

T Transportation Committee

Meeting date: November 10, 2008

Council Meeting Date: December 10, 2008

ADVISORY INFORMATION

Date:	October 23, 2008
Subject:	Contract for Bus Schedule Printing and Warehousing Services
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3 Expenditures
Staff Prepared/Presented:	Brian Lamb, General Manager, 612-349-7510 Robert Gibbons, Director – Customer Services & PR, 612-349-7509 Chris Gran, Director – Purchasing, 612-349-5060 John Howley, Manager – Transit Information, 612-349-7410
Division/Department:	Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a two-year contract with an option to extend for one additional year with American Financial Printing, Inc. (AFPI) to print, warehouse and deliver bus schedules, in an amount not to exceed \$546,662.

Background

Bus schedules are the number one source of information for regional transit customers. Depending on the extent of route and service changes, Metro Transit has printed and distributed between 4.4 million and 5.2 million schedules annually in recent years.

Printing and warehousing services are combined in this contract. Historically, printing and warehousing services have been under separate contracts with different contractual periods and sometimes different vendors. There has been difficulty getting bidders for warehousing services because it's considered a relatively small piece of business. Currently Metro Transit has contracts with the same vendor for both printing and warehousing services, and both contracts are at a decision point on December 31, 2008.

Seven firms responded to the Council's request for proposals for bus schedule printing and warehousing services. The Invitation For Bid (IFB) went to three Disadvantaged Business Enterprise (DBE) firms: Northstar Imaging, Scintilla Press and TCC Distributors, and none of them elected to bid. The bid of the incumbent, American Financial Printing, Inc. submitted the low bid.

Rationale

Combining schedule printing and warehousing under one contract:

- Creates cost savings by processing orders and making deliveries from one vendor and one centralized operation. Under separate contracts/vendors, there was the potential that printing and warehousing might be widely separated. The combined contract minimizes delivery mileage between the printer, warehouse, and Metro Transit.

	<i>Printing Cost/2 yr. period</i>	<i>Warehouse Cost/2 yr. period</i>	<i>Total</i>
Contracts expiring 12/31/08	\$467,835	\$79,200	\$547,035
Contract beginning 1/1/09	\$469,862	\$76,800	\$546,662

Costs under the new contract are flat compared to current expenses, despite dramatically higher fuel costs.

Funding

The project is funded in Metro Transit's operating budget beginning in 2009.

Known Support / Opposition

Staff support with no known opposition.