



Memo

DATE: May 30, 2023
TO: Ted Henry
FROM: Deb Appel
RE: Contracting printing and mailing of Utility Bills and Late Notices

To address inefficiencies and rising costs of mailing utility bills, the finance department requested quotes and demos from two companies that provide printing and mailing services. Based on the lower cost and wider range of services, staff recommends contracting InfoSend for the printing and mailing of utility bills and notices.

May 2023, 2,288 bills were mailed and 1,479 bills were emailed.

Concerns that the utility department need to address include but not limited to:

- Equipment failure including copier and folding machine
- Aging folding machine that is reaching its end of life
- Despite toner on auto-reorder, often run out of toner while printing billing inserts therefore printing on hold while toner is delivered.
- Amount of staff time needed to print, stuff, transport bills to post office.
- Staff shortage during billing process. Ted and Deb often transport bills to post office.
- Rising costs of postage, envelopes, and billing paper. Delayed delivery time of envelopes due to product shortages.
- Limited to a one-page insert which has caused some departments' information to be delayed to the following month(s).
- Storage and accessibility of utility bills. Since software overwrites previous bill, customers cannot get a reprint of a bill after 15 days.
- State Statutes require billing sheets be maintained for 3 years which cannot be met with current billing software.

The current process for bills delivered by mail is for the utility billing specialist to have her computer send the bills to the main city hall copier for printing. During this process, the staff's computer is tied up and cannot use any application plus the copier is tied up for approximately three hours and cannot be used by other staff. While bills are printing, the utility specialist flips through the 2,300 bills looking for bills with identical mailing addresses and pulling them out to be hand folded, hand stuffed, hand labeled, and postage applied by the staff at the postage machine after weighing each piece. There are roughly 100 mailing addresses that receive multiple bills and must be packaged separately for ease of the customer and to reduce postage costs. The specialist also pulls bills by zip code before starting the folding/envelope stuffing process outlined below, as they must be sorted by zip before going to the post office.

The remaining bills are run through the stuffing machine, often with a one-page insert. The machine folds, inserts into an envelope, and seals the envelope. The envelope used has a permit insignia in the top right corner. The utility specialist does a final count of the number of bills being mailed at the post office, creates an Acceptance Notice via the USPS website, and requests a check from the Treasurer. A city employee then drives to the post office and delivers the trays of utility bills.

The process outlined above usually takes 1.5 business days to complete unless equipment failure causes delays. Staff is recommending InfoSend to reduce staff time to 1 hour.

Staff proposes to use InfoSend as their process would take about 30 minutes total, reduce overall cost, remove the risk of an employee driving to the post office, and frees up staff time to take calls from customers with billing questions or needing to set up or change services.

InfoSend services also include the ability to store the utility bill for three years, ability to re-mail a bill, tracks mail delivery to the postal system, confirmation that addresses used are USPS recognized, forwards automatically to customers with updated addresses that customer may not have shared with the city and can adjust the bill template since the City's antiquated software cannot. InfoSend's process enables them to identify all identical mailing addresses and package them in appropriately sized envelopes at the lowest mailing costs. InfoSend can send up to six total pages per mail piece without additional postage costs. This will enable the city to send multi-page inserts allowing all pertinent city information to be sent without delay.

InfoSend can provide these services at a lower price due to the high mail volume, they manufacture their envelopes therefore removing a third-party vendor, and their printing processes remove the necessity of specialized billing paper. But the look of the city's bill will not change.

Below is a snapshot of the cost to contract with InfoSend and compares it to Postalocity and cost of mailing in-house. In-house costs are for materials and postage only, and does not account for staff time, use of admin vehicle, copier cost, or annual \$1,667 maintenance contract for folding machine.

	Current Cost	Postalocity	InfoSend
Mail piece with one page insert	.157		.146
Postage (Permitted*)	.531		.468
Three-year billing storage		N/A	.04
Total per mail Piece w/insert	.688	1.24	.654
Total 2,288 bills w/insert	\$1,574.14	\$2,837.12	\$1,496.35
Total 2,288 bills without insert	\$1,413.98	\$2,356.64	\$1,295.08