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LEGAL SERVICES DEPARTMENT

Office of the City Attorney

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TO: Alderperson Kathy Plank, Chair
Members of the Finance Committee

FROM: James P. Walsh, City Attorney *JPW*

DATE: June 23, 2014

RE: Request for New Mail/Copy Machine

On the Agenda for the Finance Committee meeting of June 25, is a request by the City Clerk's Office for replacement of the current Pitney Bowes postage machine, which is owned by the City, for an upgraded machine which the City will lease for a period of five years. Over the past several weeks, City staff has been involved in reviewing the current status of the postage machine and possible savings by replacing the current machine with one that the City would lease. A comparison chart has been attached for your information.

For several weeks, staff from the Legal Services Department, along with Jeff Fait in the Finance Department, has been reviewing the capabilities of the current machine with possible improvements by replacing the current machine with a leased version with the option to purchase for \$1 at the end of the lease. The City currently owns the mail machine and pays \$4,508 for a maintenance agreement per year and \$1,766 for the postage meter. The postage meter is a meter which private entities are not permitted to own. The total amount per year is therefore \$6,274.

Leasing the new Pitney Bowes mail/copy machine would result in a lease payment of \$4,614.24. Included in the lease amount would be maintenance, and the postage meter itself. Examination of the amount leads to a savings of \$1,659.72 annually.

In addition to the current capabilities, the new machine would have the ability to produce a printed emblem for each envelope. What this would allow the City to do, is to purchase blank envelopes and have the City logo and a department return address indicated on each envelope as it was being processed through the mail/copy machine. This would permit the City to purchase blank envelopes at a lesser cost and include a specific emblem with each department mailing. The information we have been provided indicates there would be a savings for envelope acquisition, which would not be totally offset by the cost of creating the emblem. This option will be brought forward upon completion of additional investigation. The City is not asking for the printing feature at this time. This capability can be added at a later date, when additional cost evaluation has occurred.

An additional feature of the equipment upgrade would be the ability for staff to produce an automated report for the mailing contractor. This report is required daily and is currently done manually by staff in the Clerk's Office. The ability to produce this report in an automated fashion would provide savings of staff time.

Upon reviewing the advantages of replacing the current system, along with the technological upgrades, the Legal Services Department is requesting the approval to replace the current mail/copy machine with an updated leased version.

If you have any questions in this regard, please do not hesitate to contact me.

JPW:jls

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James P. Walsh
City Attorney

Christopher R. Behrens
Assistant City Attorney

Stacy Doucette
Assistant City Attorney

Current vs. Proposed

	Current	Proposed
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	DM1000	Connect+ 2000
Annual Equipment Lease Investment	\$ -	\$4,614.24
Annual Meter Rental Investment	\$1,766.00	Included
Annual Maintenance Investment	\$4,508.00	Included
Base Unit Coverage	\$3,714.00	Included
Power Stacker Coverage	\$210.00	Included
Perripheals (Laser Printer and Bar Code Scanner	\$584.00	Included
Total Annual Investment	\$6,274.00	\$4,614.24
Monthly Investment	\$522.83	\$384.52
Prorated Calculation		1 st 12 Mo. - \$316.52 Remaining - \$401.52
Monthly Savings		\$138.31
Annual Savings		\$1,659.72