



a world class African city

City of Johannesburg
Group Finance: Strategic Supply Chain Management

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REGISTERED

Messrs Mailtronics Direct Marketing CC
P.O. Box 5674
JOHANNESBURG
2000

12 February 2014

Attention: Mr Preshan Moodley

Telephone Number: (011) 493-9025
082-781-8534

Fax Number: (011) 493-8882

Dear Sir

CONTRACT NUMBER 420/13: PRINTING AND POSTING OF STATEMENTS FOR THE CITY OF JOHANNESBURG

Kindly be advised that your bid in respect of the appointment of a service provider for the Printing and posting of Statements for the Revenue and Customer Relations Management within the City of Johannesburg has been approved and accepted by the Executive Adjudication Committee at its meeting held on 12 December 2013.

The award is subject to the City of Johannesburg and Mailtronics Direct Marketing CC entering into an appropriate service level agreement which will be formulated in due course.

The award is effective for the period of Thirty six (36) months commencing from the date of letter of acceptance, subject to certain terms and conditions which will be communicated to you in due course. The award is based on the following pricing structure; that the total project cost shall not exceed R35 Million VAT inclusive as detailed below

	MAITRONICS
SECTION A	Price per 1 000 (Incl. VAT)
A4 80 GSM ACCOUNTS (RSC 4) ± 95 000	
Description	
Programming and setup Cost – Clause 2.1 (Once off cost including programming, setup, art work etc)	-
Printing of product Cost – Clause 2.2 (Laser printing per 1000 including VAT)	76.95
Processing Cost – 2.3 (Include folding, insertion into envelopes where application etc.)	95.76
Sorting Costs – Clause 2.4 and 2.5 (Includes sorting and bundling for maximum postal discount)	-
Printing & Supply of envelopes	119.70
	292.41
Per 1	0.29
Per 95,000	27 778.95
Per annum	333 347.40
Per 36 months	1 000 042.20

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	Price per 1 000 (Incl. VAT)
SECTION B	
REGISTRATION RECOVERY LETTERS (A4 LETTERS)	
Programming and Setup Cost – Clause 2.1 (Once off cost including programming, setup, art work etc)	-
Printing of product Cost – Clause 2.2 (Laser printing per 1 000 including VAT)	76.95
Processing Costs – Clause 2.3 (Include folding, insertion into envelopes etc.)	95.76
Sorting Costs – Clause 2.4 and 2.5 (Includes sorting and bundling for maximum postal discount)	-
Printing and supply of envelopes	119.70
	292.41
	0.29
Per 1	16 082.55
Per 55,000	192 990.60
Per annum	578 971.80
Per 36 months	
SECTION C	
STATEMENT = PRINTING, FOLDING, INSERTING, LOADING, RETURN MAIL AND PAMMS	
	Price per 1 000
	(Incl. VAT)
Process Items	74.1
Printing paper (A4 80GSM laser bond, size 305mm x 210mm (excluding laser printing)	119.7
Envelopes (Window envelopes size 305mm x 210mm Paper – 80gsm laser bond)	95.76
Folding (Fold statements and insert into envelopes)	153.9
Laser Printing (A4 duplex (double sided)	46.41
Statement printing (litho print with full colours front and back)	0
Statement delivery (All printed statements batches are delivered to SAPOS or Back to COJR & CRM department)	9.69
Inserts (1Page insert into the statement envelope e.g Letters)	
To provide the City of Johannesburg with PAMMS Certificate every six months	0
PAMMS Certificate	
Provide a detailed report showing all none qualifying accounts and suggested changes	43.32
PAMMS Certificate Processing	
Data cleaning Pamms	1 169.64
Full Colour Digital	
Laser duplex A4 with full colour digital	0
Data Purification	
Maintaining a return mailbox on behalf of the City	342
Sorting of all return mail that has been returned on more than three occasions and submit detailed report to City of Johannesburg	0
Obtaining updated postal, physical and contact details of clients. This information will be submitted to the service provider in batches Ranges below:	2 054.52
	1 169.64
Once off charges	884.88
Recurring Monthly Charges	2 054.52
Recurring Charges:	0.88
Per 1	707 904.00
Per 800 000	8 494 848.00
Per annum	25 484 544.00
Per 36 months	

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SECTION D	Malltronics
NOTICE LETTERS, FLYERS AND TILL ROLLS	Price per 1 000 (Incl. VAT)
Process Items	
Inserts	9.69
1 page insert into statement envelope e.g. letters	9.69
2 to 4 pages insert into the statement envelope e.g. City Buzz	
	46.41
Single sided letters to clients	
Process items Range of letter details in black and white	
Letter head in colour	-
1000 - 5000	-
5001 - 10000	-
10001 - 20000	-
20001 - 30000	-
30001 - 40000	-
40001 - 50000	-
Cash Collections	301.82
Marketing Communication (Qty determined by statements sent on adhoc basis)	5 650.00
Till roll with CoJ watermark Qty 7,500 per annum 1 box with 150 rolls	
Edit content, and print customer news letter	-
Design: 4 Author's corrections - 4 electronic proofs - 2 mook-up proofs	1000.00
Advertorials, information and urgent notices	1000.00
Trans-promotional advertising	79.80
Colour advertising at the back of the envelope	8 097.41
	5 650.00
Once off fees	2 447.41
Variable fees	8 097.41
	2.45
Per 1	220 266.90
Per 90,000	2 643 202.80
Per annum	7 929 608.40
Per 36 Months	
	34 993 166.40
Total Project Quoted Amount	

Terms of payment will be in accordance with the provisions of the Municipal Finance Management Act No 56 of 2003 to expedite payment please forward invoices to the specified address on the official order.

Price/s include/s 14% VAT
VAT Registration number: 4580132381

Yours faithfully



REGGIE BOKO
GROUP CHIEF FINANCIAL OFFICER

Please ask for: Lovey Sikwane
Telephone No: (011) 628-4411