



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: June 2, 2021

Approved

Date

06/03/21

SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR BILL PRINTING AND MAILING SERVICES

RECOMMENDATION

Accept the report on the Request for Proposal and adopt a resolution authorizing the City Manager to:

- (a) Negotiate and execute an agreement with InfoSend, Inc. (Anaheim, CA) for bill printing and mailing services for an initial one-year term beginning on or about June 16, 2021 through June 30, 2022 with a maximum compensation not to exceed \$215,000, subject to the appropriation of funds; and
- (b) Negotiate and execute amendments and change orders as required to address seasonal variations, budgetary constraints, or unanticipated changes in demand, subject to the appropriation of funds; and
- (c) Exercise up to six one-year options to extend the term of the agreement through June 30, 2028 for ongoing services, subject to the appropriation of funds.

OUTCOME

To modernize the City's printing and mailing processes and utilize more cost-effective means of distributing the growing number of utility, business tax, and accounts receivables billing materials.

BACKGROUND

The City of San José prints and mails approximately 444,700 bills and notices (486,700 pages) each year for utilities, business tax, and accounts receivables. New print and mail billing documents are issued daily to ensure the punctual and regular flow of income to the City from these sources. Requests for bill printing and mailing are initiated by the City through delivery of a flat file to the vendor which the vendor then converts through a two-step process to match names and addresses to bills. The vendor digitally applies this data to templated forms and letterhead, prints corresponding materials, inserts materials into envelopes, and pre-sorts materials for optimized postal discounts.

The City has been contracting these services with the incumbent vendor since June 2006. The current option is extended on a month to month basis through October 31, 2021. To ensure that the City continues to receive the most competitive pricing and technologically advanced products and services, the City periodically conducts new procurements. Through a competitive procurement for bill printing and mailing services, the City can benefit from significant cost savings, enhanced accuracy and security measures, and modern database and management systems to enable City staff to search, track, and manage each request to completion and access a central repository of all requests.

ANALYSIS

In January 2021, the Finance Department released a Request for Proposal (RFP) for the Print and Mail of Billing Documents. Five responsive proposals were received prior to the submittal deadline from the following companies:

1. Doxim Inc.
2. E & J Valueplus (DBA: SENDnLINK)
3. InfoSend, Inc.
4. Kubra America West, Inc.
5. Moonlight Business Process Outsourcing, LLC

Evaluation Process: The five proposals were evaluated and scored independently in accordance with the evaluation criteria set forth in the RFP by a three-member evaluation team comprised of representatives from the Finance Department.

Based on evaluation of their submitted technical and cost proposals, the top two proposers were invited to participate in oral interviews to demonstrate their solutions. This was followed by a Best and Final Offer (BAFO) to make additional clarifications and obtain final pricing.

Scores for the finalists are as follows:

Final Scores	Maximum Points	Kubra America West, Inc.	InfoSend, Inc.
General Requirements	15	12	12
Experience and Qualifications	15	11	12
Project Approach/Schedule	5	4	5
Technical Capabilities	15	12	12
Cost Proposal (BAFO)	25	21	25
Oral Interview / System Demonstration	15	10	12
Local Business Enterprise	5	0	0
Small Business Enterprise	5	0	0
TOTAL	100	70	78

Local and Small Business Enterprise Preference: In accordance with San José Municipal Code Section 4.12.320.C.1, ten (10) percent of the total points are reserved for the local and small business enterprise preferences. One non-finalist proposer, SENDnLINK, requested and received the City’s local and small business enterprise preferences for its office located within Santa Clara County. Application of the local and small business enterprise preference did not impact the award recommendation for this RFP.

Protest: The City’s RFP process included a ten-day protest period that began when the City issued the Notice of Intended Award on April 20, 2021. No protests were received.

Award Recommendation: Staff recommends award of contract to InfoSend, Inc. (InfoSend), whose proposal was scored as the best value proposal per the evaluation criteria set forth in the RFP. InfoSend’s proposal met or exceeded all RFP specifications and was highly rated in the following key areas:

- Extensive experience, knowledge, and expertise deploying the proposed solution at other public agencies;
- A streamlined project approach and schedule with a 10-week implementation to go-live; and
- A cost-effective solution, including no-cost implementation and no markup on the cost of stock, with an estimated cost reduction of \$200,000 per year compared to the City’s current agreement.

Staff conducted reference checks with the City of Escondido and the City of San Luis Obispo. Both references provided positive feedback.

Office of Equality Assurance: The City of San José’s Living/Prevailing Wage Policy applies to this Agreement.

Summary of Proposed Agreement: The agreement with InfoSend will be in accordance with the City's standard terms and conditions and include the following provisions:

1. Fixed not-to-exceed rates for the initial one-year term, with compensation to be paid monthly in arrears based on actual usage;
2. Detailed printing and mailing costs for paper and envelope stock, portal access, support and maintenance, processing fees, optional supplemental services, and estimated postage;
3. Six one-year options to extend the agreement, with price adjustments to be considered by the City if requested and justified based on the Consumer Price Index (CPI) and does not exceed 3% over the previous year, unless the City's Living Wage and/or Prevailing Wage increases by more than 3%; and
4. Detailed scope of services to ensure that services meet the City's requirements, including items related to the database and management system, printing, backup and disaster recovery, system accuracy, and training.

CONCLUSION

Approval of this recommendation will provide (1) continued printing and mailing services for utility, business tax, and accounts receivables billing materials, (2) significant cost savings, and (3) a modern and accessible solution to meet the City's growing billing demands.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the City of San José Council meeting to be held on June 15, 2021.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Environmental Services Department.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City Council-approved budget strategy to effectively manage the City’s technological resources to enable and enhance the delivery of City Services and projects. More specifically, this action will increase efficiency through the modernization and streamlining of billing and printing functions. This action also aligns with the Envision San José 2040 General Plan to carefully manage existing fiscal resources by ensuring the punctual, consistent, and accurate delivery of City services.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION (1-year Initial Term)	\$215,000
2. COST ELEMENTS:	MAXIMUM NOT TO EXCEED <u>(Initial Term)</u>
One-Time Implementation Services <i>(included)</i>	\$0
Ongoing Costs*	
- Annual portal access, including maintenance and support <i>(included)</i>	0
- Stock of paper and envelopes <i>(provided at actual cost: \$0.015/sheet of paper, \$0.0268/#10 envelope, \$0.045/ 6"x9" envelope, 0.15/9"x15" envelope)</i>	20,000
- Processing, impressions, insertions, and return envelopes <i>(\$0.005/record, \$0.045/sheet, \$0.007/machine insert, \$0.25/manual insert, \$0.015/return envelope)</i>	45,000
- Postage <i>(provided at actual cost)</i>	150,000
TOTAL NOT TO EXCEED (1-year Initial Term)	\$215,000

*The City will pay vendor monthly in arrears for print and mail-related products and services provided in the previous month.

Note: Options will be executed based on the then current usage and need and will be subject to the appropriation of funds.

3. SOURCE OF FUNDING: General Fund (001), Water Utility Operating Fund (515), Integrated Waste Management Fund (423), Storm Sewer Operating Fund (446), and Sewer Service and Use Charge Fund (541).

BUDGET REFERENCE

The tables below identify the funds and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2021-2022 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
515	0762	Environmental Services Non-Personal/Equipment	\$39,861,859	\$73,237	X-103	TBD
423	0762	Environmental Services Non-Personal/Equipment	\$3,154,304	\$30,759	X-58	TBD
446	0762	Environmental Services Non-Personal/Equipment	\$2,989,336	\$732	X-98	TBD
541	0762	Environmental Services Non-Personal/Equipment	\$534,244	\$732	X-94	TBD
001	0492	Finance Non-Personal/Equipment	\$1,427,294	\$109,540	VIII-136	TBD

*The 2021-2022 Proposed Budget will be submitted to Council for approval and adoption in June 2021. Funding beyond 2021-2022 will be subject to the annual budgeting process.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/
JULIA H. COOPER
 Director of Finance

For questions, please contact Jennifer Cheng, Deputy Director of Finance, at jennifer.cheng@sanjoseca.gov.