RESOLUTION 2016-009     PASSED: JANUARY 25, 2016

AUTHORIZING AN AGREEMENT WITH AMERICAN PRINTING TECHNOLOGIES FOR THE OUTSOURCING OF UTILITY BILL PRINTING SERVICES.

BE IT RESOLVED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

Section 1. That the MAYOR of the City of DeKalb be authorized and directed to enter into an Agreement with American Printing Technologies for the outsourcing of utility bill printing services at an annual estimated cost of $13,020.

Section 2. That the City Clerk of the City of DeKalb be authorized and directed to attest the Mayor’s signature.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a regular meeting thereof held on the 25th day of January, 2016 and approved by me as Mayor on the same day. Passed by a roll call vote of 7-0-1. Aye: Finucane, Marquardt, Snow, Noreiko, Baker, Faivre, Rey. Nay: None. Absent: Jacobson.

ATTEST:

JENNIFER JEEP JOHNSON, City Clerk

JOHN A. REY, Mayor
January 7, 2016

Ms. Cathy Haley
Finance Director
City of DeKalb
200 South Fourth Street
DeKalb, IL 60425

Cathy,

The following information provides the cost associated with American Printing Technologies, Inc. (APT) managing the complete printing, imaging, and mailing of your water bills.

At APT we provide our clients with the option of outsourcing the design, printing, data processing, personalization, and mailing services portion of their vital business communications. APT are specialists in consultation and production, resulting in creative, managed solutions with outstanding attention given to quality, detail, accuracy and efficiency.

Benefits DRR offers include:

1. All facets of a project will be managed and coordinated by APT. You will receive high quality service managed by professionals, with a total of 62 years experience in the industry.

2. A great deal of our success stems from our hands on approach. Our clients feel that we really know all the details of their projects while our level of service is excellent.

3. All production is in the Chicagoland area, providing excellent service and fast turnaround on custom programs.
The APT water bill production service offers municipalities the following value-added features that could enhance their mailing packages.

1. I.D. tag on the face of outer envelope - This feature will help distinguish the mail piece as a bill. As a result, this envelope should not get lost or thrown away.

2. Water Bill with a size 8 1/2” x 11”- This size will allow you to increase the amount of information currently printed on the bill (i.e. larger special message area).

3. 600 dots per inch laser quality – provides a state-of-the-art, dark personalized image, which will make the document easy to read, especially for senior citizens.

4. Smart imaging – Ability to image special messages on different types of bills including; Direct Debit bills, Past Dues, Credit Card Accounts, etc..

5. OCR font and barcode capabilities - Depending on your current and future needs for remittance and processing, APT offers a full range of scanning imaging technology.

6. All qualifying mail pieces will be sent at the current 1st class automated 5-digit sort rate.

7. Business reply envelope with window - Utilizing a window on the return envelope will promote the return of the remittance stub. Closed face envelopes are also available.

8. Back printing on the reverse side of the business reply envelope - This information serves as a reminder for customers to properly submit their payment. This reminder information may include:

   1. To insure proper credit include your Account # on the check
   2. Make sure address on remittance stub shows properly through the return window envelope.
   3. Send no cash, make check payable to:
9. Generic Stock- This stock will be used for all types of bills and personalized by the laser printer very clearly distinguishing what type of bill is produced.

10. The proposed envelope billing also gives the Municipality the opportunity to insert a number of generic brochures of flyers.

11. APT can also split the file to selectively exclude a reply envelope for direct debit accounts.

**Quoted Stock Specifications**

**Billing form**

<table>
<thead>
<tr>
<th>Quantity:</th>
<th>5,300 monthly bills including:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,300 initial bills mailed on the last business day of the month. 1,000 delinquent bills mailed on approximately the 23rd of the month.</td>
</tr>
<tr>
<td>Size:</td>
<td>8 1/2” x 11”</td>
</tr>
<tr>
<td>Stock:</td>
<td>24# White OCR Bond</td>
</tr>
<tr>
<td>Ink:</td>
<td>2/1 printing Black &amp; a PMS color / Gray</td>
</tr>
<tr>
<td>Perforations:</td>
<td>1 full width micro perforation</td>
</tr>
</tbody>
</table>

**Outer Envelope**

| Quantity: | 5,300 monthly bills. |
| Size:     | # 10 window |
| Stock:    | 24# white wove |
| Ink:      | 2/0 printing Black & a PMS color on face only |
| Construction: | Diagonal seam with top flap |
| Window:   | Standard #10 size and position |

**Business Reply Envelope**

| Quantity: | 5,300 monthly bills. (no reply envelopes inserted in Direct Debit accounts) |
| Size:     | #9 closed face |
| Stock:    | 24# white wove |
| Ink:      | 1/0 printing black on face only |
Utility Billing process Overview

1. The Municipality provides APT with data monthly on a specified date. It is preferred that the Municipality provides APT with an electronically transmitted text file.

2. The client emails a copy of the pull list and bulletin board message.

3. APT emails a one page audit verification report to the client. This procedure is performed prior to production and it is used to verify hash totals.

4. APT performs postal sorts to obtain the best postal rate and split of file.

5. APT emails samples of live bills to the client for approval prior to live production.

6. APT images the bills.

7. APT inserts bills with proper generic insert and business reply envelope.

8. Utility bills are mailed within 48 hours of receipt of live data.

Quality Control

Flawless execution is priority #1 at APT. The following steps will be utilized to assure we accomplish this goal.

1. Complete proofing process for stock prior to production.

2. Test data is received and proofs are provided on live stock.
3. Live complete proofs are provided prior to first and all subsequent live runs.

4. Audit verification is performed on live data.

5. A control number is added to the document which is used to track and control the documents through the entire production process.

6. Each file to be printed has a transmittal document with the control numbers contained on each tape and billing counts.

7. As the documents are processed, counts are checked and verified against the transmittal documents in the data conversion, imaging and inserting stages.

8. Mailing verification compares postal audit reports with USPS verified 3602 documents to ensure a quantity match.

9. Finally, your entire mailing project will be managed by myself from start to finish eliminating the possibility of information getting lost or misinterpreted.

**Benefits of Proposed Service**

1. 48 hour turnaround could help with your cash flow.
2. Larger bill allows more information to be placed on bills (i.e. expanded message area, usage consumption information).
3. Font size changes highlights information on the bill.
5. Carrier route sort postal discounts are available.
6. Accuracy, integrity, and quality control.
7. Business reply envelope will reduce walk in traffic.
8. One person will manage the entire project.

**Disaster Recovery Procedures**

The print facility is located in Lockport Illinois. In the event of a disaster the project would be mailed from APT’s Summit Illinois facility. The first mailing would take approximately 7 days from the receipt of live data. All subsequent runs would mail within 48 hours.
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Itemized Cost

Stock Printing

Design, films, proofs, negatives and plates (one time charge) = $250.00

Based on an annual order quantity of 65,000

Option #1 – The same outer envelope for the regular bills and delinquent mailings.

Bill Stock 2/1 inks 65,000 @ $19.79 /M = $1,286.35
Outer Envelope 2/0 inks 65,000 @ $25.46 /M = $1,654.90
Reply Envelope 1/0 ink 65,000 @ $21.31 /M = $1,385.15

Option #2 – The outer envelope for the regular bills and delinquent mailings have different copy.

Bill Stock 2/1 inks 65,000 @ $19.79 /M = $1,286.35
Regular Bill Outer Envelope 2/0 inks 53,000 @ $25.77 /M = $1,365.81
Delinquent Outer Envelope 2/0 inks 12,000 @ $25.77 /M = $309.24
Reply Envelope 1/0 ink 65,000 @ $21.31 /M = $1,385.15

All shipping costs are additional.
Laser Printing and Lettershop

Cost Per Run

The below costs includes; File conversion, processing, audit report, presorting, sign-off samples, laser personalization, lettershop and mail distribution services.

Regular billing of approximately 4,300 bills.

Delinquent Notice billing of 1,000 monthly.

Monthly total price: $820.00

Postage is not included in the above pricing. 1st class 5 digit automated rate = $0.391

EBilling (if needed)

One time set-up and programming fee: $400.00

Monthly Billing Cost:

Monthly processing fee: $125.00 Plus

1 – 500 total bills = $75.00 minimum charge

501 + total bills = $0.25 each

Reduction in mailed bill production cost starting at 500 bills emailed is $0.03 for each bill. Example: 1,000 bills emailed x $0.03 = $30.00 plus postage saving of 1,000 x $0.391 = $391.00 equals a total savings of $421.00.

Generic Insert or Flyers (if needed)

To stuff an insert into the envelope: $75.00 total

Insert printing is available upon request. Cost is separate.
References

Here are just some of the Municipalities currently utilizing our utility billing services.

1. Village of Lake Villa
   Ms. Sharon Barnstable
   Billing Manager
   (847) 356-6100

2. Village of Round Lake Beach
   Mr. Brian Gosnell
   Finance Director
   (847) 740-6026 x336

3. Village of Round Lake
   Ms. Judy Van Kirk
   Water Billing
   (847) 546-5400

4. Village of Lindenhurst
   Ms. Vicki Van
   Office Manager
   (847) 356-8252

5. Village of Grayslake
   Ms. Bettina O'Connell
   Assistant Finance Director
   (847) 986-3220

6. Village of Northfield
   Mr. Steve Noble
   Finance Director
   (847) 784-3534

7. Village of Evergreen Park
   Mr. Bill Lorenz
   Public Works Director
   (708) 422-1551

8. Village of Arlington Heights
   Ms. Paula Kereluk
   Purchasing Director
   (847) 368-5505
**Planning Time Schedule**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forms Design Meeting</td>
<td>10-16-15</td>
<td>Village &amp; APT</td>
</tr>
<tr>
<td>Test File with Input Record Layout</td>
<td>10-16-15</td>
<td>Software Vendor</td>
</tr>
<tr>
<td>Proofs</td>
<td>10-20-15</td>
<td>APT</td>
</tr>
<tr>
<td>Programming Begins</td>
<td>10-30-15</td>
<td>APT</td>
</tr>
<tr>
<td>Stock In House</td>
<td>10-30-15</td>
<td>APT</td>
</tr>
<tr>
<td>Audit Report based on test</td>
<td>11-17-15</td>
<td>APT</td>
</tr>
<tr>
<td>Test File Complete Samples to the Village &amp; Lock Box Vendor</td>
<td>11-17-15</td>
<td>APT</td>
</tr>
<tr>
<td>Postage Due</td>
<td>11-21-15</td>
<td>Village</td>
</tr>
<tr>
<td>Live Data Received</td>
<td>11-25-15</td>
<td>Village</td>
</tr>
<tr>
<td>Audit Report and Live Sign-Offs</td>
<td>11-26-15</td>
<td>APT</td>
</tr>
<tr>
<td>Production Begins</td>
<td>11-26-15</td>
<td>APT</td>
</tr>
<tr>
<td>Mail Date</td>
<td>12-1-15</td>
<td>APT</td>
</tr>
</tbody>
</table>
Terms and Conditions

1. The total annual cost of stock materials will be charged and due on APT’s first invoice.

2. All bills from APT will include the cost of data processing, laser imaging, and lettershop services.

3. The stated costs are inclusive of all the services necessary to produce, process and mail your documents, with the exception of postage, print overs and deliveries.

4. Costs are based on quantities listed, variance of more than 10% above the highest or 10% below the lowest quantity will cause prices to be adjusted accordingly.

5. The length of this agreement is for three (3) years from the first mailing date with the option to renew the contract up to an additional two (2) years.

6. Cancellation of this agreement is possibly by the written notice by either party, 90 days in advance. In the event of a cancellation, the City of DeKalb is responsible for all shipping costs of stock from APT’s facility.

7. Postage funds are due in advance of mailing. All postage funds should be made payable to: American Printing Technologies, Inc.

8. Any postage funds not used at the end of this agreement will be indicated on your last invoice along with the applicable supporting postal receipts and will be credited.

9. APT requires full payment of all the services in 30 days of project mail date.

Signature of Acceptance:

City of DeKalb

[Signature]

Date: 1/28/2015

American Printing Technologies, Inc.

[Signature]

Date: 2/8/2016