



Legislation Details (With Text)

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Title: Waive the applicable provisions of the Naperville Procurement Code and award Procurement 19-203, Bill Print and Mail Services, to AB Data for an amount not to exceed \$416,359.58 and a 30-month term (Requires six positive votes)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/18/2019	1	City Council	approved	Pass

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Waive the applicable provisions of the Naperville Procurement Code and award Procurement 19-203, Bill Print and Mail Services, to AB Data for an amount not to exceed \$416,359.58 and a 30-month term (requires six positive votes)

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In 2009, the City 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. The City Council approved both options to extend in 2013 and 2015.

In October 2017, the City Council waived the code and approved the award of Contract 17-038, Bill Print and Mail Services, to AB Data for an 18-month term from January 1, 2018 through June 30, 2019. 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 slightly reduced cost.

The current agreement with AB Data ends June 30, 2019.

DISCUSSION:

In 2015, City Council approved Contract 16-015 with Tyler Technologies for the implementation of a new enterprise resource planning (ERP) system. A major component of the new system is a utility billing module, which is set to deploy at the end of 2021. As part of deployment, staff will review the capabilities of Tyler's bill print and mail options.

AB Data has provided printing services for the City's monthly utility billing statements for more than a decade. Staff recommends extending the relationship through the end of 2021, during which the City will implement the utility billing module in the new Enterprise Resource Planning (ERP) software.

The City has a 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 has developed a platform to receive the City's data and process it seamlessly throughout their production process with a zero-error rate.

If the City were to contract with a new vendor, the vendor would be required to develop this type of platform. Additionally, the new vendor would be required to perform additional programming to change file formats once the City moves to the new ERP. These costs could be saved by using the current print provider until the utility billing module is implemented.

A 30-month extension will allow monthly utility billing to continue operating smoothly and allow staff time to learn how the utility billing module operates. Once the module is completed, staff will re-evaluate service needs for future billing processes and determine how to proceed with printing and mailing demands.

Production rates for the extension will remain the same for 2019 with slight increases in 2020 and 2021. AB Data agreed to keep the rate increases below the Consumer Price Index of 1.5-percent. The City will also see a slight increase on paper costs due to several price increases applied by the paper industry in the past year. An annual breakdown of the total projected costs is provided below.

	Actuals		Proposed		
	2018	2019*	2019	2020	2021
Average Monthly Cost	\$11,449	\$12,044	\$13,858	\$13,581	\$14,187
Total Cost	\$137,390	\$48,175	\$ 83,145	\$ 162,972	\$ 170,242

*The table reflects four months of actual bills received in 2019

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 30 months from July 1, 2019 through December 31, 2021.

FISCAL IMPACT:

CIP #: N/A

Billing and printing services are expensed to the printing services accounts listed below. A total of \$150,200 is budgeted for utility bill statements, envelopes, inserts and processing in 2019. The remainder of this contract will be budgeted appropriately in subsequent years.

Account Number	Fund Description	Total Budget Amount
15171300-531310	Electric Utility	\$75,100
15171500-531310	Water and Wastewater	\$75,100