

May 19, 2005

05-089

GRANT AN SPECIAL PROCUREMENT FROM THE FORMAL  
COMPETITIVE PROCESS AND AUTHORIZE THE  
COMMUNITY EDUCATION DEPARTMENT TO CONTRACT  
WITH JOURNAL GRAPHICS FOR SCHEDULE PRINTING  
SERVICES

PREPARED BY: Roger Cardinal, Manager, Procurement & Risk Services

FINANCIAL  
RESPONSIBILITY: Gary D. Palmer, Community Education Manager

APPROVED BY: Randy McEwen, Vice-President, Administrative Services  
Dr. Preston Pulliams, District President

REPORT: The Community Education Department (the Department) has an urgent need to contract with Journal Graphics for printing of the Community Education Summer 2005 Class Schedules. These schedules are mailed to 300,000 to 400,000 addresses throughout the Metropolitan area on a term by term basis. The Department's success of their programs depends upon the response received from mailing the schedules throughout the district area. The Department needs to complete the printing and mail the Class schedules by mid-May in time for the Summer term 2005. The Department anticipates they will need \$100,000 to cover the printing services. The services will include printing, mailing, necessary postage, and additional copies (if necessary).

In addition, the Department is also requesting ratification of \$123,000 already spent for printing of previous terms class schedules for FY 04-05. A problem occurred when a change order was processed to move the remaining encumbrance amount from an old department code to a new code due to the reorganization of the Extended Learning Campus. The changed purchase order (PO) was advertently increased by another \$90,000 instead of only the remaining amount. The \$123,000 is a combination of all payments processed from both old and new ORGN codes to the same vendor. The Purchasing staff became aware of this problem when the Department submitted a request for an additional amount to cover the Summer 2005 catalogs. Internal control measures are being instituted to ensure this will not happen again.

As stated in the Purchasing and Contracting Policy, B505, the Board of Directors must approve procurement contracts in excess of \$100,000. In instances where time delay will potentially cause harm to the College, procurement contracts in excess of \$100,000 may be authorized by the District President and ratified by Board resolution. Due to the time-line requirements there was not sufficient time to complete a formal competitive process (Invitation to Bid) for this project. Instead, the Department used the Informal quotes process. The Department contacted three vendors (as required) for pricing:

Quotes for an estimated quantity of 310,000 mailings:

- 1) Journal Graphics - \$56,175; Price per correction - \$20 a page; Turn-around time will be 10-14 days.
- 2) Signature Graphics - \$54,156; no response on the price per correction and turn-around time. Also does not provide "SHERPA Proof."
- 3) CVG-Creative - \$69,813; Price per correction - \$65 per page; Turn-around time will be 14-20 days. Also, does not provide the requirements such as: "SHERPA Proof" and mailing services.

The Department selected Journal Graphics based on their cost, experience with the Department's requirements and their ability to complete the services within the required timeline. Signature Graphics will not do a cover on a heat-set press nor do they provide Sherpa proofs, both of which are required for the CED Schedule production. CVG-Graphics (WBE) quoted a higher fee and cannot meet the Department's requirements. It is the intent of both Purchasing and the Department to work together in completing the formal competitive process in the early part of July for the FY 05-06 printing needs.

**RECOMMENDATION:** That the Board of Directors grant a special procurement and authorize the Department to contract with Journal Graphics for the Summer 2005 Class Schedules printing services for a total of \$100,000, and that the Board ratify the Department's previous expenditure for the same type of service, totaling \$123,000. All costs will be covered by the CED/CEU (1900) Fund.