



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to Execute the Five-Year General Services Agreement with DataProse LLC to Provide Utility Bill Printing and Mailing Services for the not-to-exceed amount of \$337,150.00.
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	4/6/2021
Staff Contact:	Lauren Lai, 408-586-31111
Recommendation:	Approve and authorize the City Manager to execute the five-year General Services Agreement with DataProse LLC to Provide Utility Bill Printing and Mailing Services for the not-to-exceed amount of \$337,150.00.

Background:

DataProse, LLC prints and mails utility bills to the customers. It provides exact copy of the utility bills to the Electronic Utility Bill Presentment and Payments service provider for customer viewing and payment on-line. Also, it prints unique PayNearMe bar code to the customer's utility bill for cash only payment at CVS or 7-Eleven stores nationwide. The City's current agreement with DataProse, LLC will expire on June 30, 2021.

For fiscal year 2021, estimated total cost is \$53,581 consisting of printing cost of \$18,581 and pass through postage of \$35,000. Under the new contract, the City will pay the same for the services and material as per the existing contract with these exceptions: \$1,500 per year for the new expanded services (system integration and customer PDF billing feature), \$0.00015 price increase for envelopes and maximum 5% annual increase.

Most of the scope of services remain the same as the City's current agreement plus Secure File Transfer Protocol (SFTP) set up and providing exact (PDF) of customer bills and notices through SFTP interface for CSR viewing and printing. Programming for report file changes due to reporting platform conversion from Actuate to COGNOS. Bills are mailed out each Monday, and reminder and final notices are mailed out each Wednesday, with the exception of four skipped weeks in a calendar year. The City's regular mailing includes inserts with the bills or reminder notices. The City bills eight cycles every two months with a range of 1,500-2,700 bills per cycle and a range of 300-500 reminder notices per cycle and 50-75 final notices per cycle. The utility bills and notices are printed on 8.5" x 11" paper with one perforation. The utility bills include a return envelope. The City currently bills utility customers through Cayenta Software, operating Version 9.0.

Analysis:

On December 4, 2020 the City's Purchasing Division released RFP No. 2499 for Utility Bill Printing and Mailing Services. The scope of work was developed working in concert with the Accounts Receivable Unit. The RFP was publicly noticed in accordance with the City's Municipal Code, advertised on the City's website, emailed to companies registered with the City via ProcureNow.com (the City's eProcurement system) and a bid notice posted to PublicPurchase.com as well. Additionally, the RFP was published on the City website.

Upon release, 280 firms were notified of the RFP and 28 firms downloaded the RFP documents. One addendum was issued, and four clarifying questions were answered by City staff. Two firms responded to the RFP by the published closing date of September 16, 2020. The proposals received were reviewed by Purchasing staff for compliance and responsiveness and one was disqualified for not providing information required in the solicitation. The remaining proposal was accepted and continued to the evaluation portion of the

procurement process. The one accepted proposal was from the City's incumbent services provider for these services, DataProse, LLC.

The evaluation committee comprised of City staff that specialized in each of the five services groups and reviewed proposals based on the following criteria:

1. Demonstrated Competence to Perform Services
2. Vendor Qualifications
3. Compensation
4. Quality and Responsiveness of Proposal
5. References

After an initial evaluation by the three City staff members who comprised the evaluation committee, a number of clarifying questions were communicated with DataProse to gather further information regarding their proposals for the evaluation committee. The score was then finalized, and the table below shows the final evaluation scores with the recommended firm highlighted in green:

Firm Name	Final Score
DataProse, LLC	80.5
Moonlight BPO	Disqualified

The first year base price for Utility Bill Printing and Mailing Services portion of the contract is \$25,000, not including postage. Pass-through postage is approximately \$35,000. Assuming a 5% maximum annual increase, the total contract value of services and pass-through postage for the five-year period is not-to-exceed \$329,650.

In addition, an allowance of \$7,500 is included in the first year of this contract due to Cayenta Financial and Utility Billing system upgrade last August 2020 and reporting platform conversion from Actuate to COGNOS. DataProse, LLC will provide the following:

1. Exact copy (PDF) of customer bills and notices through SFTP interface for CSR viewing and printing. Includes SFTP set up.
2. Programming for report file changes.

Policy Alternatives:

Alternative 1: Do not award the agreement for Utility Bill Printing and Mailing services.

Pros: The City would save \$337,150.00 in contracted services over five years.

Cons: Inefficiency and poor customer service.

Reason not recommended: This would require the city to purchase the necessary technology and equipment for printing, sorting and mailing. Moreover, we would need to augment with part-time staffing. Foregoing the vendor's optimized services would result in delays of printing, mailing and ultimately collections of utility bills. Moreover, customer service would decline because the exact copy of the customer's utility bill will not be available immediately to the Electronic Utility Bill Presentment and Payment provider for viewing and payment on-line.

Fiscal Impact:

Under the new contract, the City will pay the same for the services and material as per the existing contract with these exceptions: \$1,500 per year for the new expanded services (system integration and customer PDF billing feature), \$0.00015 price increase for envelopes and maximum 5% annual increase. For Fiscal Year 2021-2022, there is available funding in the Finance Operating budget for the recommended services.

California Environmental Quality Act:

The selection and contractual arrangement for utility billing services does not constitute a project, in accordance with Section 15378 of the State CEQA Guidelines as it is deemed a continuing administrative or organizational activity that does not result in an indirect or direct physical change in the environment.

Recommendation:

Approve and authorize the City Manager to execute the General Services Agreement with DataProse LLC to Provide Utility Bill Printing and Mailing Services for the not-to-exceed amount of \$337,150.00.

Attachments:

1. General Services Agreement with DataProse, LLC