



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2013-0042

**TO:** Mayor and City Council Members  
**FROM:** Keith Sawdon, Finance Director 2535  
**DATE:** January 28, 2013  
**SUBJECT:** Blanket Purchase Order for Water & Sewer Utility Billing

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**REQUEST:**

City Council is being requested to authorize a blanket purchase order for the printing and distribution services for the City's Water and Sewer Utility Bills to Utilitec located in Troy, Michigan. The request is for authorization for three years (2013, 2014 and 2015). Total request is for \$250,440 (\$166,791 postage + \$53,649 W/S bill processing + \$30,000 for estimated inserts).

**REASON FOR PURCHASE:**

The City solicited a Request for Proposal (RFP) on November 14, 2012 for an experienced and qualified firm to provide printing and distribution services for the City's Water and Sewer Bills. The City received five proposals which were evaluated by a four member review team. Utilitec was selected because they represented the best value for the City based on their ability to deliver a quality product and their proposed cost structure.

In addition to the basic service, the City also requested an optional proposal including information and costs for the delivery of an Electronic Bill Presentment process (commonly know in the industry is EBPP). The EBPP option would offer, to our customers, at their option, a paperless billing solution. Here again, Utilitec's EBPP product provided the best solution and price structure of those who submitted proposals.

Their proposed system was very user friendly with "self-help" web access and provided seamless integration between the City's web site and their EBPP hosting site. As indicated above and on the attached worksheet, postage is the highest cost component of our W/S billing process. The introduction of an EBPP process will eliminate the cost of postage (in addition to paper) for every customer that enrolls. Utilitec's EBPP cost structure provided the lowest breakeven point for the City.

Utilitec is the City's current W/S Billing processor which will avoid setup and conversion costs. The Accounting Division has been very satisfied with their utility billing experience using Utilitec and Utilitec's team is efficient, easy to work with and continually provides the City with outstanding service.

**PROCESS:**

**Vendor Name and Address:**

Utilitec  
1911 Woodsell Drive  
Troy, MI 48083

**Reason for Selection:**

Best value to the City based on service, working experience with the company and cost proposal (with no rate adjustments for 5 years).

**Method of Purchase:**

Request for Proposal

**BUDGET:****2013 Budget**

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
General Fund	201.807000	Contractual Services-Basic Service	\$73,500	\$78,183	(\$4,683)
General Fund	201.807000	Contractual Services-EBPP Service	\$0.00	\$3,600	(\$3,600)

**RECOMMENDATION:**

It is recommended that the City Council authorize a contract/blanket for printing and distribution services for the City's Water and Sewer Billings to Utilitec in the not-to-exceed total of \$250,440 covering 2013, 2014 and 2015. It should be noted that the blanket total being requested does include an estimate for postage especially for 2014 and 2015. Estimating postage may cause a need for the blanket to be adjusted if actual postage should exceed our estimated postage.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		