



Board Agenda Item 27

DATE: May 12, 2020

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Retroactive Assignment of Agreement for Insert, Presort, and Mailing Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive Assignment of Agreement No. 17-382-2 from The Presort Center of Fresno LLC, to Pre-Sort Center of Stockton, Inc., dba PacWest Direct, effective August 13, 2019.

Approval of the recommended action will assign Agreement No. 17-382-2 for insert, presort, and mailing services with The Presort Center of Fresno LLC, to Pre-Sort Center of Stockton, Inc., dba PacWest Direct, due to a company merger. All other terms and conditions remain the same. This item is countywide.

ALTERNATIVE ACTION(S):

Not approving the recommended action could result in disruption to County mail operations.

RETROACTIVE AGREEMENT:

This item is retroactive to August 13, 2019, the date The Presort Center of Fresno LLC merged with Pre-Sort Center of Stockton, Inc., dba PacWest Direct.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. Approval of the recommended action will retroactively assign Agreement No. 17-382-2 to PacWest Direct, without changes to the total compensation amount of the Agreement.

DISCUSSION:

The United States Postal Service offers discounts on postage for presorted first-class mail. To maximize cost savings for the County, the Internal Services Department has coordinated inserting, presorting, and mailing services countywide.

On July 11, 2017, the Board retroactively approved Agreement No. 17-382 with The Presort Center of Fresno LLC to provide insert, presort, and mailing services. The approved Agreement was for a three-year term with the option for two, one-year extensions, not to exceed \$2,700,000 over the potential five-year term.

Effective August 13, 2019, The Presort Center of Fresno LLC (Presort) merged its corporate assets with Pre-Sort Center of Stockton, Inc., dba PacWest Direct (PacWest). As a result of the merger between

Presort and PacWest, the parties are requesting the County consent to the assignment of all of Presort's rights, interests, obligations, responsibilities and liabilities under the County's current agreement with Presort to PacWest.

On October 22, 2019, the Board retroactively approved the assignment of Agreement No. 17-382-1 from Presort to PacWest, however the assignment is invalid because it was not signed by the correct parties. Although the representative for PacWest Direct confirmed to the County that he had the authority to sign the Assignment, on March 2, 2020, the owner of PacWest Direct informed the County that a different person would need to sign, and requested that the County execute a new Assignment. Staff has confirmed with the owner that the signature page on the recommended Assignment is correct.

Approval of the recommended action will assign all rights, interests, obligations, responsibilities, and liabilities of Presort under the existing Agreement No. 17-382-2 to PacWest. The Assignment shall be retroactive to August 13, 2019, the date that Presort merged with PacWest. All other terms and conditions remain the same.

REFERENCE MATERIAL:

BAI #35, October 22, 2019

BAI #48, July 11, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Assignment

CAO ANALYST:

Sonia De La Rosa