

CITY OF MARYSVILLE AGENDA BILL
EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: July 28, 2014

AGENDA ITEM: Professional Services Agreement with Billing Document Specialists	
PREPARED BY: John Nield, Financial Operations Manager	DIRECTOR APPROVAL:
DEPARTMENT: Utility Billing	
ATTACHMENTS: Professional Services Agreement	
BUDGET CODE: 00143523.541000	AMOUNT: 112,500

SUMMARY:

Staff is requesting authorization to enter into a five (5) year Professional Services Agreement with Billing Document Specialists (BDS) to provide bill print and lockbox services for the City of Marysville Utility Customers. BDS was selected from six other companies through a Request for Proposal (RFP) process.

BDS will provide customers with their utility bills and be the provider that we collect, process and deposit utility payments made to the designated post office box. BDS offer combined services of bill printing and lockbox payment processing all under one company at a lower rate than our current provider. Because BDS offers both services, having one point of contact is critical to resolving issues, taking care of emergencies and coordination of changes, with ease of testing.

Based on May and June 2014 Activity Annualized, the yearly cost of using BDS services is estimated at \$112,435.08, the current provider's yearly cost for the same service is \$123,103.32, a savings to the City of nearly \$11,000 per year.

<p>RECOMMENDED ACTION: Staff recommends that Council Authorize the Mayor to sign the Professional Services Agreement between the City of Marysville and Billing Documents Specialist.</p>

Billing and Lockbox Vendors:

Costs / Invoice Sample	AFTS	BDS	DataMox	Vendors	Endeon	Databar Databar and Retail Lockbox partnering	Retail Lockbox
Monthly Bill Printing Based on 16,250 monthly billings	9,388.61	8,318.67	8,490.75	9,005.50	9,005.50	8,397.19	N/A
Total Monthly Bill Print	9,388.61	8,318.67	8,490.75	9,005.50	9,005.50	8,397.19	0.00
Bill Inserts City Provided - Per Month Cycle bills only 11,500 per month	115.00	115.00	23.00	172.50	172.50	1st one free, then 115.00	N/A
Monthly Lockbox Charge Based on 3,000 Lockbox Payments	655.00	866.25	N/A	2,537.50	N/A	N/A	771.90
Total Lockbox Charge	655.00	866.25	0.00	2,537.50	0.00	0.00	771.90
PO Box Annual Fee	1,200.00	136.00	N/A	0.00	N/A	N/A	1,721.00
Annual Lockbox Fee	Monthly billed 100.00 <i>Annual Due 1,200.00</i>	700.00 <i>836.00</i>	N/A	Monthly billed 500.00 <i>0.00</i>	N/A	N/A	N/A
Set up fee Bill Print	500.00	600.00	800.00	0.00	N/A	0.00	N/A
Set Up Fee Lockbox	0.00	1,500.00	N/A	7,500.00	N/A	0.00	0.00
One Time Fee	500.00	2,100.00	800.00	7,500.00	0.00	0.00	0.00
Monthly Billing Costs - 16,500 bills Insert provided by the City 11,500 Lockbox Fees 3,000 checks	9,388.61 115.00 655.00	8,318.67 115.00 866.25	8,490.75 23.00 N/A	9,005.50 172.50 2,537.50	9,005.50 172.50 2,537.50	8,397.19 0.00 N/A	N/A N/A 771.90
Estimated Monthly Bill Print Amount	City Provided Inserts 9,503.61	8,433.67	8,513.75	9,178.00	8,397.19	N/A	771.90
Lockbox Fee	655.00	866.25	N/A	2,537.50	N/A	0.00	771.90
Estimated Monthly Total Amount	City Provided Inserts 10,158.61	9,299.92	8,513.75	11,715.50	8,397.19	0.00	771.90
One Time Fees	500.00	2,100.00	800.00	7,500.00	0.00	0.00	0.00
Annual Fees	1,200.00	836.00	0.00	0.00	0.00	0.00	1,721.00
Monthly Amount City Provided Inserts	10,158.61	9,299.92	8,513.75	11,715.50	8,397.19	0.00	771.90
Monthly Annual Fee if applicable	100.00	69.67	0.00	0.00	0.00	0.00	143.42
Total Monthly Cost with Annual Fees	10,258.61	9,369.59	8,513.75	11,715.50	8,397.19	0.00	915.32
Lockbox service for those who do not	0.00	0.00	915.32	0.00	0.00	0.00	N/A
Total	10,258.61	9,369.59	9,429.07	11,715.50	9,312.51	0.00	915.32

Evaluation Criteria

Capability / Process	32	35	29	34	28	29
Price	24	29	28	22	30	27
Experience/References	26	27	25	25	27	22
Total Score	82	91	82	81	85	78