

# Mayor and Council Communication

**DATE:** 04/09/24

**M&C FILE NUMBER:** M&C 24-0297

**LOG NAME:** 60DATAPROSE

## **SUBJECT**

(ALL) Authorize Execution of a Purchasing Agreement with DataProse, LLC Utilizing an Interlocal Agreement with the City of Plano in an Annual Amount Up to \$1,850,000.00 and Authorize Five Consecutive One-Year Renewal Options for the Same Amount for Utility Bill Printing and Mailing Services for the Water Department

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## **RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a purchasing agreement with DataProse, LLC, utilizing an interlocal agreement with the City of Plano in an annual amount up to \$1,850,000.00 and authorize five consecutive one-year renewal options for the same amount for utility bill printing and mailing services for the Water Department.

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## **DISCUSSION:**

The Water Department began working with DataProse in February 2009, utilizing the City of Plano's interlocal agreement. For the past 15 years, DataProse has been heavily integrated with the Utility's billing and payment processing systems, producing utility billing statements, delinquency letters, and managing the mailing of correspondence. The City's current contract will expire on September 24, 2024 and the Water Department recommends entering into another contract with the same vendor for continued services.

The City of Plano (Plano) processed a Request for Proposals (RFP), RFP 2021-0440-AC, and received nine proposals. DataProse was selected for utility bill printing and mailing services because it offered the best services and pricing, and now provides these services to sixteen additional Texas municipalities, utilizing Plano's RFP. Plano's selected vendor meets the specifications related to the Fort Worth Water Department's Central Square billing system and complies with United States Postal Service regulations.

It is estimated that the Water Department will spend \$1,850,000.00. This figure includes projected increases in the number of customer accounts as well as a ten-cent increase in postage that is expected to take effect in 2024. With approximately 80 percent of the contract expense being postage, it should be noted that because the Water Department staff is unable to predict whether or not additional postage increases will occur in the future, the overall amount of the Agreement could increase.

**COOPERATIVE PURCHASE** - State law provides that a local government purchasing an item under a Cooperative Purchasing Agreement satisfies state laws requiring that the local government seek competitive bids for purchase of the item. The City of Plano's RFP 2021-0440-AC was competitively bid to increase and simplify the purchasing power of local government entities.

**PRICE ANALYSIS** - The Water Department has reviewed the pricing and determined it fair and reasonable.

**M/WBE OFFICE** - A goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

**ADMINISTRATIVE CHANGE ORDER** - An administrative change order or increase may be made by the City Manager in the amount up to maximum allowed under state law and the City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

**AGREEMENT TERMS** - Upon City Council approval, the initial term of this contract will begin on September 25, 2024, and end on September 24, 2025.

**RENEWAL OPTIONS** - This Contract may be renewed for five additional one-year terms at the City's option, in accordance with the terms of the City of Plano's contract. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term. RFP 2021-0440-AC began on February 2, 2022, and has seven of nine renewals remaining. If all seven of the remaining renewals are exercised, the contract will expire on February 2, 2032.

Funding is budgeted in the Other Contractual Services account within the Water & Sewer Fund for the Water Department.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation, funds are available in the current operating budget, as previously appropriated, in the Water & Sewer Fund. Prior to an expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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