

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

DECEMBER 15, 2020

TITLE:

**APPROVE AN APPROPRIATION
ADJUSTMENT AND APPROVE A FIRST
AMENDMENT TO THE AGREEMENT WITH
INFOSEND, INC. FOR A TOTAL 2020-21
FISCAL YEAR AMOUNT NOT TO EXCEED
\$750,000
(GENERAL FUND AND NON-GENERAL
FUND)**

/s/ Kristine Ridge

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

1. Approve an appropriation adjustment recognizing \$310,500 of prior year fund balance in the Water Quality, Prior Year Carry Forward revenue account, and appropriate the same amount in Water Quality, Contract Services Professional, to accommodate the added expenditures for FY 2020-21.
2. Authorize the City Manager to execute a first amendment to the agreement with InfoSend, Inc. ("InfoSend") for printing, processing, and mailing, and electronic bill presentment services to update the scope of services, a provision for a six (6) month extension period beginning January 1, 2021 through June 30, 2021, and increases in the total budgeted amounts of \$200,000 for FY 2020-21, by a net amount of \$550,000, for a new total amount not to exceed \$750,000, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

The Treasury and Customer Service Division (Treasury) of the Finance and Management Services Agency is responsible for the billing and payment processing for municipal utility services (MUS) accounts, business license, Proactive Residential Enforcement Program (PREP), dog license, and paramedic subscription services. Billing and payment services require data processing, printing, mailing services, and e-business services (electronic billing and payment presentation [EBPP] online and/or accepting and reporting payment transactions via the Web).

InfoSend's scope of bill print services include, but are not limited to, the following: printing, processing, and mailing. InfoSend's printing, processing, and mailing services encompass the following City operations: MUS, business license, PREP, and dog license, and include miscellaneous mailings of associated billing statements, notices, advisories, form

correspondence, as well as City newsletters and a variety of other miscellaneous independent communications or notices. InfoSend's EBPP services include an on-line bill payment portal for dog license.

InfoSend has unique institutional knowledge of the City's data processing, bill printing, mailing, and EBPP services. InfoSend is able to solely handle all requested data processing, print, mail services, and associated e-business services. Their professional services include project management for each print job from beginning to end, as well as providing a high level of quality assurance through their quality control department by checking mail files at multiple stages throughout the production process. InfoSend's information technology, document formatting, electronic payment service, and document production currently integrates seamlessly into our various existing Treasury billing structures, as it presently generates all electronic document files, exchanges them with other integrated vendors, inserts mailing pieces, meters postage, and prepares all mail items for delivery.

In addition, beginning in Fiscal Year 2019-20, the Finance and Management Services Agency ("FMSA"), Public Works Agency ("PWA"), and Information Technology Department ("IT") undertook development of a program for the implementation of Advanced Metering Infrastructure ("AMI") to provide modern smart metering services for the City's water utility operation and for MUS customers to which InfoSend's services are tied. In March of 2020, Treasury started a comprehensive upgrade to the City's existing water, sewer, sanitation, and refuse customer information service/utility billing system, enQuesta, in order to ensure the City is keeping up with best practices as they relate to utility customer service, billing technology, and to ensure compatibility with AMI systems.

The AMI program is dependent on expanded use of the City's upgraded MUS enQuesta system with which InfoSend's services are integrated. InfoSend's services directly support and are bi-laterally integrated with this comprehensive upgrade. The cost to implement an equivalent bill print and e-business service provider is unknown, but would require new software and substantial additional integration expenses to the City as InfoSend is fully integrated into all Treasury programs that require bill print/e-business services.

In connection with the AMI program development, PWA has launched an Awareness & Education Campaign as a sustained effort to educate individuals and boost public awareness about AMI smart metering services for the City. As a response to the COVID-19 pandemic, the City launched the Santa Ana CARES program to provide much needed services to the City's residents and business community. Simultaneously, FMSA coordinated a successful CARES Utility Grant program aimed at City residents who are struggling with their utility bills due to COVID-19 impacts affecting their household income. For these community outreach reasons and because InfoSend is the City's printing and mailing service provider, budgeted amounts for the various agencies who

use InfoSend's printing and mailing services need to be increased to cover expanded service use. Moreover, due to necessary spending by FMSA, PWA and the City Manager's Office ("CMO") in printing and mailing services with InfoSend, the net approved \$200,000 current funding cap (July 1, 2020 through December 31, 2020) has been overspent, underscoring the need for funding caps to be increased for FY 2020-21 by a combined \$550,000 amount on an annualized fiscal year basis, for a total maximum fiscal year amount not to exceed \$750,000.

Therefore, staff recommends increasing InfoSend's combined annual spending cap by \$550,000, from \$200,000 (semi-annually) not to exceed \$750,000 (annually), and correspondingly recognizing participating agencies' (FMSA, PWA, and CMO) increased budgeted spending amounts for FY 2020-21. Additionally, staff recommends extending InfoSend's agreement for an additional 6 months beginning January 1, 2021 through June 30, 2021. By doing so, Treasury will be allowed sufficient time before the final expiration date of InfoSend's extended contract to harmonize this agreement with other critical payment processing as well as enQuesta/AMI-integrated agreements. The enQuesta agreement runs through December 31, 2025 with optional extensions through December 31, 2029.

Included among the other critical payment processing are the City's online Cloud-based payment services and walk-up payment kiosk agreement services, together with walk-in cashiering services. Based on the harmonization of all these payment processing services the City would achieve full Payment Card Industry Data Security Standard (PCI-DSS) compliance, thereby transferring future credit card fraud liability from the City to the payment card providers.

FISCAL IMPACT

Approval of the appropriation adjustment will recognize \$310,500 of prior fund balance in the Public Works Water Revenue, Prior Year Carry Forward revenue account (No. 06017002-50001) and appropriate the same amount into the Water Quality, Contract Services – Professional expenditure account (No. 06017644-62300) to fund the additional expenditures for FY 2020-21. The existing budget is sufficient for all other contract allocations. The following accounts will fund the contract allocations.

Fiscal Year	Accounting Unit - Account No.	Fund Description	Accounting Unit - Account No. Description	Prior Contract Allocation	Increase	Revised Contract Allocation
2020-21	01110130-62300	FMSA - Treasury & Customer Service	Contract Services Professional	\$125,000	\$175,000	\$300,000

2020-21	06017644-62300	PWA - Water Quality	Contract Services Professional	\$64,500	\$310,500	\$375,000
2020-21	01105015-62300	CMO - General Non-Departmental	Contract Services Professional	\$10,500	\$29,500	\$40,000
2020-21	17603010-63001	Operation Santa Ana CARES	Education & Outreach (Flyers)	\$0.00	\$35,000	\$35,000
				Subtotal	Subtotal	Grand Total
				\$200,000	\$550,000	\$750,000

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency

Submitted By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency
Nabil Saba, Executive Director – Public Works Agency
Kristine Ridge, City Manager – City Manager’s Office

Exhibit: 1. InfoSend, Inc. - First Amended Agreement

**FIRST AMENDMENT TO AGREEMENT WITH INFOSEND, INC.
TO PROVIDE BILL PRINTING, MAIL SERVICES, AND
PAYMENT PROCESSING SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT, dated as of this 15th day of December by and between InfoSend, Inc., a California corporation (hereinafter “Consultant”), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (hereinafter “City”), collectively “the Parties”.

RECITALS:

A. The Parties entered into that certain Agreement #A-2019-153, dated September 3, 2019, (“said Agreement”) by which Consultant, having special skill and knowledge in the field of Bill Print - Processing, Printing and Mailing (PPM) services as well as Electronic Bill Presentment and Payment (EBPP) services, agreed to perform such services for the City.

B. The Parties desire to amend the Scope of Services, Compensation, and Term clauses of said Agreement.

NOW THEREFORE, in consideration of the mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

The Parties hereto now desire to amend Sections 1, 2, and 3 of said Agreement to read as follows:

1. **SCOPE OF SERVICES:**

1. SCOPE OF SERVICES

Consultant shall provide paper bill processing, printing and mailing services along with electronic bill presentment and payment services, and other related professional services as detailed in the scopes of services attached hereto as Exhibits A and C and hereby incorporated herein by reference.

- a. Processing, Printing and Mailing (PPM) Services.* The paper bill processing, printing and mailing (PPM) process consists of processing data, address validation and POSTNET bar coding, printing documents, mail preparation, applying presorted postage and sending via the United States Postal Service for the City’s: (1) Municipal Utility Services bills; water conservation program notices, water quality program notices, Municipal Utility Services rate change advisories, awareness & education campaign notices, advanced meter infrastructure notices and advisories, penalty and/or collection notices, and other related miscellaneous notices, form correspondence and advisories including paramedic subscription notices; (2) Business License Tax bills, renewal statements, certificates and licenses, penalty/and or collection notices, and other related miscellaneous notices, form correspondence and advisories; (3) Dog License Bills, rabies

reminders, certificates, penalty/and or collection notices, and other related miscellaneous notices, form correspondence and advisories; (4) Proactive Residential Enforcement Program (PREP) bills, renewal statements, certificates, penalty/and or collection notices, and other related miscellaneous notices, form correspondence and advisories; and (5) assorted public notices, community advisories, outreach program letters, associated form correspondence, as well as City newsletters and a variety of other miscellaneous independent City agency communications and program literature.

b. Basic Electronic Bill Presentment and Payment (EBPP) Services. Basic Electronic Bill Presentment and Payment (EBPP) services consists of:

- (i.) Maintaining an online customer payment portal and presenting Dog License bills online and accepting payment transaction information to facilitate ACH or credit card payment via Consultant's merchant processing provider, EPX (EPX Acquisition Company, LLC, and successor to Phoenix Payment Systems, Inc.).

City's right to bifurcate agreement and terminate PPM and Basic EBPP services for Dog License billing. During the Term of this First Amended Agreement and any extension hereto, but beginning not sooner than January 1, 2021, City may upon one hundred-twenty days (120) days prior written notice by the City's Executive Director of Finance and Management Services, terminate PPM and Basic EBPP services for Dog License billing, plus associated merchant processing services currently provided by Consultant's contracted merchant processor, Electronic Payment Exchange, Inc. (hereinafter "EPX"). Whereupon City shall have the right to continue Consultant's PPM services for Dog License Billing for the term of this Agreement or City may continue either Consultant's PPM and/or Basic EBPP services for Dog License Billing on a month-to-month basis and terminate the PPM and Basic EBPP portion of the Agreement in connection with Dog License Billing, with no termination penalty or fees applied by Consultant by providing fifteen (15) days written notice of its intent to terminate said PPM and Basic EBPP portion of the Agreement.

c. Electronic Bill Data Conversion and Graphical Document File Presentment for Third-Party Enhanced EBPP Services Provider. Electronic Bill Data Conversion and Graphical File Presentment services consists of:

- (i) Receiving graphical bill data file information from an integrated City billing application ("enQuesta") maintained by a designated billing application provider ("Systems and Software, Inc.") and converting said graphical bill data file information into a graphical document file and presenting said file to a designated Third-Party Enhanced EBPP Services Provider ("Invoice Cloud, Inc.").

2. COMPENSATION:

2. COMPENSATION

- a. City agrees to pay, and Consultant agrees to accept as total payment for its services, the rates and charges identified in Exhibit B and Exhibit C which are hereby incorporated herein by this reference. The total sum to be expended under this First Amendment for the time period of January 1, 2021 through June 30, 2021 shall not exceed \$550,000.00. Compensation for fiscal year 2020-2021 shall not exceed \$750,000.
- b. Payment by City shall be made within forty-five (45) days following receipt of proper invoice evidencing work performed, subject to City accounting procedures. Payment need not be made for work which fails to meet the standards of performance set forth in the Recitals which may reasonably be expected by City.
- c. City shall be responsible for payment related to United States Postal Service postage including rate increases. City will be invoiced by Consultant for postage including the amount charged for overweight and foreign mail.

3. TERM:

3. TERM

This First Amendment shall cover the six-month period of January 1, 2021 through June 30, 2021.

Except as hereinabove modified, the terms and conditions of said Agreement remain unchanged and in full force and effect.

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{Signatures on following page}

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment to Agreement the date and year first above written.

ATTEST:

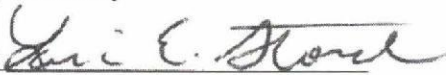
CITY OF SANTA ANA

DAISY GOMEZ
Clerk of the Council

KRISTINE RIDGE
City Manager

APPROVED AS TO FORM:

SONIA R. CARVALHO
City Attorney

By: 
Lisa Storck
Assistant City Attorney

RECOMMENDED FOR APPROVAL:

CONSULTANT


Kathryn Downs (Dec3, 2020 11:46 PST)

KATHRYN DOWNS
Executive Director of Finance and
Management Services Agency



ROXANA WEIL
Executive Vice President






City of Santa Ana_First Amendment_Executed_12.03.2020

Final Audit Report

2020-12-03

Created:	2020-12-03
By:	Kristin Andrade (kandrade@santa-ana.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAGQ4msv2JSZiNV9ybawWuTbPuK4RSszDD

"City of Santa Ana_First Amendment_Executed_12.03.2020" History

-  Document created by Kristin Andrade (kandrade@santa-ana.org)
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