



# Board Agenda Item 54

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DATE: December 3, 2024

TO: Board of Supervisors

SUBMITTED BY: Edward Hill, Chief Operating Officer/ Interim Director of Internal Services/ Chief Information Officer

SUBJECT: First Amendment to Agreement with Pre-Sort Center of Stockton, Inc. dba PacWest Direct

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute a First Amendment to Agreement No. 22-064 with Pre-Sort Center of Stockton, Inc. dba PacWest Direct, for presorting and mailing services, to allow the use of a subcontractor, effective upon execution, with no change to the potential term of March 1, 2022, through February 28, 2027, and no change to the maximum compensation of \$2,150,000.**

There is no additional Net County Cost associated with the recommended action, which will allow Pre-Sort Center of Stockton, Inc. dba PacWest Direct (PacWest) to subcontract out courier services and other duties as previously established in Agreement No. 22-064 (Agreement). This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the Internal Services Department - Information Technology Division (ISD-IT) would need to release a new competitive bid for presorting and mailing services, as PacWest has notified the County they can no longer perform mail pick-up duties without the assistance of a subcontractor.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. There will be no change to the maximum compensation of \$2,150,000 and costs will continue to be recovered through chargebacks to user departments based on use. Sufficient appropriations and estimated revenues are included in the ISD-IT Org 8905 FY 2024-2025 Adopted Budget and will be included in future budget requests.

DISCUSSION:

ISD-IT, through its Graphic Communications operations, uses coordinated presorting and mailing services for its countywide operations, including the mailing of 9"x12" priority flats, to maximize cost savings for the County.

On February 22, 2022, your Board approved the Agreement with PacWest for presorting and mailing services.

On September 6, 2024, PacWest notified the County that they intend to begin using a subcontractor for pick-up and delivery duties. Section 8, "Non-Assignment", of the Agreement indicates that subcontractors

cannot be used without the consent of both parties. Therefore, ISD-IT is requesting to amend the Agreement to establish a provision in which a subcontractor can be used for performance of the outlined duties, such as pick-up and delivery.

Approval of the recommended Amendment will allow PacWest to use a subcontractor for duties established within the Agreement, such as pick-up and delivery, to allow for the continuation of countywide mailing services.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - First Amendment to Agreement

CAO ANALYST:

Ahla Yang