



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 17-0421, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Award a Multi-Year Contract for Utility Billing Services (F17-116)

#### **REPORT IN BRIEF**

Approval is requested to award a five-year contract to Infosend, Inc. of Anaheim in an amount not-to-exceed \$250,000 for utility bill printing, mailing, electronic bill presentment and payment services for the Finance Department.

#### **EXISTING POLICY**

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, City Council approval is required for contracts exceeding \$100,000.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

#### **BACKGROUND AND DISCUSSION**

The City first awarded a contract to Infosend in 2004 to provide utility billing services, including designing, printing, inserting, and mailing the City's utility bills for the Department of Finance. The agreement with Infosend was later extended to include hosting and maintenance of an electronic bill presentment and payment (EBPP) system. This system enabled utility customers to view and pay their utility bills online.

In 2015, the Department of Finance issued an RFP (15-05) for utility bill production and online payment services. Upon review of the proposals and an extensive negotiation process, it was clear that a change in vendor would require a significant impact to about 14,000 of the City's utility customers with only marginal benefit to the City. Customers would be required to re-enroll and re-enter all their profile information, which is an inconvenience to the customer and could result in missed payments or other enrollment issues. In addition to the customer impact and the substantial staff time required to change vendors, awarding the contract to another vendor at this time would also require modifying the utility billing system, rewriting in-house computer programs and retraining customer service and technical support staff.

Staff recommends renewing the City's contract with Infosend for a five-year term. Infosend will provide more favorable terms with a five-year agreement, which will generate some cost savings over a shorter term contract. Staff negotiated a reduction in print and mail charges from \$0.154 to \$0.142 per bill and electronic billing charges from \$0.10 to \$0.07 each resulting in savings of approximately

\$2,000 per year. The City sends approximately 180,000 bills per year. The end of the five-year period coincides with approximately the time the City will be replacing its utility billing system, providing an opportunity to evaluate options for delivering this service.

### **FISCAL IMPACT**

Funding for this contract is included in the Finance Department's operating budget, Program 708 - Utility Billing.

### **Funding Source**

This contract is funded through the City's Utility Enterprise Funds (Water, Wastewater, and Solid Waste). Current utility rates assume the funding of these costs.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Award a five-year contract to Infosend, Inc. of Anaheim in an amount not-to-exceed \$250,000 and in substantially the same form as Attachment 1 for utility bill printing, mailing, electronic bill presentment and payment services for the Finance Department and authorize the City Manager to execute the contract when all necessary conditions have been met.

Prepared by: Gregory S. Card, Purchasing Officer  
Reviewed by: Timothy J. Kirby, Director of Finance  
Reviewed by: Walter C. Rossmann, Assistant City Manager  
Approved by: Deanna J. Santana, City Manager

### **ATTACHMENT**

1. Draft Services Agreement