

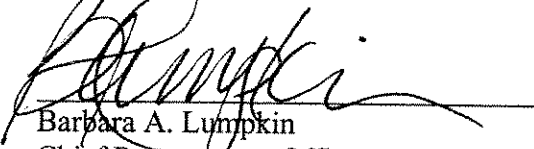


City of Chicago
Richard M. Daley, Mayor

Department of
Procurement Services

Barbara A. Lumpkin
Chief Procurement Officer

City Hall, Room 403
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4900
(312) 744-2949 (TTY)
<http://www.cityofchicago.org>

Date: August 23, 2006
To: John F. Spatz, Acting Commissioner
Department: Water Management
Attn: Mark Bunetta
Email: mbunetta@cityofchicago.org
From: 
Barbara A. Lumpkin
Chief Procurement Officer
Re: Emergency Purchase Order Authorization

Vendor Number: 1056033	Amount: \$88,797.00
PO Number: 12561	RX Number: 29642

Pursuant to Section 2-92-644 of the Municipal Purchasing Act, I am authorizing you to make an Emergency purchase from AMZO Zip Mailing Service. Based upon information received from members of your staff, I have determined that this procurement is necessary to meet bona fide operating emergencies.

You are hereby authorized to procure 'Printing and Mailing Services of Water Bills' in the amount of \$88,797.00 as requested in your letter of August 21, 2006. Any amount in excess of the \$88,797.00 approved here will be subject to additional authorization and will be limited so as not to exceed the \$250,000.00 limit established by statute.

cc: Douglas Yerkes
Lourdes Nur
Claude Humphrey
Lorel Blameuser
Julie Hernandez-Tomlin





City of Chicago
Richard M. Daley, Mayor

Department of Water Management

Brian S. Murphy
Commissioner

Bureau of Administrative Support

Barrett Murphy
Deputy Commissioner

DePaul Center, Suite 410
333 South State Street
Chicago, Illinois 60604
(312) 747-8039
(312) 747-7078 (FAX)

<http://www.cityofchicago.org/watermanagement>

OK
C. Barrett Murphy
8/22/06
PO# 12561

MEMORANDUM

TO: Barbara Lumpkin
Chief Procurement Officer
Department of Procurement

FROM: 
John F. Spatz
Acting Commissioner Department of Water Management

SUBJECT: Request for Emergency Authorization (RX 29642)

Date: August 21, 2006

The Department of Water Management hereby request that an emergency contract be generated for mass printing and mailing of critical letters used by our bureau. We will provide the vendor with mailing lists and specify the types of letters to mail. The letters should be printed on 8 1/2 x 11, paper stock, postage applied and mailed by the vendor within the time frame we specify. Also, mailing envelopes, as well as return envelopes for some types of letters, will be needed.

At present, the City does not have a contract to provide the above mentioned services. We deem this request an operational emergency because without the mailing of these letters our end of year revenues will be significantly affected, as well as our reputation for rendering efficient customer service to the citizens we serve.

There are several reasons why securing a contract for these services are critical to our operations. First of all, our bureau has approximately 10,000 Lien letters that require mailing. These letters are sent out annually. In year 2005, these letters generated \$3.5 million in collected revenue.

Second, we have approximately 25,000 Senior Citizen Exemption letters that require mailing. These letters must go out to notify 6,500 eligible seniors of the City of Chicago that they have an opportunity to receive a reduction in their water bill. Also, we need to mail approximately 18,500 letters to advise Senior Citizens on the City's database receiving sewer exemption to apply for the County's Homestead Exemption.

A mailing to customers, who have denied access to the City's water meter, to Rate Takers and to Meter Shop personnel, is done for the purpose of:



1. Obtaining meter readings.
2. Installing, repairing or replacing water meters.
3. Repairing leaks.
4. Removing obstructions to property, which is a violation of City of Chicago Municipal Code 11-12-160.

When the customer contacts us and we are able to gain access the results occur:

- estimated billings, which can cause serious mistakes in water bills, are eliminated
- defective meters can be repaired or replaced, which increases the accuracy of water bills and improves customer service
- leaks can be repaired and customers can be notified of potential leaks
- reduce the amount of postings for shut-off of water services
- increase in revenues collected

Below is a list of the types of letters and estimated quantities needed:

<u>LETTER TYPE</u>	<u>QUANTITY</u>
1. Senior Citizen Exemption (*return envelope needed)	20,000
2. Lock-Out Notices (Rate-Taker)	12, 000
3. Lock-Out Notices (MS & PS)	9,000
4. Lien (*return envelope needed)	10,000
5. Estimated Reading	10,000
6. Failure to Allow Access	5,000
7. Change to Account Processed	5,000
8. Request to Remove Obstruction	3,000
9. NSF (*return envelope needed)	1,000
10. Meter Repair/Replacement	1,000
11. Failure to Keep Appointment	1,000

As requested, we solicited quotes for mass printing and mailing services from three vendors:

- 1) Miami Systems Corporation
(Response: Vendor quote attached)
- 2) Amzo Zip Mailing Service, Incorporated
(Response: Vendor quote attached)

3) M & G Graphics, Incorporated
(Response: Vendor opted not to quote – note attached)

We indicated to the vendor to provide a quote for the printing and mailing of letters on a per thousand basis and the envelopes on a per hundred basis. Also, postage should be at the current U.S. postage rate for bulk mail.

The preferred vendor is AMZO ZIP Mailing Service because their quote came in at the lowest overall cost.

Again, the printing and mailing of these letters is critical to our operations. Your review and approval of this request in a timely manner would be greatly appreciated.

If you have Mark Bunetta at 312-745-0331.

cc: Douglas Yerkes
Julie Hernandez-Tomlin
Barrett Murphy
Molly Longaencker

Attachments: Solicitation Letters with Specifications
Quotes
Quote Comparison Charts
Samples of Letters
APRF



City of Chicago
Richard M. Daley, Mayor

Department of Water Management

Bureau of Billing
and Customer Service

Viria B. Holland
Deputy Commissioner

DePaul Center
333 South State Street
Chicago, Illinois 60604-3979
(312) 747-7956
(312) 747-7981 (FAX)

<http://www.cityofchicago.org/watermanagement>

MEMORANDUM

TO: John Spatz
Acting Commissioner

FROM: *V. Holland ms*
Viria Holland
Deputy Commissioner

RE: Emergency Contract Request

DATE: August 15, 2006

The Bureau of Billing and Customer Service hereby request that an emergency contract be generated for mass printing and mailing of critical letters used by our bureau. We will provide the vendor with mailing lists and specify the types of letters to mail. The letters should be printed on 8 ½ x 11, paper stock, postage applied and mailed by the vendor within the time frame we specify. Also, mailing envelopes, as well as return envelopes for some types of letters, will be needed.

At present, the City does not have a contract to provide the above mentioned services. We deem this request an operational emergency because without the mailing of these letters our end of year revenues will be significantly affected, as well as our reputation for rendering efficient customer service to the citizens we serve.

There are several reasons why securing a contract for these services are critical to our operations. First of all, our bureau has approximately 10,000 Lien letters that require mailing. These letters are sent out annually. In year 2005, these letters generated \$3.5 million in collected revenue.

Second, we have approximately 25,000 Senior Citizen Exemption letters that require mailing. These letters must go out to notify 6,500 eligible seniors of the City of Chicago that they have an opportunity to receive a reduction in their water bill. Also, we need to mail approximately 18,500 letters to advise Senior Citizens on the City's database receiving sewer exemption to apply for the County's Homestead Exemption.



A mailing to customers, who have denied access to the City's water meter, to Rate Takers and to Meter Shop personnel, is done for the purpose of:

1. Obtaining meter readings.
2. Installing, repairing or replacing water meters.
3. Repairing leaks.
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When the customer contacts us and we are able to gain access the results occur:

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1. Senior Citizen Exemption (*return envelope needed)	20,000
2. Lock-Out Notices (Rate-Taker)	12, 000
3. Lock-Out Notices (MS & PS)	9,000
4. Lien (*return envelope needed)	10,000
5. Estimated Reading	10,000
6. Failure to Allow Access	5,000
7. Change to Account Processed	5,000
8. Request to Remove Obstruction	3,000
9. NSF (*return envelope needed)	1,000
10. Meter Repair/Replacement	1,000
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- 1) Miami Systems Corporation
(Response: Vendor quote attached)

- 2) Amzo Zip Mailing Service, Incorporated
(Response: Vendor quote attached)
- 3) M & G Graphics, Incorporated
(Response: Vendor opted not to quote – note attached)

We indicated to the vendor to provide a quote for the printing and mailing of letters on a per thousand basis and the envelopes on a per hundred basis. Also, postage should be at the current U.S. postage rate for bulk mail.

The preferred vendor is AMZO ZIP Mailing Service because their quote came in at the lowest overall cost.

Again, the printing and mailing of these letters is critical to our operations. Your review and approval of this request in a timely manner would be greatly appreciated.

If you have any questions or require additional information, please contact me at 747-7956.

VH:sr

Attachments: Solicitation Letters with Specifications
Quotes
Quote Comparison Charts
Samples of Letters
APRF

PER UNIT COST CONVERSION OF MIAMI SYSTEMS CORPORATION QUOTE

LETTER TYPE	QUANTITY	SERVICE FEE	LETTER	MAILING ENVELOPE	RETURN ENVELOPE	TOTAL COST
Senior Citizen Exemption	20,000	\$0.000	\$1.150	\$0.015	\$0.013	\$23,560.000
Lock-Out Notice (R-T)	12,000	\$0.000	\$1.150	\$0.015		\$13,980.000
Lock-Out Notice (MS/PS)	9,000	\$0.000	\$1.150	\$0.015		\$10,485.000
Lien	10,000	\$0.000	\$1.150	\$0.015	\$0.013	\$11,780.000
Estimated Reading	10,000	\$0.000	\$1.150	\$0.015		\$11,650.000
Failure to Allow Access	5,000	\$0.000	\$1.150	\$0.015		\$5,825.000
Change to Acct Processed	5,000	\$0.000	\$1.150	\$0.015		\$5,825.000
Request to Remove Obstr.	3,000	\$0.000	\$1.150	\$0.015		\$3,495.000
NSF	1,000	\$0.000	\$1.150	\$0.015		\$1,178.000
Meter Repair/Replacement	1,000	\$0.000	\$1.150	\$0.015	\$0.013	\$1,165.000
Failure to Keep Appt.	1,000	\$0.000	\$1.150	\$0.015		\$1,165.000
TOTAL PRINTING & MAILING COST						\$90,108.000

POSTAGE	QUANTITY	FIRST CLASS MAIL	COST	QUANTITY	STANDARD MAIL	COST
Senior Citizen Exemption	20,000	\$0.390	\$7,800.000	20,000	\$0.292	\$5,840.000
Lock-Out Notice (R-T)	12,000	\$0.390	\$4,680.000	12,000	\$0.292	\$3,504.000
Lock-Out Notice (MS/PS)	9,000	\$0.390	\$3,510.000	9,000	\$0.292	\$2,628.000
Lien	10,000	\$0.390	\$3,900.000	10,000	\$0.292	\$2,920.000
Estimated Reading	10,000	\$0.390	\$3,900.000	10,000	\$0.292	\$2,920.000
Failure to Allow Access	5,000	\$0.390	\$1,950.000	5,000	\$0.292	\$1,460.000
Change to Acct Processed	5,000	\$0.390	\$1,950.000	5,000	\$0.292	\$1,460.000
Request to Remove Obstr.	3,000	\$0.390	\$1,170.000	3,000	\$0.292	\$876.000
NSF	1,000	\$0.390	\$390.000	1,000	\$0.292	\$292.000
Meter Repair/Replacement	1,000	\$0.390	\$390.000	1,000	\$0.292	\$292.000
Failure to Keep Appt.	1,000	\$0.390	\$390.000	1,000	\$0.292	\$292.000
TOTAL POSTAGE	77,000		\$30,030.000	77,000		\$22,484.000

PER UNIT COST CONVERSION OF AMZO ZIP MAILING SERVICES QUOTE

LETTER TYPE	QUANTITY	SERVICE FEE	LETTER	MAILING ENVELOPE	RETURN ENVELOPE	TOTAL COST
Senior Citizen Exemption	20,000	\$0.640	\$0.051	\$0.060	\$0.080	\$16,620.000
Lock-Out Notice (R-T)	12,000	\$0.640	\$0.051	\$0.060		\$9,012.000
Lock-Out Notice (MS/PS)	9,000	\$0.640	\$0.051	\$0.060		\$6,759.000
Lien	10,000	\$0.640	\$0.051	\$0.060	\$0.080	\$8,310.000
Estimated Reading	10,000	\$0.640	\$0.051	\$0.060		\$7,510.000
Failure to Allow Access	5,000	\$0.640	\$0.051	\$0.060		\$3,755.000
Change to Acct Processed	5,000	\$0.640	\$0.051	\$0.060		\$3,755.000
Request to Remove Obstr.	3,000	\$0.640	\$0.051	\$0.060		\$2,253.000
NSF	1,000	\$0.640	\$0.051	\$0.060	\$0.080	\$831.000
Meter Repair/Replacement	1,000	\$0.640	\$0.051	\$0.060		\$751.000
Failure to Keep Appt.	1,000	\$0.640	\$0.051	\$0.060		\$751.000
TOTAL PRINTING & MAILING COST						\$60,307.000

POSTAGE	QUANTITY	FIRST CLASS MAIL	COST	QUANTITY	STANDARD MAIL	COST
Senior Citizen Exemption	20,000	\$0.370	\$7,400.000	20,000	\$0.240	\$4,800.000
Lock-Out Notice (R-T)	12,000	\$0.370	\$4,440.000	12,000	\$0.240	\$2,880.000
Lock-Out Notice (MS/PS)	9,000	\$0.370	\$3,330.000	9,000	\$0.240	\$2,160.000
Lien	10,000	\$0.370	\$3,700.000	10,000	\$0.240	\$2,400.000
Estimated Reading	10,000	\$0.370	\$3,700.000	10,000	\$0.240	\$2,400.000
Failure to Allow Access	5,000	\$0.370	\$1,850.000	5,000	\$0.240	\$1,200.000
Change to Acct Processed	5,000	\$0.370	\$1,850.000	5,000	\$0.240	\$1,200.000
Request to Remove Obstr.	3,000	\$0.370	\$1,110.000	3,000	\$0.240	\$720.000
NSF	1,000	\$0.370	\$370.000	1,000	\$0.240	\$240.000
Meter Repair/Replacement	1,000	\$0.370	\$370.000	1,000	\$0.240	\$240.000
Failure to Keep Appt.	1,000	\$0.370	\$370.000	1,000	\$0.240	\$240.000
TOTAL POSTAGE	77,000		\$28,490.000	77,000		\$18,480.000

8/14/06
Department of Water Management
Bureau of Billing and Customer Service
333 S. State Street
Suite 510
Attention: Sharon Ragland

Please accept our quote as follows:

Mailing Services

Taking in to consideration the various times and quantities of the letters which would all have different costs we have broken down our costs on a per piece basis. to Our per piece cost for the eleven different versions of letters totaling 77,000 pieces of mail as specified including conversion of data, inkjetting address information, printing personalized variable data letters, folding, metering, inserting and delivery to the post office.

Our services \$.64ea.

Printing of envelopes and letterhead 2 color

#10 Mailing envelopes \$60.00/m
Return Envelopes \$80.00/m

#20lb bond Letterhead \$51.00/m

Postage costs

Standard Mail (3-10 days) \$.24ea. up to 3.25 ounces
1ST. Class Mail (1-2 days) \$.37ea. 1 ounce

While most of the mailings that Amzo has done for the Department of Water Management have gone out as Standard Mail to lower the cost it should be noted that where you are giving the recipient 7 or 10 days to respond you should be using First Class Postage to insure that your mail is received in a day or two. We can inventory as much material as you need us to for your mailings at no charge. Please call me with any questions you have or I will be happy to come to your offices and discuss any issues.

Regards,


Dennis Ambroziak
Amzo Zip Mailing Services
www.amzomail.com