

**STATEMENT OF BUDGET IMPACT**  
**(Policy Number 94-45)**  
**Budgetary Review of Proposed Resolution &**  
**Ordinances with Financial Implication.**

**Date:** December 28, 2017

**File:** BIS 18 – 078

**File:** TMP-2017-723

**Proposed Legislation:**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO ISSUE THE ATTACHED BLANKET PURCHASE ORDER EXTENDING THE AGREEMENT FOR AN ADDITIONAL ONE (1) YEAR PERIOD BETWEEN ARROWMAIL PRESORT COMPANY, INC. AND THE CITY OF HOLLYWOOD FOR PRESORT MAIL & FULFILLMENT SERVICES INCLUDING DAILY AND BULK MAIL SERVICE FOR ALL CITY MAIL FOR AN ESTIMATED ANNUAL EXPENDITURE OF \$146,210.00.

**Statement of Budget Impact:**

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources identified/available;
3. ☐ Budgetary resources not identified/unavailable;
4. ☐ Potential Revenue is possible with this action;
5. ☒ Will not increase the cost of Housing;
6. ☐ May increase the cost of Housing; (CDAB review required)

**Explanation:**

This Resolution seeks authorization for the appropriate City Officials to renew and issue a blanket purchase order to the Arrowmail Presort Company, Inc., "Arrowmail", from the City of Hollywood for the provision of presort mail and fulfillment services including daily and bulk mail service for all City mail. Previously, the City of Fort Lauderdale, Florida issued a solicitation for presort mail and fulfillment services including daily and bulk mail services to interested parties via Bid Number 733-11241. On March 25, 2014, the City of Fort Lauderdale, as lead agency for the Southeast Florida Governmental Cooperative, upon review of the bids received, awarded the bid to Arrowmail for an initial one (1) year term with an option to renew for three (3) additional one (1) year periods.

Section 38.46 of the City's Purchasing Ordinance permits the Procurement Director to join with other governmental agencies in cooperative purchasing plans where the best interests of the City would be served. Thereafter, on May 7, 2014 the City Commission adopted and approved Resolution R-2014-108 which authorized the issuance of a blanket purchase order to Arrowmail for a one (1) term with an option to renew for three (3) additional one (1) year periods on the same terms and conditions as provided to the other members of the Southeast Florida Governmental Cooperative. Subsequently, the blanket purchase order with Arrowmail was extended and renewed for the first of the one (1) year period via Resolution R-2015-103 adopted and approved on May 6, 2015.

Section 38.48(C) of the City's Purchasing Ordinance provides that when a contract entered into by the City pursuant to City Commission action permits for one or more renewals by affirmative action of the City and the estimated annual cost of the renewal does not exceed \$250,000.00, the Procurement Director shall have the authority to recommend to the City Manager the approval or rejection of a renewal if the renewal is any one of the first three renewals; however, only the City Commission is authorized to approve any further renewals.

Subsequently, on February 16, 2016 a recommendation memorandum, PR-16-092, was issued wherein the City Manager approved the second one (1) year renewal of the blanket purchase order with Arrowmail. Later, on January 12, 2017 a recommendation memorandum, PR-17-047 was issued wherein the City Manager approved the third one (1) year renewal of the blanket purchase order with Arrowmail.

Further renewals of the blanket purchase order, by Ordinance, must be approved by action of the City Commission. Section 38.40(C)(8) of the Purchasing Ordinance requires that purchases of, and contracts for, supplies or contractual services, when the Commission declares by a 5/7<sup>ths</sup> vote that competitive bidding and competitive proposals are not in the best interest of the City, are exempt from the competitive bidding and competitive proposals requirements of the Purchasing Ordinance.

Arrowmail has agreed to extend the agreement for the blanket purchase order for a one (1) year period under the same terms and conditions. If approved, the renewed blanket purchase order shall run from January 20, 2018 for a one (1) year period through January 19, 2019. Funding for that portion of the costs to be incurred under the renewed agreement in FY 2018 has been provided in the adopted and approved FY 2018 Operating Budget in accounts #57.1339.00053.590.004201 and #01.1224.00000.513.004201. The balance of funding needed for those costs falling in FY 2019 will be provided for in the proposed FY 2019 Operating Budget subject to the adoption and approval by the City Commission of said future year's operating budget.

**PREPARED AND APPROVED BY:**

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