



Legislation Details (With Text)

File #: 18-2067 **Version:** 1 **Name:**
Type: Bid & Purchase **Status:** Passed
File created: 8/24/2018 **In control:** City Council
On agenda: 9/5/2018 **Final action:** 9/5/2018
Title: City Council and Corona Utility Authority consideration of a Professional Services Agreement with InfoSend, Inc. for utility billing and mailing services as an exception to bidding.

Sponsors:

Indexes:

Code sections:

Attachments: 1. PSA_InfoSend

Date	Ver.	Action By	Action	Result
9/5/2018	1	City Council	approved	

AGENDA REPORT REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

DATE: 9/5/2018

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Department of Water and Power

SUBJECT:
City Council and Corona Utility Authority consideration of a Professional Services Agreement with InfoSend, Inc. for utility billing and mailing services as an exception to bidding.

RECOMMENDED ACTION:

That the:

1. City Council approve the Professional Services Agreement for utility billing and mailing services with InfoSend, Inc. of Anaheim, CA, in the amount of \$405,000 as an exception to bidding pursuant to Corona Municipal Code (CMC) 3.08.140(E) and based on findings noted in this report.
2. City Council authorize the General Manager to execute the Professional Services Agreement with InfoSend, Inc. of Anaheim, CA, in the amount of \$405,000 per each fiscal year, and to approve necessary change orders or amendments within a given fiscal year up to the amount provided by Corona Municipal Code Section 3.08.070(I) pursuant to Ordinance 2790.

3. City Council authorize the Purchasing Agent to issue a purchase order in accordance with duly authorized and executed agreements, change orders, amendments and renewals.
4. City Council authorize the General Manager to negotiate and execute up to five (5) one-year agreement renewals, under the terms provided for in this report and the agreement and in a form approved by the City Attorney.
5. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct that the City Council take the above actions.

ANALYSIS:

The Department of Water and Power (DWP) requires utility bill printing and mailing services for its utility customers. InfoSend, Inc. (InfoSend) is a contractor known by DWP staff to provide a high level of responsiveness and service, as well as high standards for accuracy and thoroughness, all of which exceed DWP standards. InfoSend has provided the DWP with exceptional service during the past eleven years, including the transition to a new bill format and shadow statements during the implementation of the tiered rate and water budget program. InfoSend handles critical financial documents for the DWP, and has reliably sent out utility bills to Corona customers since 2007. Additionally, InfoSend integrates seamlessly with Advanced Utility Systems, which is DWP's customer information system, and with PayNearMe, allows customers to pay in cash at all 7-Eleven locations. The time to on board a new vendor to replace InfoSend would be an additional cost to the City and would require additional staff and vendor labor hours to incorporate a new software with Advanced Utility Systems and PayNearMe.

This agreement is based upon a CMC exception to competitive bidding. Specifically, CMC Section 3.08.140(E) which provides as follows:

“(E) Purpose of bidding is otherwise accomplished. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that it is in the best interest of the City and its administrative operations to dispense with public bidding for non-public projects under this chapter.”

Staff believes that the proposed agreement with InfoSend is in the best interests of the City and its administrative operations, since InfoSend's rates and costs are cost competitive, and InfoSend's reputation for responsiveness, service, accuracy and thoroughness meet or exceed DWP's standards. InfoSend has performed price adjustments within the bounds of the contract terms, which states, *“price adjustments shall remain effective and in force for each fiscal year period and shall be made in accordance with and shall not exceed the percent change in the United States Bureau of Labor Statistics Consumer Price Index, ‘All Urban Consumers for Los Angeles-Riverside Orange County, California, (CPI-U)’, not seasonally adjusted, for the most recent twelve (12) months for which statistics are available.”* In fact, the City has not experienced a price increase since 2015.

With respect to the delegation of authority to approve up to five (5) one-year agreement renewals, the General Manager will exercise such discretion within the following parameters: (1) the agreement renewal terms will be on a fiscal year (July 1st through June 30th) basis; (2) the total compensation will remain at \$405,000 per fiscal year, with the ability of the General Manager to approve necessary change orders or amendments within a given fiscal year up to the amount provided by CMC Section 3.08.070(I); and (3) the rates and costs provided in the agreement may be, but are not required to be, increased if the contractor provides evidence satisfactory to the General Manager that rates or other costs have risen during the prior fiscal year or since the last rate and cost adjustment, provided that in no event shall such an increase exceed the lesser of 3 percent or the change in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor for the Los Angeles-Riverside-Orange County statistical area during the preceding December to December period.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 6. Improve Communications with Our Community, Objective B. Develop cost effective means to communicate with residents and businesses. Printing and mailing accurate utility bills is an

essential function of our department.

FISCAL IMPACT:

Funding for the recommended action is included in the Fiscal Year 2018-19 operational budget in the Water Utility (Fund 570), Water Reclamation Utility (Fund 572), and Electric Utility (Fund 578) Funds.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: ROB SCHUNK, DWP CUSTOMER CARE SUPERVISOR

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER & EXECUTIVE DIRECTOR