

CITY of REPUBLIC

Established 1871

Exhibit C

AGENDA ITEM STAFF ANALYSIS

Project/Issue Name: Discussion and Possible Vote to Approve the Acquisition of a New Postage Machine

Submitted By: Aubrey Harris Director of Finance

Date: December 12, 2005

Issue Statement

Replacement of the current postage machine

Discussion and/or Analysis

The current postage machine is a Hasler WJ135, two years old and it works. It was purchased without a maintenance contract.

Pitney Bowes has demonstrated a model DM500 Digital Mailing System.

A general comparison is shown below:

	Hasler	Pitney Bowes
Annual lease with maintenance	00	\$1,812.00
Annual maintenance costs	\$444.00	included
Annual meter rental	600.00	included
Postage rate update and change cost <u>per occurrence</u>	200.00 non-add	included
Billed or ACH	ACH	Billed
Address tape less expensive the labels	Label	Tape
Maintenance and service calls	Pay per visit	included
Certified mail savings of \$1.75 if we accept an e-mail notice vice the actual green reply card	Not available	Included (estimate of 45 per month or \$945 annually)
Envelop thickness	8mm	5/8 inch
Downloadable software changes	n/a	y
Dollar comparison	\$1,044	\$867

Discussion:

- The Pitney Bowes is less expensive but that is primarily dependent on the estimation of the certified mail costs.
- If the Pitney Bowes starts to malfunction, we call and it is fixed. If the Hasler starts to malfunction we delay and try to deal with the malfunction because we don't want to incur the repair cost.
- The repair for the Hasler is done by an office repair shop with no connection to Hasler. Pitney Bowes is an integrated organization and we can call their repair and if not satisfied we can call the sales representative who does not want unhappy customers.
- The Pitney Bowes would be a new machine.
- The Hasler can be placed for sale and funds returned to the City.

It is only an indirect consideration on the decision but in Finance and Utility Billing the preference goes to Pitney Bowes with its service and support.

Staff Recommendation

As Director of Finance I respectfully request that the Board of Aldermen approve the acquisition of the Pitney Bowes mail machine.