



Legislation Text

File #: 21-1253, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Waive the applicable provisions of the Naperville Procurement Code and award Procurement 21-357 Bill Print and Mail Services, to AB Data for an amount not to exceed \$188,147.91 for a 12-month term (requires six positive votes)

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In 2009, Council approved the award of RFP 09-144 to AB Data to provide bill print and mailing services for City utility bills for a four-year term with two, two-year options to extend. Council approved both options to extend in 2013 and 2015. In April 2018, AB Data began printing and inserting the City's monthly Naperville Connected newsletter into utility bills, which were previously printed and inserted by City staff until staff determined AB Data could provide the services at a reduced cost.

Since the initial agreement, the City has maintained a partnership with AB Data for bill print and mailing services. Most recently, on June 18, 2019, the City Council awarded a contract extension to AB Data, extending the relationship from July 1, 2019 to December 31, 2021.

During the current term, staff planned to re-evaluate and potentially re-solicit competitive proposals for bill print and mailing services. This action was intended to coincide with the transition of e-billing services from its current provider FIS to the City's enterprise resource planning system (ERP), known as Munis. However, during implementation plan development, challenges, as well as potential opportunities, were identified that led staff to delay transitioning e-billing services, which subsequently delayed any potential transition of bill print services, given that these two services are interconnected. An extension to the City's current e-billing services agreement with FIS was approved by City Council at this past November 2, 2021 meeting.

As part of the November 2 award recommendation, staff outlined a plan to issue a Request for Information (RFI) in the first quarter of 2022, followed by a Request for Proposal (RFP) in the second quarter of 2022 for e-billing services. In addition to e-billing, staff intends to include bill printing and mailing services as part of both solicitations, with the idea that there may be an opportunity to consolidate these two services into one vendor agreement.

As a result, staff proposes to waive the applicable provisions of the Naperville Procurement Code and award a one-year contract extension to AB Data.

DISCUSSION:

Throughout the current contract term, AB Data has performed well in meeting the City’s demanding print and mailing schedule for utility billing. Each day, AB Data receives a print file from the City and must print, insert and prepare the day’s utility bills for mailing by 2 p.m. the same day. AB Data developed a custom platform to receive the City’s data and process it seamlessly throughout their production process with a zero-error rate. This is a significant accomplishment given the City’s volume, complexity, and multiple file formats.

The proposed award includes an approximate 10% increase over 2021 projections. The cost proposal provided can be broken down into 3 primary categories: processing, printing, and materials. While requested price increases for processing and printing are minimal and in line with the rate of inflation, the main driver of the cost increase is materials, which is approximately 20%. This is a significant increase, but also in line with market trends, as well as with the City’s experience with its current paper supplier. According to the U.S Bureau of Labor Statistics, the cost for “Pulp, Paper and Allied Products” have increased by over 50% in the previous 12 months. Staples, one of the City’s office supply vendors, recently issued a notice to its customers warning of significant price increases for paper products, primarily specialty paper and envelopes. The City’s current vendor for paper, Murnane Paper Company, has declined to commit to renewing its current agreement with the City for paper supplies, citing unprecedented supply chain concerns. Staff is currently researching the situation and evaluating its options. AB Data will continue to work on sourcing additional volume as paper becomes available, possibly adding alternative paper color choices to reduce costs.

	Actuals		Proposed	
	2020	2021	2022	2023
Average Monthly Cost	\$13,581	\$14,187	\$15,679	\$16,557
Total Annual Cost	\$162,972	\$170,242	\$188,148	\$198,680

Approval of the new award requires a Waiver of Section 1-9B-4 (Methods of Source Selection) of the Naperville Code because the recommended process is not one of the enumerated methods under the Code.

The term of the extension is 12 months from January 1, 2022 through December 31, 2022 with one option to renew the contract. The award amount does not include postage, which is invoiced as a pass-through expense with rates established by the USPS.

FISCAL IMPACT:

CIP: N/A

Billing and printing services are expensed to the printing services accounts listed below. Each utility fund covers half the billing costs. A total of \$190,000 is tentatively budgeted for utility bill statements, envelopes, inserts and processing in 2022, pending Council approval.

Account Number	Fund Description	Total Budget Amount
15171300-531310	Electric Utility	\$95,000
15171500-531310	Water and Wastewater	\$95,000