



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2015-0500

TO: Mayor and City Council Members
FROM: Keith Sawdon, Finance Director
DATE: December 7, 2015
SUBJECT: Printing & Distribution Water and Sewer Utility Bills

REQUEST:

City Council is requested to authorize a Blanket Purchase Order for the printing and distribution of the City's Water and Sewer Utility Bills in the not-to-exceed amount of \$245,000 to Utilitec, Troy, Michigan for a three year term.

REASON FOR PURCHASE:

The City solicited Request for Proposals in 2012 for an experienced and qualified firm to provide printing and distribution services for the City's Water and Sewer Bills. Utilitec was selected and awarded the contract based on their ability to deliver a quality product and their proposed cost structure offered the best value to the City (see attached).

The contract identified a two year contract term with the option to renew for an additional three years providing all terms and conditions remained the same. The City has been very satisfied with the services provided by Utilitec and recommends exercising the renewal option of the contract and awarding to Utilitec for the remaining three (3) contract term. They were the only firm, of those submitting proposals, that was willing to hold their processing price structure the same for all five years.

Retaining Utilitec, as our printing and mailing vendor for water and sewer bills, will also avoid setup and conversion costs if the City were to solicit and select a new vendor. We are also in the final phase of installing the new utility billing system and changing vendors at this point would require additional programming work related to file sharing.

PROCESS:

Vendor Name and Address:

Utilitec
1911 Woodsell Drive
Troy, MI 48083

Reason for Selection:

Best value

Method of Purchase:
Blanket Purchase Order

BUDGET:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
General 2016	201.807000	Contractual Services	75,000	75,000	0
General 2017	201.807000	Contractual Services	77,000	77,000	0
General 2018	201.807000	Contractual Services	77,000	77,000	0
Various	000.807000	Contractual Services	16,000	16,000	0

RECOMMENDATION:

City Council is requested to authorize a Blanket Purchase Order for the printing and distribution of the City's Water and Sewer Utility Bills in the not-to-exceed amount of \$245,000 to Utilitec, Troy, Michigan for a three year term. It should be noted that the blanket total being requested does include an estimate for postage for 2016, 2017 and 2018. Postage is currently running over \$53,000 a year based on a bulk, pre-sorted rate. \$161,000 of the blanket being requested is related to postage, \$51,000 is for paper and bill processing (printing, folding, stuffing, etc.) and \$33,000 is for bill inserts. Actual postage rates may require the blanket to be adjusted if actual should exceed our estimate.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		