



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 23, 2013

TO: Mayor and Councilmembers

FROM: Accounting Services Division, Finance Department

SUBJECT: Award Of Professional Services Agreement For Document Printing And Mailing Services To Infosend, Inc.

RECOMMENDATION:

That Council authorize the Finance Director to execute a professional services agreement with InfoSend, Inc. for a term of three years with an optional two-year extension as additional one (1) year increments.

DISCUSSION:

Since February of 2010, the City has contracted with CSG Systems, Inc. (CSG) to process, print and mail utility invoices and other miscellaneous notices to City residents and businesses. On October 30, 2012, the Finance Director notified CSG of the City's desire to allow the existing agreement to expire and to continue to contract with the vendor on a month-to-month basis through July 31, 2013.

To secure the services of a vendor for printing and mailing services beyond July 31st, the City could initiate its own competitive procurement process. Alternatively, it could adopt the price and business terms secured by another jurisdiction for similar services provided that the procurement process employed by the jurisdiction substantially conformed to that of the City.

In 2011, the City of Orange issued a request for proposals (RFP) for document printing and mailing services similar to those currently performed by CSG. Of the four proposals received (including CSG), the InfoSend cost proposal was substantially less than those of the other three respondents. For example, its pricing for utility bills (comprising the largest proportion of all documents printed) was 22% to 36% less than its competitors. Besides price, InfoSend scored the most points in the other rating categories and as a result, was awarded a five year contract by the City of Orange.

Staff is confident that InfoSend has the technical, managerial and financial capacity to meet all of the obligations and provisions set forth in the attached professional services agreement. InfoSend has performed the full spectrum of data processing, print and mail services since 1996. The company has 280 clients, nineteen of which are former CSG clients.

All of the clients that staff surveyed consistently gave InfoSend high marks for quality service delivery, customer service and responsiveness to client needs. Staff was especially pleased to learn from two of InfoSend's clients that they noted substantial improvement in the timeliness of mail delivery with InfoSend when compared to their previous experience with CSG.

BUDGET/FINANCIAL INFORMATION:

In Fiscal Year 2012, the City paid approximately \$230,000 to CSG for bill print services. Had the City remained with CSG in Fiscal Year 2014, this amount would have increased to approximately \$236,000 based upon forthcoming postage increases and contractual adjustments to CSG's service fees. Under the terms of the Agreement with InfoSend, staff expects the City to pay approximately \$221,000 in FY 2014, a savings of approximately 7%. It should also be noted that the City will begin to incur charges when InfoSend begins to actually process utility bills on August 1, 2013. InfoSend will not charge the City fees for any activities performed during the implementation period prior to the "go live" date.

PREPARED BY: Matt Fore, Environmental Services Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office