



TO: Mayor Tom Ross
Members of the City Council

FROM: David Lakefield, City Finance Director

DATE: February 21, 2023

SUBJECT: Utility Billing Mail Inserter Machine

I. RECOMMENDED ACTION

Recommend approval and authorize the Mayor to sign the purchase and lease agreement with Quadient Leasing USA Inc. for the replacement of the Utility Billing mail inserter machine.

II. DEPARTMENT CONTACT PERSONS

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|--|----------|
| David Lakefield, City Finance Director | 857-4784 |
| Melody Shelkey, City Treasurer | 857-4771 |

III. DESCRIPTION

A. Background

Each month, Utility Billing generates approximately 13,000 statements. The inserter machine allows for efficient operations for timely mailing of statements. The current lease agreement for the inserter machine will expire in May of 2023; the City is able to upgrade the machine early without penalty.

The contract is part of a multi-state procurement which was led by Arizona and is being utilized by over 20 other states. This is part of the NASPO/ValuePoint Contract # CTR058809, a master agreement that allows for all state agencies, institutions of higher education, cities, counties, districts, and other political subdivisions to participate. The State of North Dakota procurement office entered into this participating agreement on January 27, 2023.

IV. IMPACT:

A. Strategic Impact:

Approval is needed so that the City can purchase the equipment to continue seamless operations of mailing.

B. Service/Delivery Impact:

N/A

C. Fiscal Impact:

This lease will be funded with budgeted funds in Landfill, Storm Sewer, Water, Sewer, and Utility Billing.

Total cost over 48 months for the lease and maintenance of the new equipment - \$20,467.68.

Total cost of buyout and continued maintenance of existing equipment at the current rate for 48 months - \$11,595.

V. CITY COUNCIL ASPIRATIONS

The City Council aspiration achieved through this is Resilient and Prepared. This allows the City to continue operations without service interruptions. Currently there are times when the machine is unavailable and statements need to be prepared manually in order to meet the deadline.

VI. ALTERNATIVES

1. The City could continue with the current inserter, the buyout for the equipment would be \$4,995 plus an additional \$1,650 / year for maintenance. The current equipment is going to be five years old and will continue to need additional maintenance due to the volume of work.

2. The City could elect to go with the new contract with Quadiant Leasing which will cost the City less than the current payment of \$432.00 / month, the new equipment will cost \$426.41 / month.

VII. TIME CONSTRAINTS

N/A

VIII. LIST OF ATTACHMENTS

- a. Purchase Order – Lease Agreement
- b. Government Product Lease Agreement
- c. Quadiant Master Agreement