

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER,
FINANCE DEPARTMENT
BRANDALYN TRAMEL, PURCHASING AGENT, FINANCE
DEPARTMENT
SUBJECT: CONTRACT EXTENSION FIRST AMENDMENT – F000798
UTILITY BILL PRINTING AND MAILING SERVICES

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance Department that the Council, by resolution, approve the First Amendment to Contract F000798 for utility bill printing and mailing services for a four-year extension, with an average 1.8% increase in product unit pricing, and to add optional contract items, with InfoSend, Inc., Anaheim, California, in the amount not to exceed \$321,844.

EXECUTIVE SUMMARY

Contract F000798 for utility bill printing and mailing services is due to expire on July 31, 2017. InfoSend, Inc. has submitted a proposal for a four-year contract extension for utility bill printing and mailing services. InfoSend, Inc. continues to provide satisfactory services.

BACKGROUND

On July 29, 2014, the City Council awarded Contract #F000798 for a period of three years with up to four years of extension options for utility bill printing and mailing services, in the total amount of \$202,484.

There are approximately 52,000 utility bills generated by the City each month using the City's Advanced CIS Infinity software, which are exported via data file to the contractor's computer system for conversion into printed City utility bills. The contractor is responsible for the mailing of the utility bills and postage is reimbursed by the City through the contract.

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ANALYSIS

The proposal submitted by InfoSend, Inc., is for a full four-year period with an average 1.8% increase to product unit pricing, not to exceed \$271,844. The optional items on Exhibit B – Revised, are for vendor-produced inserts, and will be purchased on an as needed basis, not to exceed \$50,000.

The current Consumer Price Index (CPI) Urban Wage Earners and Clerical Workers, postage and delivery services in U.S. city average, (CWSR0000SEEC), indicates a 2.3% increase from August 2014 to April 2017. Staff concludes that it is in the City's best interest to extend the contract with InfoSend, Inc., Anaheim, California. The contractor has provided excellent customer service during the current contract term.

The City and InfoSend, Inc. entered into a three-year agreement on July 29, 2014, awarded by the City Council. See contract activity chart below:

<u>Award/Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Authorization</u>
Contract Award	July 29, 2014	3-Yr Contract	\$202,484	City Council
First Amendment	Pending	4-Yr Extension, addition of funds	\$321,844	City Council
Not to exceed Cumulative Contract Value			\$524,328	

The First Amendment to this contract extends the current services for an additional four years and adds optional contract items. With approval of this First Amendment, the cumulative value of the Contract #F000798 will be \$524,328. Under the City's Contract/Purchase Order Modification Policy III-9, this First Amendment requires approval by the City Council.

FISCAL IMPACT

Funds for this expense are included in the Fiscal Year (FY) 2016-17 adopted budget within the Finance Department. As a regular operating expenditure, the services as described are included in the proposed FY 2017-18 budget and are expected to be included in subsequent years' budget proposals when presented to the City Council.

ENVIRONMENTAL IMPACT

Not Applicable. This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change

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in the environment, pursuant to CEQA Guideline section 15378.

PRIOR CITY COUNCIL REVIEW

On July 29, 2014 Council awarded a three-year contract with four one-year extension options in the amount of \$202,484.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not Applicable

ATTACHMENTS

- Resolution/Exhibit A - First Amendment

CONTACT

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