

STAFF REPORT



ITEM NO. 9
CITY OF OCEANSIDE

DATE: April 22, 2015

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **AMENDMENT 3 TO PROFESSIONAL SERVICES AGREEMENT WITH INFOSEND INC., FOR THE PRINTING AND DELIVERY OF UTILITY BILLS AND BUSINESS LICENSE DOCUMENTS**

SYNOPSIS

Staff recommends that the City Council approve Amendment 3 in an amount not to exceed \$350,000 to the Professional Services Agreement (PSA) with Infosend Inc., for the printing and distribution of utility bills and business licenses, extending the term of the agreement by one year from May 18, 2015 to May 18, 2016, and applying a 1.1 percent Consumer Price Index (CPI) increase; and authorize the City Manager to execute the amendment.

BACKGROUND

In May 2011 the City Council approved a three-year PSA with Infosend Inc. for the design, printing and distribution of utility bills with an expiration date of May 16, 2014. By October 2011, Infosend was receiving electronic billing files and creating and distributing the bills and delinquent notices.

In Amendment 1 to the PSA, approved in April 2012, Infosend services were extended to include the creation and distribution of business license documents. These services went live in July 2012 with the implementation of new business licensing software.

In April 2014 the City Council approved Amendment 2 to the PSA providing for a one-year extension on the agreement and adding a CPI increase of 2.7 percent.

ANALYSIS

Infosend has been providing excellent service to the City of Oceanside, has been flexible, and effectively meets the City's needs with minimal effort by City staff. The services have been delivered timely, accurately and on budget during all four years of the agreement.

The initial contract set the pricing for the entire three-year agreement period without any increases to Infosend. The postage rates are a direct pass through from the United States Postal Services (USPS) Department. Any USPS rate increases are automatically passed onto the City but the per item costs for Infosend's services are set by the agreement. Infosend, an Orange County company, requested a Consumer Price Index (CPI) increase of 1.1 percent which is less than the Los Angeles, Riverside and Orange County CPI of 1.3 percent. Staff is recommending the 1.1 percentage increase be applied to the per item charges.

FISCAL IMPACT

The cost of Amendment 3 covers the 1.1 percent CPI increase in an amount not to exceed \$99,000 as well as USPS rates in an amount not to exceed \$251,000, for a total cost not to exceed \$350,000. The expense will be funded from existing budget in account 212010101.5305 for FY 2014-15 and will be included in the proposed FY 2015-16 budget.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 3 in an amount not to exceed \$350,000 to the Professional Services Agreement (PSA) with Infosend Inc., for the printing and distribution of utility bills and business licenses, extending the term of the agreement by one year from May 18, 2015 to May 18, 2016 and applying a 1.1 percent Consumer Price Index (CPI) increase; and authorize the City Manager to execute the amendment.

PREPARED BY:



Sheri Brown
Financial Services Division Manager

SUBMITTED BY:



Michelle Skaggs Lawrence
Interim City Manager

REVIEWED BY:

Jane McPherson, Interim Financial Services Director

Attachments: Amendment 3
Exhibit A – Pricing Schedule



CITY OF OCEANSIDE
AMENDMENT 3 TO
PROFESSIONAL SERVICES AGREEMENT

PROJECT: INFOSEND PRINT AND DISTRIBUTION SERVICES

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated April 22, 2015 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and Infosend Inc., a California Corporation, hereinafter designated as "CONSULTANT."

RECITALS

WHEREAS, City and Consultant are the parties to that certain Professional Services Agreement dated May 18, 2011, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

WHEREAS, City and Consultant are the parties to Amendment 1 of the Professional Services Agreement dated May 16, 2012 wherein Consultant agreed to provide services for business licensing documents to the City as set for the therein;

WHEREAS, City and Consultant are the parties to Amendment 1 of the Professional Services Agreement dated May 18, 2014 wherein Consultant agreed to provide services for and additional year with a Consumer price Index (CPI) increase to the City as set for the therein;

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. **TERM**

The term of the agreement is extended by one year from May 18, 2015 to May 18, 2016.

2. Section 9 - **COMPENSATION**

The City agrees to a requested 1.1% Consumer Price Index (CPI) increase in the per unit cost with the one year cost not to exceed \$99,000. Postage will continue to be billed at the USPS rates and will not exceed \$251,000 for the one year period of this amendment. Attached Exhibit A outlines the per unit costs.

INFOSEND PRINT AND DISTRIBUTION SERVICES

Additional services not included in Exhibit A may only be added through a contract amendment approved by the City of Oceanside City Council. Compensation for such additional services shall be paid as set forth in Infosend's contract rates in effect at the time the additional services are approved by the City Council.

No work shall be performed by Infosend in excess of the total contract price of \$350,000 without prior written approval of the Financial Services Director. Infosend shall obtain approval by the Financial Services Director prior to performing any work, which results in incidental expenses to the City.

3. **TERMINATION OF AGREEMENT.** This Agreement may be terminated by the City for any reason by providing Consultant thirty (30) days written notice. If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay CONSULTANT for any work completed up to and including the date of termination or abandonment of this Agreement. The CITY shall be required to compensate CONSULTANT only for work performed in accordance with the Agreement up to and including the date of termination.

4. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

INFOSEND PRINT AND DISTRIBUTION SERVICES

SIGNATURES. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

INFOSEND, INC.

CITY OF OCEANSIDE

By: 
Russ Kezai, COO

By: Michelle Skaggs Lawrence, Interim
City Manager

Date: MARCH 11, 2015

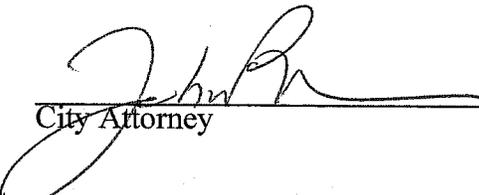
Date: _____

By: _____
Name/Title

Date: _____

APPROVED AS TO FORM:

33-0748516
Employer ID No.


City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

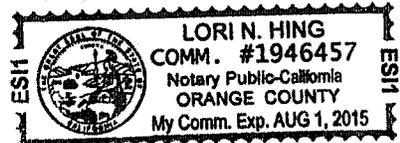
On 3/11/15 before me, Lori N. Hing, Notary Public
(insert name and title of the officer)

personally appeared Russ Reza,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



INFOSEND PRINT AND DISTRIBUTION SERVICES

Exhibit A- Pricing Schedule

<u>Service Description</u>	<u>May 2014-2015</u>	<u>Proposed May 2015-2016</u>
Utility Statements	\$0.06984/Page	\$0.07068/Page
Postage	Actual First Class Presorted Postage	
Additional Pages	\$0.07189/Page	\$0.07268/Page
City Provided Inserts	\$0.01027	\$0.01038
Electronic Bill Presentments (Price for Utility Bills-Includes 6 Months Retention and Hosting)	\$0.004	\$0.00415
Address Correction Service	\$0.35945/correction	\$0.36340/correction
Programming Fee	\$154.00/hour	\$155.00/hour
Set Up Fee	\$0.00	\$0.00
File Transfer Fee	\$0.00	\$0.00
Minimum Download Fee	\$0.00	\$0.00
Inventory/Storage Fee	\$0.00	\$0.00
Business License Documents	\$0.16432	\$0.16612
Code Enforcement New Business License	\$0.24648	\$0.24919
Print Image Archiving (Price for Business Tax Docs)	\$0.008 \$0.01 \$0.014	\$0.00831/3mos \$0.01038/6mos \$0.01453/12mos
Final Doc CD	\$95/CD +S&H	\$98.638/CD +S&H
Final Doc Transfer	\$0.01	\$0.01038/document
Multiple Page Mail Pieces	\$0.25675/mail piece	\$0.25957/mail piece
<u>Materials</u>		<u>Costs</u>
Forms-Utility Preprinted	\$0.01325	\$0.01339
# 9 Utility return envelope (InfoSend Standard)	\$0.01181	\$0.01193
# 10 Utility single window Out-going envelope	\$.01705	\$0.01723

INFOSEND PRINT AND DISTRIBUTION SERVICES

Exhibit A- Pricing Schedule (continued)

Forms-Business License Delinquent Certificate, Code Enforcement, New Business Invoice	\$0.01438	\$0.01453
# 10 InfoSend Standard Envelope	\$.01438	\$0.01453
# 9 InfoSend Standard Envelope	\$.013	\$0.01349
Flat Single Window Envelope	\$0.16432	\$0.16612