



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Douglas Schulze, City Manager

**PREPARED BY:** Stacy Bouslog, Customer Service Manager  
Lincoln Bogard, Administrative Services Director

**MEETING DATE:** February 13, 2024

**SUBJECT:** Consideration of Resolution 2024-28, Approving an InfoSend Master Service Agreement to Provide Data-Processing, Printing, and Mailing Services for Utility Billing

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### **RECOMMENDATION:**

City staff recommends that the City Council adopt Resolution 2024-28, renewing a contract with InfoSend with an initial 3-year term and two (2) consecutive (1) year term renewal options with InfoSend for data-processing, printing, and mailing services related to Utility Billing and community outreach.

### **BACKGROUND:**

Since August of 2012, the utility billing division has utilized InfoSend to produce a variety of mailings on behalf of the City, including utility bills, reminder notices, announcements, rate change advisories, water quality program notices, awareness/education campaign notices, final bills and penalties/collections notices. InfoSend services include paper bill processing, printing, and entire mailing process, along with address validation for Presorted First Class rates, bar coding, printing, folding, envelope stuffing and postage for every item.

InfoSend pays the cost of postage for mailing all bills and notices upfront and then passes this cost to the City in their invoicing, with no mark-up to the City. The City is responsible for this postage, regardless of the vendor providing the printing and support services. The postage costs related to this contract are exempt from Procurement and Council Approval per the City's Purchasing Policy B-30, Section 3-105 (6). Postage costs have been projected over the five (5) year term with allowances for possible cost increase from the United States Post Office.

### **JUSTIFICATION:**

On an annual basis, InfoSend produces and mails approximately 185,000 bills (Utility and Delinquent bills) and other notices on behalf of the City, as depicted in the chart below. Without the expertise of InfoSend, the City would not be able to produce, assemble and mail the current volume of utility bills and notices in-house. To perform this task in-house would require expensive machinery to print, stuff, seal, postage pre-sorting software and staff time, which is not cost effective in today's environment, while services such as InfoSend exist.

The City has been utilizing the services of InfoSend for fourteen years and has been very pleased with the excellent service they provided during this time. InfoSend is also located in Southern California, which results in City residents receiving their bills within a few days. Previously, the City had utilized the services of a different provider, located out of state, and resulted in unsatisfactory results. In order to maintain current business processes, consistency and quality of service, City staff would like to renew

the contract with InfoSend by executing an updated contract as of 2024, per the Recommendation above.

**FISCAL IMPACT:**

Funds for this contract during FY 2023-24 time-period have been allocated and approved within the FY 2023-24 budget. The anticipated expenses in the chart below through 11/2028, will be requested during future City budget cycles, which includes anticipated Proposition 218 noticing requirements. This five (5) year contract not to exceed \$456,812.00 (postage does not require approval (reference: B-30 Policy Section 3-105(6)) for ease of understanding is included below).

<u>Time Period</u>	<b>12/2023 - 11/2024</b>	<b>12/2024 - 11/2025</b>	<b>12/2025 - 11/2026</b>	<b>12/2026 - 11/2027</b>	<b>12/2027 - 11/2028</b>
<b>INFOSEND</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Utility Billing Division	\$ 38,000.00	\$ 39,900.00	\$ 41,895.00	\$ 43,989.00	\$ 46,190.00
Postage	\$ 86,000.00	\$ 90,300.00	\$ 94,815.00	\$ 99,555.00	\$ 104,500.00
Electric - Public Benefits	\$ 10,000.00	\$ 10,500.00	\$ 11,025.00	\$ 11,576.00	\$ 12,155.00
Electric Rate Notifications	\$ 3,000.00	\$ 3,150.00	\$ 3,307.00	\$ 3,475.00	\$ 3,650.00
Street Division Notifications	\$ 5,000.00	\$ 5,000.00	\$ 5,500.00	\$ 5,500.00	\$ 6,000.00
Water & Wastewater Notifications	\$ 10,000.00	\$ 10,000.00	\$ 11,000.00	\$ 11,000.00	\$ 12,000.00
Prop 218 Water/Wastewater Requirements				\$ 20,000.00	
Transit Notifications	\$ 5,000.00	\$ 5,000.00	\$ 5,500.00	\$ 5,500.00	\$ 6,000.00
Refuse Outreach	\$ 5,000.00	\$ 5,000.00	\$ 5,500.00	\$ 5,500.00	\$ 6,000.00
Prop 218 Refuse Rate Requirements				\$ 20,000.00	
<b><u>TOTALS</u></b>	<b>\$ 162,000</b>	<b>\$ 168,850</b>	<b>\$ 178,542</b>	<b>\$226,095</b>	<b>\$196,495</b>

**ALTERNATIVES:**

1. Approve Resolution as recommended.
2. Approve Resolution with amendments.
3. Not approve Resolution and provide alternative direction to staff.

**ATTACHMENTS:**

1. [Resolution 2024-28.docx](#)
2. [City of Banning\\_InfoSend\\_MSA RW Revisions 112 723.docx](#)
3. [City of Banning InfoSend Exhibits A-C 112723.docx](#)
4. [Sole Source Memorandum 06-28-17.pdf](#)