



City of Galveston

DEPARTMENT OF INFORMATION TECHNOLOGY

STAFF REPORT

October 22, 2020

To: Brian Maxwell, City Manager
Honorable Mayor and City Council

From: Hope Dean, Executive Director & CITO

RE: Consider for approval a lease agreement for a SendPro P Series Mail System to Pitney Bowes at the cost of \$519.11 per month for a term of 60 months for a total cost of \$31,146.60 and Prepaid Postage estimated at \$28,000 annually for a total of \$140,000 for the City-Wide Mail Room.

I. BACKGROUND

The City currently leases a Connect + 3000 mail system from Pitney Bowes at a cost of \$537.00 per month. Replacing the current machine with an updated mail machine will give staff the same current features at a lower cost and be serviceable by Pitney Bowes.

Annually the City submits a check to the Pitney Bowes Reserve account for Prepaid Postage used in metering the mail as processed daily. The postage costs are redistributed quarterly to Departments throughout the City. The annual average since 2015 is \$28,000.

II. CURRENT SITUATION

The current lease expires on November 15, 2020. The current Connect +3000 mail system is a discontinued model and would not be serviceable by Pitney Bowes going forward.

III. ISSUES

Selection and awarding an upgraded lease agreement of the Connect +3000 mail system to the SendPro P2000 series at a cost of \$519.11 per month for a term of 60 months utilizing the Buy Board Contract 576-18.



IV. ALTERNATIVES

1. Award approval of lease agreement for the SendPro P2000 mail system to Pitney Bowes at a cost of \$519.11 per month for a term of 60 months for a total of \$31,146.60 utilizing the Buy Board Contract 576-18 and \$28,000 annually for Prepaid Postage, with a not to exceed limit of \$140,000 over the 5-year period.
2. Opt to renew the current lease agreement at the current rate of \$537 per month without a maintenance support agreement. Pitney Bowes is the sole source maintenance provider for its products.

V. RECOMMENDATION

Approve option 1 and award a lease agreement to Pitney Bowes for the SendPro P2000 mail system and allotment for Prepaid Postage.

VI. FISCAL IMPACT REPORT

Requested by:	Hope Dean Executive Director & CITO
Funding Source:	Mail Services Operating Budget
Costs:	Not to exceed \$171,146 over 5 years