



AGENDA MEMORANDUM

Future Item for the City Council Meeting of April 9, 2013
Action Item for the City Council Meeting of April 23, 2012

DATE: April 9, 2013

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Utility Bill Processing

CAPTION:

Motion awarding a service agreement with QuestMark Information Management Inc., of Houston Texas, to provide printing, processing and mailing of utility bill services, in accordance with Bid Invitation No. BI-0043-13, based on lowest responsible bid, for an estimated three year expenditure of \$307,905.84 of which \$25,658.82 is required for the remainder of this fiscal year. The term of the contract will be for thirty-six months, with two, twelve month automatic extensions. Funding is available in the Utility Business Office Operations Budget of the Finance Department for fiscal year 12/13.

PURPOSE:

The contractor is responsible for printing the City's utility bills, processing and preparing the statements for mailing and issuing the bills to our customers.

BACKGROUND AND FINDINGS:

Approximately 4,000 utility statements are processed for billing each workday of the month. Each day, an electronic file containing the daily accounts that are due to be billed for utility service is transferred to the contractor who processes the statements and mails them to our customers. Included in this service are utility bill forms ordering and inventory control, printing of customer specific data, folding of bills and inserting into envelopes, applying postage to each bill and mailing. The cost of postage is not included in this contract but is billed directly as a pass through cost from the contractor. Delinquency notices and return mail processing is also a part of the service. The contractor will also track each bill as it is processed through their system for quality assurance and quality control purposes.

ALTERNATIVES:

The City issued a Request for Bid for these services. The recommended award is made to the lowest responsible bidder meeting all aspects of the service requirements.

OTHER CONSIDERATIONS:

The utility bill will be redesigned to provide for messaging and a graphical presentation of customer usage over time. Once implemented, staff will work with the contractor on expanding paperless notification and billing (ebills) for those customers who prefer this type of service.

CONFORMITY TO CITY POLICY:

This award conforms to all State Statutes and City policies governing procurement activities of the City.

EMERGENCY / NON-EMERGENCY:

N/A

DEPARTMENTAL CLEARANCES:

Finance

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

(ENSURE THE APPROPRIATE BOX ABOVE IS CHECKED).

Fiscal Year: 2011-2012	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$187,960.00	\$282,247.02	\$470,207.02
Encumbered / Expended Amount		122,817.55		122,817.55
This item		25,658.82	282,247.02	307,905.84
BALANCE		\$39,483.63	0	\$39,483.63

Fund(s): 4010

Comments: The \$25,658.82 financial impact shown above represents three months of expenditures that will be encumbered this fiscal year. The remaining \$282,247.02 represents thirty-three months of expenditures that will be requested in future fiscal years through the normal budget process.

RECOMMENDATION:

Staff recommends awarding the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation