



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2010-0080

TO: Mayor and City Council Members

FROM: Pamela Lee, Accounting Division

DATE: February 4, 2010

SUBJECT: Blanket Purchase Order for Water & Sewer Utility Billing

REQUEST:

City Council is being requested to authorize a contract extension/blanket order for the printing and distribution services for the City of Rochester Hills Water and Sewer Utility Bills to Utilitec, Troy, Michigan. The request for authorization is an option to renew the contract for three (3) additional one-year terms (years ending 2011, 2012, and 2013). Total request for authorization is \$224,874 (\$141,792 Postage + \$53,082 WS Bill Processing + \$30,000 inserts).

REASON FOR PURCHASE:

In 2008 the City solicited Request for Proposals (RFP) for printing and distribution services of the water and sewer utility bills. The City entered into a two (2) year contract for those years and the contract expires on March 31, 2010. The City is requesting authorization to extend the contract for the additional three (3) years for the costs proposed in the RFP. The request for the new contract would expire on March 31, 2013. Below is the breakdown by year and departments.

| | |
|--|----------|
| • 2010/2011 Contractual Service-W/S Bills-Accounting Division | \$64,602 |
| • 2010/2011 Printing-Additional Inserts-Other Departments | \$ 8,000 |
| • 2011/2012 Contractual Services-W/S Bills-Accounting Division | \$66,822 |
| • 2011/2012 Printing-Additional Inserts-Other Departments | \$ 8,000 |
| • 2012/2013 Contractual Services-W/S Bills-Accounting Division | \$69,450 |
| • 2012/2013 Printing-Additional Inserts-Other Departments | \$ 8,000 |

The Accounting Division has been very satisfied with the services provided by Utilitec. Utilitec is efficient, timely and has provided a cost savings in postage due to the ability to bundle bills that are mailed to the same address.

PROCESS:

Vendor Name and Address:

Utilitec
1911 Woodlee Drive
Troy, MI 48083

Reason for Selection:

Best value, satisfied with services provided

Method of Purchase:

Contract/Blanket Order

BUDGET:

Blanket purchase order is for 3 years of service to expire on March 31, 2013

| Fund Name | Department Account No | Account No. Description | Budget Amount | Cost | Remaining Budget |
|------------------|------------------------------|--------------------------------|----------------------|-------------|-------------------------|
| General Fund | 201.807000 | Contractual Services | \$66,190 | \$64,602 | (\$1,588) |
| Various Funds | Various Departments | Printing | \$8,000 | \$8,000 | -0- |




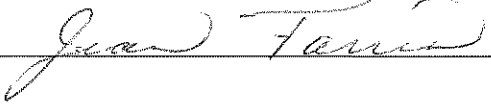
RECOMMENDATION:

It is recommended that the City Council authorize a contract extension/blanket purchase order to Utilitec, Troy, Michigan for printing and distribution services in the not-to-exceed total of \$224,874 for term to expire March 31, 2013.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

| APPROVALS: | SIGNATURE | DATE |
|--|--|-------------|
| Department Review |  | 2-5-10 |
| Department Director |  | 2-5-10 |
| Budget Content: Finance Director |  | 2-5-10 |
| Purchasing Process: Supervisor of Procurement |  | 2-5-10 |
| Mayor | | |
| City Council Liaison | | |