

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: ALAN ALTON, CHIEF FINANCIAL OFFICER
SUBJECT: APPROVAL OF THIRD AMENDMENT TO GENERAL SERVICES AGREEMENT F002103 – TWO-YEAR EXTENSION AND INCREASE IN COMPENSATION WITH TRANSPORTATION SYSTEMS INC., DBA RAPID EXPRESS COURIER SYSTEMS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance Department that the Council, by resolution, approve the Third Amendment to General Service Agreement Number F002103 with Transportation Systems Inc., doing business as Rapid Express Courier Systems, Santa Rosa, California to extend the term two years with a 10% increase in unit cost and increase compensation in the amount of \$75,900 for a total contract amount not to exceed \$172,800.

EXECUTIVE SUMMARY

The City has an ongoing need for courier services at various City locations. This request will extend General Services Agreement (GSA) F002103 for two years with a 10% increase in unit cost and increase compensation in the not to exceed amount of \$75,900 for a total cumulative amount not to exceed \$172,800.

BACKGROUND

Courier Mail Services is an integral support component of the City's operations. The mail courier provides all materials, equipment, and labor necessary to collect, sort, and deliver all interdepartmental mail throughout the City offices in addition to collecting all outbound U.S. Mail bound for the County of Sonoma's mail processing center. Upon arrival at the processing center, all outbound U.S. Mail is barcoded and proper postage is applied before being remitted to the post office for delivery.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

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On December 30, 2019, Request for Quotes (RFQ) 19-87 for the services described closed, and the quotes were reviewed by the Buyer.

On July 1, 2020, the City Manager awarded GSA F002103 for a three-year term with two (2) one-year extension options in the amount of \$81,900.

See the Agreement history below:

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	July 1, 2020	Three-year Agreement	\$81,900	City Manager
First Amendment	September 29, 2020	Add additional stops and increase compensation	\$5,760	City Manager
Second Amendment	October 1, 2021	Increase billable rates and increase compensation	\$9,240	City Manager Designee
Third Amendment	Pending	Extend term two years and increase compensation	\$75,900	City Council
Total Cumulative Contract Value Pending			\$172,800	

On January 9, 2023, Rapid Express Courier Systems submitted a two-year extension proposal with a 10% increase in unit price. Rapid Express Courier Systems justified the cost increase based on an increase in labor cost of 8.8%, insurance costs of 11.2%, and general operating costs such as fuel and vehicle repair and maintenance increase of 10.6%. The Producer Price Index (PPI) for Couriers and Express Delivery Services PCU49211-49211 for San Francisco-Oakland-Hayward, CA, from January 2022 through January 2023, show a 10.42% increase.

City staff deems the proposal for a two-year extension to be fair and reasonable. Rapid Express Courier Systems has agreed to hold the cost for the duration of the two-year extension.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund. Funds for this expense are included in the Fiscal Year 2022-23 adopted budget within the departments that utilize the service as a regular operating expenditure and are expected to be included in subsequent years' budget proposals when presented to the City

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Council.

ENVIRONMENTAL IMPACT

This action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Sections 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A (Third Amendment to GSA F002103)

PRESENTER

Brandalyn Tramel, Purchasing Agent