

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

Resolution or Ordinance (Blue) \_\_\_\_\_  
 Waiver of First Requested Recommendations of Boards, Commissions & Committees (Green) \_\_\_\_\_  
 Other Business (Pink) \_\_\_\_\_

TO: PRESIDENT AND BOARD OF TRUSTEES

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

DATE: June 8, 2010 (COW)(B of T) Date: June 17, 2010

TITLE:

A Resolution Authorizing Signature of the Village President on an Agreement with Third Millennium Associates Inc, at the Per Unit Prices in the Agreement, for Water Bill Printing and Mailing Services

SUBMITTED BY: Brian Koehler, Assistant Director of Finance *BK*

BACKGROUND/POLICY IMPLICATIONS:

The Village currently utilizes DataProse for its water bill printing and mailing services, with the current contract set to expire in August 2010.

Recently, the Village issued a Request for Proposals for water bill printing and mailing services to explore our options. Three firms submitted proposals to provide these services. The lowest cost proposal was received from Third Millennium Associates and would represent a decrease in our per bill cost from \$0.18 to \$0.147. Based on reviewing the proposals, staff recommends that the Village of Lombard enter into an agreement with Third Millennium Associates for water bill printing and mailing services. The Agreement would commence on August 4, 2010 and remain in effect for a period of three (3) years.

The attached resolution authorizes the Village President to sign the Agreement in order to put the service and fees detailed in the proposal from Third Millennium Associates in place. Attachment A is the proposed Agreement with Third Millennium Associates and Attachment B summarizes the cost estimates for the three vendors who submitted proposals.

Review (as necessary):

Village Attorney *[Signature]* X  
 Finance Director *[Signature]* X  
 Village Manager *[Signature]* X  
 Date 6/8/10  
 Date 6/8/10

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



A RESOLUTION AUTHORIZING SIGNATURE OF  
THE VILLAGE PRESIDENT ON AN AGREEMENT

WHEREAS, the Corporate Authorities of the Village of Lombard have received an Agreement between the Village of Lombard and Third Millennium Associates as attached hereto and marked Exhibit "A", and

WHEREAS, the Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve such agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS as follows:

Section 1: That the Village President be and hereby is authorized to sign on behalf of the Village of Lombard said agreement as attached hereto.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2010

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2010

\_\_\_\_\_  
William J. Mueller  
Village President

ATTEST:

\_\_\_\_\_  
Brigitte O'Brien  
Village Clerk

APPROVAL AS TO FORM:

\_\_\_\_\_  
Thomas P. Bayer  
Village Attorney



**Utility Billing Production Agreement**  
**Third Millennium Associates, Inc.**  
**and the Village of Lombard**

This agreement, which is of three years duration, will automatically renew after the original three-year period and annually thereafter unless either party provides to the other party written notice of cancellation at least 120 days prior to the agreement anniversary. This production agreement, which is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2010 by and between Third Millennium Associates, Inc. (hereinafter referred to as "TMA") and the Village of Lombard, (hereinafter referred to as "VILLAGE"). For consideration of payment, TMA will provide to VILLAGE programming, information technology services, laser imaging and mailing services for the purpose of rendering Utility billing invoices and other items as detailed on the attached Schedule "A".

1. Pre-agreement Confidentiality

Confidentiality and non-disclosure are defined by mutual agreement between TMA and VILLAGE per the attached agreement document dated and signed on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by TMA and VILLAGE. Also refer to paragraph 10 of this agreement.

2. Pricing Structure

The prices on which products and services will be provided by TMA to VILLAGE are set forth on the attached Schedule B.

3. 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. TMA will estimate the monthly postage required for your Utility bills and / or other TMA imaged mailing on behalf of VILLAGE. VILLAGE will pay the estimated monthly postage directly to the USPS. The USPS will report directly to VILLAGE all amounts charged to the VILLAGE postal account.

4. Payment Terms

Products and services provided by TMA shall be cumulatively billed on a monthly basis. The TMA Invoice format shall detail each individual mailing and the dates of the provided service. All correctly rendered TMA monthly invoices shall be paid by VILLAGE in accordance with the Illinois Prompt Payment Act.

5. TMA Quality Commitment

TMA guarantees that it will maintain consistent standards of quality workmanship and warrants the accurate and timely processing, printing and mailing of the document as outlined in paragraph seven (7) 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.

6. Limits of Liability

TMA agrees to use all reasonable efforts to provide timely computer services, but will not be held liable for errors of omission resulting from inaccuracies or defects in any VILLAGE billing data file, 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 computer services provided.

7. Division of Responsibilities

7A. TMA Responsibilities

7A-1. To write the software required to convert the VILLAGE Utility billing file to the required laser image format.

7A-2. To write software that will allow VILLAGE'S Utility billing files to be processed through Postal software for the purpose of reducing VILLAGE'S postage to the minimum allowable postage piece rate.

7A-3. To procure all materials required to produce and to mail the Utility bills. This includes the Utility billing invoice, the No.10 window envelope and the No.9 courtesy reply envelope. TMA will not guarantee the performance of materials not produced by TMA.

7A-4. TMA will e-mail to VILLAGE record count and control totals for the Utility billing file no later than four (4) hours after receipt of the file.

7A-5. TMA will laser image and mail all VILLAGE Utility bills within forty-eight (48) post office operating hours after receipt of VILLAGE control total / record count sign off. Failing to do so will cause TMA a monetary penalty. The penalty is calculated by multiplying the late billing file's dollar value, times VILLAGE'S Bank daily earnings credit rate, times the number of day(s) late.

7A-6. TMA will provide our employees the training to ensure the confidentiality of VILLAGE information.

7A-7. TMA will maintain effective and timely communications with VILLAGE in all matters pertaining to the responsibilities listed herein.

7B. VILLAGE Responsibilities

7B-1. To provide TMA, at the project initiation, with consistently populated Utility billing files with all the applicable billing business rules and all of the Utility billing variations and exceptions for the purpose of laser imaging Utility bills. Any subsequent billing file changes, billing business rules changes or additional changes and or variations will be billed to client at the prevailing programming rates.

7B-2. To provide to TMA a three (3) hour response via e-mail verifying the record count and control totals as stated in 7A-4.

7B-3. To maintain a CAPS postal account.

7B-4. To pay all correctly rendered TMA invoices within twenty (20) days of receipt.

8. Price Changes

The prices listed on Schedule B shall be subject to review each year on the anniversary date of this agreement. That review shall determine if there were any increases or decreases in the cost of paper, production, transportation or any other cost component of the herein contained products and/or services. Prices may also be reviewed if the agreement quantity as stated in SCHEDULE "B" varies by more than ten percent.

TMA must provide third-party documentation of cost increases to VILLAGE. That documentation shall consist of letters of price increase or decrease from paper mills, articles from the Wall Street Journal or any other legitimate and universally accepted source. In the absence of the above documentation, the (J.P. Morgan-Chase Chicago area consumer price index) will be used as the source of price increase or decrease.

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) days written notice of cancellation of this Agreement.

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 the performance of this agreement. These materials shall include, but are not limited to, all electronic 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. Materials Production

Prior to materials production runs, TMA will notify VILLAGE in writing of the items to be produced, production quantities planned and the estimated period of materials consumption. TMA will base its materials production quantities on projections using current semi-annualized Utility billing volume.

Any materials (i.e., non imaged forms, envelopes, etc.) that have been produced specifically and exclusively for VILLAGE'S use will be paid for by VILLAGE and at VILLAGE'S written request will be returned by TMA to VILLAGE upon cancellation or expiration of this agreement.

12. Other Provisions

This agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supercedes all prior agreements. No amendment, supplement, modification, waiver or termination of this agreement shall be binding unless executed in writing by the party to be bound thereby. 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.

This agreement shall be construed and interpreted according to the laws of the State of Illinois.

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.

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:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Date:

**VILLAGE OF LOMBARD**

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Date:

## Schedule A

### Materials to be provided by TMA:

- M1. 8 1/2 X 11" Utility bill printed two colors on the face and one color on the back. Paper is 20lb. MOCR bond, with a cross perforation to create the remittance portion of the document.
- M2. No.10 window envelope printed one color on the face. Paper is 24 lb. white-wove.
- M3. No.9 courtesy reply envelope printed one (1) color on the face. Paper is 24 lb. white-wove.
- M4. With mutual agreement, VILLAGE may authorize TMA to provide certain materials for new projects or variations of the billing project. These material descriptions may be attached to, and become a part of Schedule "A".

### Services to be provided by TMA:

- S1. To write VILLAGE Utility billing file conversion software that will allow the laser imaging of VILLAGE Utility bills per the charges stated in Schedule "B".
- S2. To write the required software that will allow VILLAGE'S billing file to be processed by TMA postal software.
- S3. To process the VILLAGE data file using TMA postal sort application software to reduce the VILLAGE'S postage rate to the minimum automation rate amount allowed by the USPS.
- S4. To laser image VILLAGE Utility bills in quantities and frequencies as stated in schedule "B" of this agreement.
- S5. To insert, seal, tray, sleeve, band, label, palletize and prepare USPS form 3602 and deliver to the US Post office all pieces laser imaged with respect to item S4.
- S6. To insert additional pieces into the outgoing No.10 billing envelope as directed by VILLAGE per the conditions and charges as stated in Schedule "B" of this agreement.
- S7. With mutual written agreement, VILLAGE may authorize TMA to provide additional 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 Schedule "A".

**SCHEDULE B - Pricing**

The prices contained herein are based on an average annual usage of 76,800 Utility bills. Any variance in the above quantities in excess of ten (10) percent per agreement year will be cause for a price review. There will be no more than one production run per month for the above stated item. Each Utility billing unit shall consist of the components described in Schedule A.

1B. VILLAGE Utility bills will be laser imaged and mailed at a cost of 14.7 cents per Utility bill (excluding postage). Prices are based on a bi-monthly billing cycle. Every other month TMA will bill 12,800 utility accounts in one production run. There is a one-time billing system set up charge of \$2,695 in accordance with section 7B-1. This Utility bill set-up fee pays for a complete pre-production test of all systems and components. Included are all Schedule "A" items and printed matter proofs. Also included are the consulting services to coordinate the LOCIS software, Bank and TMA software. Extensive software tests to insure data input and output integrity. TMA, LOCIS and VILLAGE shall develop an edit process to verify all record counts and various control totals. The above procedures will allow each party to comply with their responsibilities as stated in Paragraph seven (7). There will be a \$25.00 fee per production run if you chose to laser image late notices and / or shut-off notices as an additional and separate run each month

TMA PDF electronic Utility bill archival / Adobe Acrobat retrieval system is included in the above price.

2B. A separate insertion charge will be applied for any additional item inserted into the out-going billing envelope. Insertion items must physically qualify for use on our insertion equipment. The insertion charge is 2.0 cents per item. This charge 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, Schedule "B".

**Printing and Mailing Services For Utility Billing Statements  
August 2010 - August 2013**

<u>Vendors</u>	<u>Estimated 3-year cost</u>
Infosend	\$121,464.50
Third Millennium Associates	\$115,933.00
CSG Systems (previously DataProse)	\$124,804.50