

040319

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda
BIDS AND PROPOSALS

TO: President and Village Board of Trustees
FROM: William T. Lichter, Village Manager
DATE: July 14, 2004 Agenda Date: July 22, 2004
TITLE: Printing and Mailing of Water Bills

SUBMITTED BY: Timothy Sexton, Assistant Director of Finance

RESULTS:

Date Bids Were Published: N/A.....Date Bidding Closed: N/A
Total Number of Bids Received: N/A
Total Number of Bidders Meeting SpecificationsN/A
Bid Security Required ___ Yes X No
Performance Bond Required ___ Yes X No
Were Any Bids Withdrawn ___ Yes X No
Explanation.....
Waiver of Bids Requested? X Yes ___ No
If yes, explain: Sole Vendor that met requirements
Award Recommended to Lowest Responsible Bidder ___ Yes ___ No
If no, explain: N/A

FISCAL IMPACT:

Budgeted Amount (FY05): \$35,840
Amount of Award (3-Year): \$97,465

BACKGROUND/RECOMMENDATION:

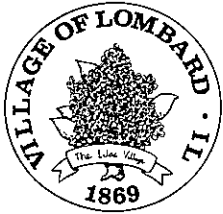
See attached memo.

Has Recommended Bidder Worked for Village Previously ___ Yes X No
If yes, was quality of work acceptable ___ Yes ___ No
Was item bid in accordance with Public Act 85-1295? ___ Yes X No
Waiver of bids - Public Act 85-1295 does not apply X Yes

REVIEW (as needed):

Finance Director XX Leonard J. Flood Date 7/14/04
Village Manager XX William T. Lichter Date 7/15/04

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.



To: Len Flood
Director of Finance

From: Tim Sexton
Assistant Director of Finance

Date: July 14, 2004

Subject: Water Bill Printing and Mailing

The Finance Department's FYE2005 budget included contracting out the printing and mailing of water bills. The proposed contract with the vendor would be for three years with a three-year Village option.

On Monday, June 14, 2004 requests for proposals were sent to seven (7) vendors with four (4) vendors responding that have met Village specifications. The results are as follows:

Vendor	Total 3-Year Contract Price (Incl. Postage)
Data Prose Billing Solutions	\$97,465
A.B. Data Ltd.	\$102,497
Aqua Illinois	\$107,605
Axis Inc.	\$107,782

\$35,840 has been budgeted for this in the Water & Sewer Operation & Maintenance Fund for FY05. The proposed price would be approximately \$3,000 less than the budgeted amount in the first year. One note on the above contract price. The total contract includes postage, as the vendor will pay the postage and the Village will pay the vendor. Out of the \$97,465 3-year contract, \$63,326 is for postage. This is an expense that we are currently paying directly to the post office. We also currently have to pay approximately \$5,600 per year to have the stock bills and envelopes printed and stored. I have attached a cost/benefit analysis for this project that shows the savings, in both time and money, of this project.

Staff recommends a 3-year contract be awarded to DataProse Billing Solutions in an amount not to exceed \$97,465 for the set-up, printing and mailing of water bills. DataProse performs this service for several municipalities, including Deerfield and Riverside in the Chicago area.

Cost/Benefit Analysis of Water Bill Printing and Mailing

<u>Complete Processing</u>	<u>Quantity</u>	<u>Per Piece</u> <u>Cost</u>	
Printing	75,930	\$ 0.145	\$ 11,009.85
Postage	75,930	\$ 0.278	\$ 21,108.54
2 Inserts per year	25,310	\$ 0.010	<u>\$ 253.10</u>
Total One Year Cost			<u>\$ 32,371.49</u> (A)
Amount in FY05 Budget			<u>\$ 35,840.00</u>
<hr/>			
<u>Village Cost</u>			
<u>Direct Cost</u>			
Postage	75,930	\$ 0.278	\$ 21,108.54
Printing of Bills, Envelopes, & Return Envelopes	75,930		\$ 5,200.00
Storage Charges			\$ 400.00
Folding/Stuffing Machine Maintenance (Will switch maint. to time and materials, instead of annual contract, saving an estimated 75% off annual contract, since water bills are main use of machine)			<u>\$ 856.50</u>
Total Direct Cost			\$ 27,565.04
<u>Indirect Cost</u>			
Burster Maintenance (One-third of \$1,500 annual maintenance)			\$ 500.00
Cost of Burster (\$9,000 / 5 Years x One-third use for water bills)			\$ 600.00
Cost of Folding/Stuffing Machine (\$10,400 / 5 Years)			\$ 2,080.00
Computer Operator time to Print/Burst Bills (2.5 Hrs per week x 48 weeks per year)	120 hrs	\$ 30.33	\$ 3,639.00
Cust. Service Rep. time to Fold/Stuff Bills (2.5 Hrs per week x 48 weeks per year)	120 hrs	\$ 20.74	\$ 2,488.50
Cost to deliver bills to Post Office (.5 Hr per week x 48 weeks per year)	24 hrs	\$ 30.00	<u>\$ 720.00</u>
Total Indirect Cost			<u>\$ 10,027.50</u>
Total Village Cost (Direct and Indirect)			<u>\$ 37,592.54</u> (B)
Net Additional Cost / (Savings)			<u>\$ (5,221.05)</u> (A) - (B)