PITNEY BOWES LEASE AGREEMENT

RS-24-195 October 22, 2024

Background

- The Finance Utility Collections Division prepares the utility billing for the City
 - Estimated 50,000 bills per month (including late notices)
- The current leased machine is being discontinued due to not being in compliance with a new technology standard, Intelligent Mail Indica, that the USPS has adopted
- The current lease expires December 2024, however, will terminate the next billing cycle after the new lease is signed, equipment is delivered and installed.

Agreement

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- Sixty (60) month Lease agreement with Pitney Bowes through Texas Buyboard Cooperative in the amount of \$111,012.00, includes:
 - Postage machine
 - Inserter/sorter
 - Letter opener

Financial Impact

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The fiscal impact for current and future years is shown below

| Fiscal Year | Payment Due |
|----------------|--------------|
| FY 2025 | \$22,202.40 |
| FY 2026 | \$22,202.40 |
| FY 2027 | \$22,202.40 |
| FY 2028 | \$22,202.40 |
| FY 2029 | \$22,202.40 |
| Total Contract | \$111,012.00 |

Recommendation

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City Council approve a sixty (60) month lease with Pitney Bowes for the Utility Collection Division in the amount of \$111,012.00, and that the City Manager or designee be authorized to execute any and all change orders as permitted by state and local law.