

**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**
**Council Meeting Date: 6/13/2013
Agenda Item: 5B8**

ACTION: Award two-year contracts with four, two-year renewal options to Standard Printing Company, Inc. (primary award) and SourceCorp Statement Solutions (secondary award) for the automated processing, printing and inserting of water utility bills and tax and licensing notices and statements for the Finance and Technology Department.

FISCAL IMPACT: Total combined cost of this contract shall not exceed \$440,105.22 during the two-year contract period. Sufficient funds will be appropriated in cost centers 1841 (Water Fund) and 1832 (General Fund) for the anticipated expenditures in fiscal year 2013/2014.

RECOMMENDATION: Approve the contract awards.

BACKGROUND INFORMATION: (13-027) The City of Tempe issued a Request for Proposal for the outsourcing of utility bill and tax forms print, inserting and preparation for mailing services.

Utility bills and tax notices are generated by the utility billing and tax and licensing systems which create data files that are sent via the internet to the contractor. The customer data is then printed by contractor and fed into an inserter where it is folded, a return envelope added and inserted into a #10 window envelope. Additional inserts such as the Tempe Today are also sent with the utility billing. Utility bills and tax notices are mailed using first class presorting services to reduce postage costs.

Evaluation Process

The City received five (5) proposal responses. To assist with the review of offers, an evaluation committee was formed consisting of representatives from Information Technology, Customer Services, Tax and License and Procurement Staff.

The following firms responded:

- DataMatx, Inc.
- Standard Printing Company, Inc.
- Runbeck Election Services, Inc.
- SourceCorp Statement Solutions
- SouthData, Inc.

Runbeck Election Services, Inc., and SouthData, Inc. were found to be non-responsive and removed from consideration due to their failure to provide required documentation. DataMatx, Inc. was allowed to withdraw their offer due to pricing errors.

The remaining offers were reviewed and scored by the evaluation committee in accordance with the criteria and weights listed in the Request for Proposal that included:

Evaluation Criteria	Weight
Cost	40.63%
Firm's General Experience and Qualifications	10.50%
Staff Experience, Qualifications, Implementation and Training.	7.15%
Pre-Production and Production Capabilities	7.15%
Disaster Recovery and Quality Control	4.77%
Financial Strength and Legal Compliance	4.77%
References	5.96%
Site Visit to Include Infrastructure and Operational Evaluation	5.96%
Acceptance and Compliance of City Terms and Conditions	8.34%
Overall responsiveness of proposal	4.77%

The following abstract represents all firms' initial scores listed in rank order. The 2-Year Cost column represents the cost for design, programming, paper stock, ink, labor/services and quality assurance.

Offering Firm	Initial Score / 2 Year Cost
Standard Printing Company, Inc.	742.59 / \$436,790.80
SourceCorp Statement Solutions	735.41 / \$529,235.65

Information Outsource and SourceCorp Statement Solutions were moved forward in the evaluation process that included site visits, interviews and best and final offers.

Best and Final #1 - The following abstract represents the scoring after receipt of best and final offer #1:

Offering Firm	Best and Final #1 Score / 2 Year Cost
SourceCorp Statement Solutions	769.78 / \$494,501.42
Standard Printing Company, Inc.	742.59 / \$456,716.19

Due to the complexity of the pricing associated with this contracted service, the evaluation committee determined it necessary to meet once again with the two finalists to ensure that all service features and products had been properly accounted for within the priced offers. As a result, the City called for a second best and final offer.

Best and Final #2 - The following abstract represents the scoring following receipt of best and final offer #2:

Offering Firm	Best and Final #2 Score / 2 Year Cost
Standard Printing Company, Inc.	742.59 / \$440,105.22
SourceCorp Statement Solutions	723.58 / \$556,030.76

The committee is confident that the final pricing received from both finalists under the second best and final represents true "apple to apple" comparison and addresses all products and service requirements called out in the City's scope of work. After a thorough evaluation process, the committee recommends award to Standard Printing Company, Inc. (primary award) and SourceCorp Statement Solutions (secondary award) at the total two-year cost of \$440,105.22. If approved by Council, the primary contractor will assume all responsibilities under this contract. The secondary contractor will be placed in a reserve role and will only be activated in the event the primary contractor is unable to perform services.

ATTACHMENTS: RFP 13-027 Documents

STAFF CONTACT(S): Tarja Nummela, Customer Services Manager, (480) 350-8637, Jerry Hart, CPA, Deputy Director Finance & Technology - Finance, (480) 350-8505

Department Director: Ken Jones, Finance & Technology Director

Legal review by: David Park, Assistant City Attorney

Prepared by: Ted Stallings, CPPB, Procurement Officer