, custom reports, forms, data sheets, banners and signs. Pricing can vary widely from one printer to the next depending on such factors as the age and type of equipment used by the printer and whether they use a four-color ink or xerographic process.

### **Analysis:**

In order to prepare for the new RFP, staff needs additional time to research annual quantities for business cards, letterhead and envelopes and the types and quantities of custom print work needed by different City departments, so that this information may be reflected accurately in the solicitation going forward. Staff also needs additional time to investigate the most advantageous contracting vehicle such as (1) piggybacking previously bid contracts from other larger agencies, including the Metropolitan Water District of Southern California and the City of Sacramento; (2) cooperative contract opportunities through existing contracts with Xerox and Staples; (3) and utilization of a print broker. The cities of San Jose and Redwood City have successfully used print brokers for their printing services. The benefit of using a print broker is that once the broker assists departments with developing the print job requirements, s/he uses her/his knowledge of the industry to solicit quotes from printers to get the best pricing for each job.

Therefore, extending the current contract with J.P. Graphics for six months would provide the Purchasing Division sufficient time to carefully explore the most advantageous contracting vehicle including issuance of a competitive solicitation, as warranted, to choose the best printing service contract(s) for the City.

**Policy Alternative:**

**Alternative:** Do not extend the contract term for six months for J.P. Graphics.

**Pros:** None

**Cons:** The City would have no pre-approved vendor for printing services.

**Reason not recommended:** Every printing job above \$5,000 would have to be quoted separately without the benefit of the volume pricing afforded by a competitively bid five-year contract slowing down the acquisition of printing services.

**Fiscal Impact:**

Funds for printing services are available in the individual departments operating budgets.

**California Environmental Quality Act:**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

**Recommendation:**

Approve and Authorize the City Manager to execute Amendment No. 4 to the contract with J.P. Graphics for printing services, extending the term by six months and increasing compensation by \$77,500 from \$780,010 to a not-to-exceed compensation amount of \$857,510.

**Attachment:**

Amendment No. 4 to the Contract with J.P. Graphics