



Legislation Text

File #: 22-0648, Version: 1

MOTION TO APPROVE THE SIXTH AMENDMENT AND PRICE INCREASE TO THE DIRECT MAIL ADVERTISING AGREEMENT BETWEEN THE CITY OF PEMBROKE PINES AND THE MCCLATCHY COMPANY, LLC., FOR AN ANNUAL COST NOT TO EXCEED \$29,967.14.

PROCUREMENT PROCESS TAKEN:

- *Chapter 35 of the City's Code of Ordinances is titled "PROCUREMENT PROCEDURES, PUBLIC FUNDS."*
- *Section 35.28 of the City's Code of Ordinances is titled "CHANGE ORDERS."*
- *Section 35.28(B) states "Notwithstanding the provisions of division (A), the City Manager is not authorized to approve a change order without authorization of the City Commission where the initial purchase required the City Commission's approval and where the sum of all change orders issued under the contract exceeds 5% of the original contract amount or \$25,000."*
- *Section 35.29(F) states "City Commission notification" of the City's Code of Ordinances, "The City Manager, or his or her designee, shall notify the Commission, in writing, at least three months in advance of the expiration, renewal, automatic renewal or extension date, and shall provide a copy of the contract or agreement and a vendor performance report card for the contract or agreement to the City Commission."*
- *Section 35.21 of the City's Code of Ordinances is titled "AWARD OF CONTRACT."*
- *Section 35.21 (A) of the City's Code of Ordinances is titled "City Commission approval."*
- *Section 35.21(A)(1) states, "An initial purchase of, or contract for, commodities or services, in excess of \$25,000, shall require the approval of the City Commission, regardless of whether the competitive bidding or competitive proposal procedures were followed."*

SUMMARY EXPLANATION AND BACKGROUND:

1. On August 24, 2015, the City entered into a distribution / direct mail advertising agreement with the Miami Herald Media Company (which is owned by the McClatchy Company, LLC) for an initial two year period, at an annual amount of \$13,061.58, which expired on August 23, 2017. This annual amount was based on a cost per issue of \$2,176.93, at six issues per year.
2. The City of Pembroke Pines Media Division utilizes the services of the Miami Herald Media Company to provide distribution / direct mail advertising of the City Connect newspaper. The Original

Agreement authorized the renewal of 2 additional two (2) year terms.

3. On September 14, 2017, the City executed the First Amendment, which renewed the agreement for an additional two year period, commencing on August 24, 2017, and expiring on August 23, 2019. The First Amendment repealed and replaced the Quote Sheet from the Original Agreement with "Exhibit A - Quote Sheet", increasing the annual amount from \$13,061.58 to \$13,688.40. This increase was based on a cost per issue of \$2,281.40, at six issues per year.

4. On October 10, 2019, the City executed the Second Amendment, which renewed the agreement for an additional two year period, commencing on October 1, 2019, and expiring on September 30, 2021.

5. On August 25, 2021, the City executed the Third Amendment with the McClatchy Company, LLC, which supplemented the terms of the Original Agreement and allowed the renewal of an additional two year period, commencing on October 1, 2021, and expiring on September 30, 2023. The Third Amendment repealed and replaced "Exhibit A - Quote Sheet" with "Exhibit A-3 - Quote Sheet", increasing the annual amount from \$13,688.40 to \$14,349.66. This price increase was based on a cost per issue of \$2,391.61, at six issues per year.

6. On March 30, 2022, the City executed the Fourth Amendment, which added an annual map and address filing fee. The cost per issue remained at \$2,391.61, however, the map and address filing fee was an additional \$1,591.70 annually. This increased the annual amount to \$15,941.36. The Fourth Amendment repealed and replaced "Exhibit A-3 - Quote Sheet" with "Exhibit A-4 - Quote Sheet".

7. On October 24, 2022, the City executed the Fifth Amendment. The Fifth Amendment repealed and replaced "Exhibit A-4 - Quote Sheet" with "Exhibit A-5 - Quote Sheet", increasing the annual amount from \$15,941.36 to \$22,824.62. This increase was based on a cost per issue of \$3,538.82, at six issues per year, and the map and address filing fee at \$1,591.70.

8. Due to McClatchy Company, LLC request, the Media Division recommends that the City Commission approve the Sixth Amendment, which will increase the annual cost from \$22,824.62 to \$29,967.14. The cost per issue will increase from \$3,538.82 to \$4,729.24 at six issues per year, plus the map and address filing fee for \$1,591.70. To date, there are currently four issues remaining for the 2023 fiscal year. The Sixth Amendment will repeal and replace "Exhibit A-5 - Quote Sheet" with "Exhibit A-6 - Quote Sheet" to reflect pricing effective retroactively to January 6, 2023.

9. Request Commission to approve the Sixth Amendment to the Agreement between the City of Pembroke Pines and the McClatchy Company, LLC. for the distribution/ direct mail advertising services of Pembroke Pines City Connect for an annual cost not to exceed \$29,967.14.

[Reviewed by Commission Auditor.](#)

FINANCIAL IMPACT DETAIL:

a) Initial Cost: \$29,967.14 annual amount based on \$4,729.24 per issue plus \$1,591.70 annually for the annual map and address file (6 issues per year). (4 issues remaining for this fiscal year which is \$18,916.96)

b) Amount budgeted for this item in Account No: \$18,916.96 budgeted in account # 001-512-

0201-547140-0000-000-0000-00315 (Printing - Flyer/Newspaper)

- c) **Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) **5 year projection of the operational cost of the project:** Not Applicable.
- e) **Detail of additional staff requirements:** Not Applicable

FEASIBILITY REVIEW:

A feasibility review is required for the award, renewal and/or expiration of all function sourcing contracts. This analysis is to determine the financial effectiveness of function sourcing services.

- a) **Was a Feasibility Review/Cost Analysis of Out-Sourcing vs. In-House Labor Conducted for this service?** Not Applicable
- b) **If Yes, what is the total cost or total savings of utilizing Out-Sourcing vs. In-House Labor for this service?** Not Applicable