



Office of the City Manager

CONSENT CALENDAR
June 27, 2017

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Henry Oyekanmi, Director, Finance
Subject: Contract No. 8754 Amendment: Human Propelled Solutions dba Pedal Express for Bicycle Courier Service and Mail Service Support

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an amendment with Human Propelled Solutions dba PedEx (“PedEx”) to provide bicycle courier service and mail service support, increasing the contract not to exceed amount by \$135,000 for an amended total not to exceed \$360,000 through Fiscal Year 2020.

FISCAL IMPACTS OF RECOMMENDATION

Funding for the cost of this contract is available from several funds and will be subject to annual appropriation in the FY2018 through FY2020 budgets.

Current Authorized Contract NTE Amount.....	\$225,000
Increase to NTE amount in FY2017 through FY2020.....	\$135,000
Revised Authorized Contract NTE Amount	\$360,000

The funds for this are in the following budgets (annually): 870-2803-410-5120; 833-8502-463-5120; and 010-8502-463-5120.

The Contract Management System (CMS) number for the amendment is WZDRQ.

CURRENT SITUATION AND ITS EFFECTS

The contract with PedEx has a current NTE amount of \$225,000. The contract term expires on June 30, 2017. PedEx provides daily inter-office bicycle courier service to outlying areas within the City such as: the Marina, Public Health Clinic, Mental Health Clinic, the Corporation Yard, and Berkeley Housing Authority (“BHA”). Its employee-owners deliver commission packets for Planning, and makes deliveries to the Alameda County Courthouse on an as-needed basis. PedEx also provides coverage in the City’s mailroom when the Mail Service Aide is on leave, in emergency situations, or when additional capacity is needed. There is no operational backup coverage for this position other than PedEx. The services provided by PedEx are funded by the Central Service fund 870-2803-410-5120. PedEx is an employee-owned cooperative that provides

dependable service on an on-call basis often with less than 24-hour notice. The company uses bicycles, tricycles, and cargo bikes only for its deliveries. The PedEx service delivery model is one that produces zero carbon emissions, and is aligned with the City's commitments to foster employee-owned businesses and to reduce the City's carbon footprint. All PedEx members have knowledge of and experience in: the City's mail room operation and security protocols; operation of postage and related mail equipment; US Postal Service distribution locations and pickup and delivery requirements; and City departments, personnel and locations.

Funds expended for services provided by PedEx are approximately \$35,000-45,000 per year depending on the frequency of mailroom coverage and the addition or deletion of delivery locations.

BACKGROUND

For many years the City Council set aside general fund monies annually for the courier services provided by PedEx. As courier service was needed on a continual basis the City encouraged the growth of the human powered transportation model. In FY2010 Central Services began to fund this service directly. The services are needed because there is only one (1) Mail Services Aide in Finance/General Services and no other Aide available to provide backup coverage when needed.

PedEx was founded in Berkeley in 1994 and is a worker-owned, bicycle courier cooperative. It is the only strictly human propelled courier service in the immediate East Bay Area. The City has been using PedEx for many years to augment mail delivery to outlying work locations throughout the City. In addition to the daily interoffice mail deliveries, PedEx delivers commission packets, takes filings as needed to the Alameda County Recorder's Office, and covers the Mail Service Aide's leave periods, if available. There are no City employees designated to cover the mailroom operations in the absence of the Mail Services Aide.

PedEx publishes its standard price list at <http://www.pedalexpress.com/services-rates/>. Delivery pricing is determine by a combination of delivery zone, speed of delivery, package weight and any applicable surcharges. PedEx extends significant discounts off list pricing to the City, for example a two hour delivery to zone 2 (the Marina) its published rate is \$15.00. The City's contracted rate for the Marina mail stop is \$8.33.

RATIONALE FOR RECOMMENDATION

PedEx augments the City's mail service operation by providing scheduled mail pickup and delivery service to outlying locations, and delivering commission packets on an as-needed basis. PedEx also makes deliveries to the Alameda County Recorder's Office and obtains proof of delivery receipts. Using a bicycle courier to augment these services is good for the environment. Its zero emission delivery helps reduce the City's carbon footprint; and PedEx exemplifies the employee-owned cooperative business model.

ALTERNATIVE ACTIONS CONSIDERED

Alternatives to using FedEx for contracted services were considered, but not deemed viable or cost effective. One such option was to hire an on-call Mail Services Aide who would be available to cover the mail room on an on call as-needed basis, often with short notice. This option would require the recruitment, hiring, training and retention of a second Mail Services Aide who would work infrequently, sometimes for a half day only. This alternative was rejected because of the difficulty of retaining on-call resources over the long term.

ENVIRONMENTAL SUSTAINABILITY

FedEx uses bicycles, tricycles, and cargo bikes exclusively for its deliveries. Its model of delivery is one that produces zero carbon emissions that is completely aligned with Environmental Sustainability.

CONTACT PERSON

Shari Hamilton, General Services Manager, Finance, 981-7329

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 8754 AMENDMENT: HUMAN PROPELLED SOLUTIONS DBA PEDEX
FOR BICYCLE COURIER SERVICE AND MAIL SERVICE SUPPORT

WHEREAS, interoffice mail delivery to outlying areas are required by the City; and

WHEREAS, the delivery of documents and packages to Commissioners and the Alameda County Courts is sometimes required; and

WHEREAS, the City requires coverage of mailroom operations to cover vacations, sick and other leaves, as well as emergency coverage; and

WHEREAS, FedEx is familiar with City mail room operations, City departments and staff; and

WHEREAS, FedEx is committed to a method of delivery that produces no carbon emissions; and

WHEREAS, FedEx offers the City discounted pricing as compared to its published price lists.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract amendment with FedEx to provide bicycle courier service on a daily basis to outlying City offices, package delivery services to Commissioners and the Alameda County Courts on an as-needed basis, and provide mail room coverage as needed, increasing the contract amount by an additional \$135,000 for a total contract amount not to exceed \$360,000, and extend the term through June 30, 2020.