

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

X Resolution or Ordinance (Blue)
Recommendations of Boards, Commissions & Committees (Green)
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager *DAH*

DATE: December 7, 2011 (COW)(B of T) Date *Jan 19, 2012*
December ~~15~~, 2011

TITLE: A Motion Authorizing Renewal of an Agreement with Third Millennium Associates, Inc. for Vehicle Sticker Printing, Mailing and Processing Services

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

The Village contracted with Third Millennium Associates (TMA), for three years beginning in 2008, to process incoming vehicle sticker application mail in addition to mailing and printing. In 2010, the Village added online payments and processing. TMA also provides the Village with their proprietary vehicle sticker software.

The attached contract is for period of one (1) year in duration with the option to renew annually thereafter. The contract also states, "For the 2012 vehicle season, the laser imaging cost will be waived. Each season thereafter, the standard pricing above will be in effect." This is a savings of approximately \$10,000 for only the 2012 vehicle season.

Staff is requesting that the Village Board approve the renewal of the Vehicle Sticker Printing, Mailing and Processing Services provided by Third Millennium Associates (TMA) for 2012-2013.

Review (as necessary):
Village Attorney X _____ Date _____
Finance Director X *Timothy Sexton* _____ Date 12/7/11
Village Manager X *David Hulseberg* _____ Date _____



To: David A. Hulseberg
Village Manager

From: Tim Sexton 
Director of Finance

Date: December 6, 2011

Subject: Vehicle Sticker Printing, Mailing and Processing

The Village contracted with Third Millennium Associates (TMA), for three years beginning in 2008, to process incoming vehicle sticker application mail in addition to mailing and printing. In 2010, the Village added online payments and processing. TMA also provides the Village with their proprietary vehicle sticker software. During the 2011-2012 Vehicle Sticker renewal period (March 15, 2011-April 30, 2011) sticker sales totaled \$420,443.50. Approximately 30,000 stickers were sold, 49% of applications were mailed or purchased online and 51% were processed by Village staff.

In 2007, Third Millennium Associates was the only company to specialize in providing this full service to include processing of applications. This year, the Finance staff found one additional company that provides the same services as Third Millennium Associates within the same price range. After discussions with Third Millennium Associates, they offered to provide the 2012 laser imaging at no charge to the Village of Lombard. This is approximately a \$10,000 savings.

It is my recommendation that the Village renew the contract with TMA for 2012-2013, for printing, mailing and processing of vehicle sticker applications in an amount not to exceed \$30,000. Please present these agreements to the Board of Trustees for their review and approval at their regular meeting on December 15, 2012.

Motor Vehicle License Application Production Agreement

Third Millennium Associates, Inc. and the Village of Lombard

This production agreement, (hereinafter referred to as the “AGREEMENT”) which is entered into this _____ day of _____ 2011, by and between Third Millennium Associates, Inc. (hereinafter referred to as “TMA”) and the Village of Lombard (hereinafter referred to as “VILLAGE”), (the VILLAGE and TMA being referred to individually as a “Party” and collectively as the “Parties”), is in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, the Parties hereto agree as follows:

1. Services Provided

TMA shall provide to VILLAGE programming, information technology, laser imaging and mailing services for the purpose of rendering motor vehicle license applications and certain other items as detailed in Exhibit “A” attached hereto and made part hereof.

2. Pricing Structure

The prices to be charged the VILLAGE by TMA for products and services to be provided by TMA to VILLAGE are as set forth on Exhibit “B” attached hereto and made part hereof.

3. Pre-Agreement Confidentiality

In regard to the services to be provided pursuant to this AGREEMENT, TMA and VILLAGE shall enter into the AGREEMENT attached hereto as Exhibit “C” and made part hereof.

4. Postage cost

Postage costs are not included in the attached listed prices and will be paid by VILLAGE directly to the USPS via C.A.P.S. The USPS will report directly to VILLAGE all amounts debited to the VILLAGE’S C.A.P.S. account.

5. Payment Terms

The TMA invoice format shall detail the mailing and the date of the provided service. All correctly rendered TMA invoices shall be paid by VILLAGE in accordance with the Illinois Local Government Prompt Payment Act.

6. TMA Quality Commitment

TMA guarantees that it will maintain consistent standards of quality and workmanship and warrants the accurate and timely providing of services and processing, printing and mailing of the documents as outlined in Section 8 below and that its products and services will be free from defect in materials and workmanship. TMA does not warrant that the document contents are fit, legally or otherwise, for their intended purpose or use.

7. Limits of Liability

TMA agrees to use all reasonable efforts to provide timely services under the AGREEMENT and will not be held liable for errors of omission resulting from inaccuracies or defects in any VILLAGE data file(s), or for errors, omissions or delays resulting from improper input and output data controls and procedures used by VILLAGE or given to TMA by VILLAGE. TMA shall not be held responsible for any loss or delay or any default caused by acts of God or any other circumstances outside TMA'S control which includes, but is not limited to fire, flood, or labor from usual sources of supply, government restrictions, or electrical, mechanical or computer software failure that is unavoidable or beyond reasonable control of TMA. TMA agrees to use all reasonable efforts to provide timely production services at an alternate site in the event that their production site is unusable due to the aforementioned acts of God or any circumstances outside TMA'S control. TMA'S maximum liability for any and all claims arising from the performance of its obligations shall not exceed the purchase price of the products and technology services provided herein.

8. Division of Responsibilities

8A. TMA Responsibilities

- 8A-1.** To write the software programs required to convert the VILLAGE motor vehicle licensing database billing files to the required laser image formatted output files.
- 8A-2.** To write software that will allow VILLAGE'S newly TMA constructed motor vehicle license file to be processed by Group-One postal software, which will reduce the VILLAGE'S postage to the minimum allowable postage, at the current postage rate, per application mailing, and to utilize TMA proprietary software to group "same surname / same unique address" for insertion into a single mailing envelope.
- 8A-3.** To design and procure all materials required to produce the motor vehicle license applications; this includes the lasered motor vehicle license application, the hand written motor vehicle license application, No.10 window envelopes and the No.9 courtesy reply envelope. TMA will NOT guarantee the performance of materials not produced by TMA.
- A-4.** TMA will e-mail VILLAGE a record count and control totals for the motor vehicle license billing file no later than five (5) hours after receipt of motor vehicle license billing files from VILLAGE.

- 8A-5. TMA will laser image and mail VILLAGE motor vehicle license applications within ninety-six (96) post office operating hours after receipt of the VILLAGE sign-off of the record count and control totals. Failing to do so will be cause for TMA to deduct from the VILLAGE invoice the interest rate per day(s) late, times the dollar value of the motor vehicle license billing file. The VILLAGE'S bank's "daily earnings credit rate" will be used to calculate the interest penalty.
- 8A-6. TMA will provide its employees with the required training to ensure the confidentiality of VILLAGE information.
- 8A-7. TMA will maintain effective and timely communications with the VILLAGE in all matters pertaining to the responsibilities listed herein.

8B. VILLAGE Responsibilities

- 8B-1. To provide TMA with a detailed Utility billing flat file and record layout, containing a field for each address element and other information required on the motor vehicle license application. VILLAGE shall procure and pay for the State of Illinois motor vehicle license files. Village Utility billing file addresses will be used to match and validate the addresses on the State vehicle file.
- 8B-2. To provide a one (1) twenty-four (24) hour response via E-MAIL verifying the TMA record counts and control totals as stated in 8A-4.
- 8B-3. To maintain a C.A.P.S. account with the USPS.
- 8B-4. To pay all correctly rendered TMA invoices in accordance with the Illinois Local Government Prompt Payment Act.

9. Renegotiations and Cancellation

In the event either Party is in breach of any of the terms contained herein, the non-breaching Party shall give written notice of said breach to the breaching Party. The breaching Party shall have ten (10) days to cure the breach. In the event said breach is not cured within ten (10) days of notice, the non-breaching Party may then give thirty (30) day written notice of cancellation of this AGREEMENT. In the event of cancellation by VILLAGE, all materials produced by TMA for use in VILLAGE'S motor vehicle license mailing project shall be paid for within thirty (30) days by VILLAGE. TMA will ship these items to VILLAGE via "UPS Ground", if notified by VILLAGE to do so. In the event that the Village Board of Trustees elects to terminate the entire Vehicle Sticker revenue program this contract will terminate thirty (30) days after receiving written notice of the Boards decision to terminate.

Any notices necessary hereunder shall be in writing and sent certified mail to Licensee, attention of the Finance Director at Village Hall, 255 E. Wilson Avenue, Lombard, Illinois 60148 or to Licensor, attention of Lance Leader at 4200 Cantera Drive, Suite 105 Warrenville, IL 60555, or such new address as Licensor or Licensee may designate, sent by certified mail, return receipt requested.

10. Post-Agreement Confidentiality

In the event of cancellation or expiration of this AGREEMENT, TMA shall return to VILLAGE all materials and information pertaining to its performance pursuant to this AGREEMENT. These materials shall include, but are not limited to, all magnetic media, all printed material, all notes, memos or other sources of VILLAGE confidential information. In no instance, prior to, during, or after the conclusion of this AGREEMENT, shall TMA offer for sale or in any other manner disclose to any third party the VILLAGE document file or any other such VILLAGE files, whether written or in electronic media format.

11. Insurance Coverage

During the term of the AGREEMENT, TMA shall provide the following types of insurance not less than the specified amounts:

1. Commercial General Liability - \$1,000,000.00 per occurrence, \$2,000,000.00 aggregate;
2. Auto Liability - Combined Single Limit Amount of \$1,000,000.00 on any contractor owned, and/or hired, and/or non-owned motor vehicles engaged in operations within the scope of this contract;
3. Professional Liability - \$1,000,000.00 (Required only where contracts are for professional services);
4. Workers Compensation - Statutory; Employers Liability \$1,000,000.00 (the policy shall include a 'waiver of subrogation'); and
5. Umbrella Coverage - \$1,000,000.00

The aforementioned insurance requirements shall be fulfilled by TMA by maintaining insurance policies which name the VILLAGE, its officers, agents, employees, representatives and assigns as additional insureds (except on policies for professional liability). Such insurance shall be primary with respect to any insurance or self-insurance programs covering the VILLAGE, its officers, agents, employees, representatives and assigns. TMA shall furnish to the VILLAGE satisfactory proof of coverage by a reliable company or companies, before commencing any work. Such proof shall consist of certificates executed by the respective insurance companies and filed with the VILLAGE together with executed copies of an Additional Insured Endorsement (Insurance Form CG2010 - 1985 version). Said certificates shall contain a clause to the effect that, for the duration of the contract, the insurance policy shall be canceled, expired or changed so as to the amount of coverage only after written notification 30 days in advance has been given to the VILLAGE.

12. Term

This AGREEMENT shall be for a period of one (1) year in duration and will automatically renew after the original one-year period and annually thereafter unless either Party provides to the other Party written notice of cancellation at least ninety (90) days prior to the AGREEMENT anniversary.

13. Other Provisions

- 13A.** This AGREEMENT constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements. No amendment, supplement, modification, waiver or termination of this AGREEMENT shall be binding unless executed in writing by the Parties hereto. No waiver of any of the provisions of this AGREEMENT shall be deemed or shall constitute a waiver of any other provision of this AGREEMENT, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.
- 13B.** This AGREEMENT shall be construed and interpreted according to the laws of the State of Illinois, and, in the event of any litigation between the Parties hereto, venue shall be in DuPage County, Illinois.
- 13C.** If any provision, clause or part of this AGREEMENT, or the application thereof under certain circumstances is held illegal or unenforceable, the remainder of this AGREEMENT, or the application of such provision, clause or part under certain circumstances, shall not be affected thereby.
- 13D.** This AGREEMENT and the obligations hereunder are not assignable by TMA without the prior written consent of the VILLAGE.
- 13E.** This AGREEMENT shall be binding on TMA and its successors, affiliates and permitted assigns.
- 13F.** The Motor Vehicle License Software Agreement, attached hereto as Exhibit "D" and made part hereof, shall be entered into by the Parties to facilitate this AGREEMENT.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed the AGREEMENT effective as of the date last written below.

AUTHORIZATION

THIRD MILLENNIUM ASSOCIATES, INC.

Signature: 

Name: Lance Leader

Title: President

Date: 12-01-2011

VILLAGE OF LOMBARD

Signature: _____

Name: _____

Title: _____

Date: _____

Exhibit "A"

Materials to be provided by TMA:

M1. 7" X 8 1/2" laser motor vehicle license application documents, items are printed two (2) colors face and one (1) color back. Paper is 20 lb. MOCR bond with a perforation to create two (2), 3 1/2" x 8 1/2" attached applications.

M2. 3 1/2 X 8 1/2 two (2) part carbonless paper hand written "over the counter" motor vehicle license application forms. Two (2) color face, one (1) color back, printed on 15 lb. carbonless paper.

M3. No. 10 standard window envelope with one (1) color printing on face. Paper will be 24 lb. white wove. TMA will provide VILLAGE No.10 envelopes for return mailing of motor vehicle license stickers to compliant citizens.

M4. No. 9 CRE envelope printed one (1) color on face. Paper is 24 lb. white-wove.

M5. With mutual agreement, VILLAGE may authorize TMA to provide certain materials for new projects or variations of the motor vehicle license billing project. These material descriptions may be attached to, and become a part of, Exhibit "A".

Services to be provided by TMA:

S1. To write the VILLAGE billing file conversion program from database format to laser image format per the charges stated in Exhibit "B".

S2. To utilize the required software to validate and cleanse the motor vehicle license billing file that will allow VILLAGE'S motor vehicle license billing file to be processed through United States Postal Service application software.

S3. To utilize the appropriate software to match and group the "same surname/same address" motor vehicle license applications for insertion into common mailing envelopes.

S4. To process the VILLAGE'S newly created motor vehicle license sticker billing file using United States Postal Service sort application software. The result of which is to reduce VILLAGE'S postage rate to the minimum amount allowed by the United States Postal Service..

S5. To laser image the VILLAGE motor vehicle license applications in quantities as stated in Exhibit "B" of this AGREEMENT.

S6. To group, intelligently insert, seal, tray, sleeve, band, label and deliver to the United States Postal Service office all pieces laser imaged with respect to item S5.

S7. To insert additional pieces into the No.10 billing envelope as directed by VILLAGE, per the conditions and fees as stated in Exhibit "B" of this AGREEMENT.

S8. With mutual written agreement, VILLAGE may authorize TMA to provide certain services and or products for new projects or variations of this billing project. These service descriptions may be attached to, and become a part of this Exhibit "A".

Exhibit "B" - Pricing

The prices contained herein are calculated on a usage of thirty thousand (30,000) (estimated) motor vehicle license applications. Any variance in the above quantities in excess of ten (10%) percent may be cause for a price review. There will be no more than one (1) production run for the above stated item. Each motor vehicle license application billing unit shall consist of the components described in Exhibit "A"

1B. VILLAGE motor vehicle license sticker applications are laser imaged and mailed at a cost of 26.8 cents per application, (excluding postage). There will be an annual system initialization fee of \$2,485. This fee will pay for compiling a new VILLAGE motor vehicle license billing file and a complete pre-production test of all systems and components. Included are all business forms and printed matter proofs. Also included are various tests to insure data input and output integrity. Also included in the above initialization fee are the consulting services to coordinate the software integration for VILLAGE, United States Postal Service and TMA. VILLAGE and TMA shall develop an edit process to verify all record counts and appropriate control totals. The above procedures will allow the mutual performance of responsibilities as stated in Section 8 of the AGREEMENT.

***FOR THE 2012 VEHICLE SEASON, THE LASER IMAGING COST WILL BE WAIVED.
Each season thereafter, the standard pricing above will be in effect.***

2B. A separate insertion charge will be applied for any additional item inserted into the outgoing billing envelope. Insertion items must physically qualify for use on TMA insertion equipment. The insertion charge is 2.5 cents per item. This insertion fee does not include the cost of supplying the additional item(s) to be inserted.

3B. With mutual written agreement, VILLAGE may authorize TMA to provide certain products and services for new or revised projects. The TMA pricing structure for these projects may be attached to, and become a part of, this Exhibit "B".