



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Asst. City Manager – Operations
Mark Finigan, Asst. City Manager - Administration

FROM: Jay Gewin, Utilities Manager

DATE: March 6, 2012

RE: **Approval of a Month-to Month Extension to the City's Contract for Utility Bill Printing with Local Enterprises, Inc. in the Amount Not to Exceed \$45,000.**

ACTION STATEMENT:

This resolution will approve a month-to-month extension to the City's contract with Local Enterprises, Inc. to provide printing, postage, stock, and distribution of the City's utility billing, and for their subcontractor Wise Business Forms, Inc. to secure postage. The extension will allow the City sufficient time to complete a bid document for future utility billing service and will be in an amount not to exceed \$45,000. The bid documents were postponed while the City finalized a timeline for transferring sewer utility billing to the Florida Keys Aqueduct Authority, and the solid waste and stormwater billing to the Monroe County Tax Collector via the tax roll.

BACKGROUND:

The City of Key West generates over 14,000 utility bills to its residents and businesses on a monthly basis for stormwater, sewer, and solid waste services.

The billing process includes the following:

- Downloading utility billing information for all City accounts.
- Purchasing of billing stock and envelopes
- Printing all bills
- Postage
- Sealing the bills and forwarding them to the post office for delivery

The City Commission approved a 5-year contract with Barrett Printing and *Key to the Caribbean* – Average yearly temperature 77° F.

Promotions in November of 2005. (Resolution 05-361) The City piggybacked on a competitive bid from Keys Energy Services.

Barrett was sold back in 2008 to Local Enterprises, Inc. Local Enterprises, Inc. operates the Barrett Printing and Promotions location on Flagler Ave. in Key West, with the store still using the same Barrett name today.

PURPOSE AND JUSTIFICATION

The City has been satisfied with the services it has received from Barrett Printing and Promotions/Local Enterprises, Inc. over the duration of the contract. They are accessible and responsive to staff, with a local office conveniently located on Flagler Ave. in Key West. Their subcontractor, Wise Business Forms has provided a similar quality of service.

City Staff has decided not to utilize the 3-year extension that is allowed in the City's contract with Barrett/Local Enterprises. However, the complexity of the bid documents required for the service, which includes such areas as emergency back-up and storage of City information, compatibility with existing City software and possibly internet collection service, feasibility of utilizing the contractor for collection letters, utility bill tracking, implementation plan, etc. has taken more time than anticipated. We want to make sure the bid is done right rather than rushing it.

Barrett/Local Enterprises has agreed to extend the contract on a month-to-month basis until the bid process is complete. Staff has looked at other printing contracts for comparison in our review of our existing utility billing contract. The contract is currently out for bid on demandstar.com and the City's website.

This resolution represents the second time we have extended this contract. The City is moving forward on moving our sewer utility billing to FCAA, with an estimated completion of this summer. The other two utilities (solid waste and stormwater) will be moved to the property tax roll in FY 2014. We hoped to accomplish this for FY 2013, but the extensive and time-consuming procedures dictated by State Statutes required adding these two utilities to the tax roll make it impossible to accomplish for FY 2013. City staff is still working with the Monroe County Tax Collector's office in moving solid waste and stormwater user fees to property taxes for FY 2014. Creating the bid documents was postponed while City Staff finalized this schedule.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can decline extending the contract with Barrett Printing and Promotions/Local Enterprises, Inc. This option is not recommended by staff, as the City is satisfied with the performance, rates, and responsiveness of the contractor. It would be impossible to provide this service in-house with current staffing levels.
2. The City Commission can approve this month-to-month contract extension with Barrett Printing and Promotions/Local Enterprises, Inc. for an amount not to exceed \$45,000. Retaining this local consultant under contract will enable the City to proceed with its utility billing while partnering with a firm that is very familiar and supportive of our operations. It will allow the City to continue the use of a contract whose terms are acceptable to Staff. This option will also give us sufficient time to prepare a superior bid proposal for future utility billing services.

FINANCIAL IMPACT:

Our budgeted estimate for FY 2012 was based upon the continuation of the existing contract. Approving this resolution will have no impact on the budgeted line item for utility billing.

Costs are shared between the Sewer (401-3501-535-41 and 47), Stormwater (402-3801-538-41 and 47) and Solid waste (403-3401-534-41 and 47) utilities.

RECOMMENDATION:

Staff recommends that the City Commission select option # 2, a month-to-month contract extension with Barrett Printing and Promotions/Local Enterprises, Inc. in an amount not to exceed \$45,000.