



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-793

Board Meeting Date: 8/6/2019

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Peggy Jensen, Deputy County Manager

Subject: Agreement with Ontario Systems to Provide Bill/Invoice Printing and Mailing Services

RECOMMENDATION:

Adopt a resolution waiving the Request for Proposals Process and authorizing the Deputy County Manager or her designee to execute an agreement with Ontario Systems, formerly Columbia Ultimate, Inc., to provide bill/invoice printing and mailing services for the term of July 1, 2019 through June 30, 2022, in an amount not to exceed \$810,000.

BACKGROUND:

The Revenue Services Division of the County Manager's Office recovers funds on behalf of various County Agencies that are owed to the County. As part of the collection effort, Revenue Services sends out approximately 400,000 collection notices annually on outstanding debts owed to the County.

In 2016, the President of this Board was authorized to execute a 3-year agreement with Columbia Ultimate, Inc., to provide this type of service to Revenue Services.

DISCUSSION:

This agreement with Ontario Systems will provide bill/invoice printing and mailing services for accounts identified by Revenue Services. Ontario Systems will also provide in-house technical service which is available 8:00 AM to 5:00 PM, Monday through Friday, with turnaround times that must be 24 hours or less. Staff is recommending that this agreement be approved for the term July 1, 2019 through June 30, 2022 in an amount not to exceed \$810,000.

Revenue Services Division is currently using Ontario Systems, formerly Columbia Ultimate, Inc., which is a proprietary collection software. Using Ontario Systems has proven to be more cost-effective and efficient than other contractors given their ability to transmit data electronically and directly between the County's database and Ontario Systems. This allows Revenue Services to maintain a history of all outgoing correspondence within the collection system. The company's material costs for envelopes, paper, printing, folding, inserting, and sorting are competitive with other

agencies. This feature enables us to obtain postage discounts while meeting all postal requirements. It should be noted that postage fees make up approximately three-quarters of the contract amount.

In accordance with Ordinance Code Section 2.83.170, which authorizes this Board to waive the Request for Proposals process in any situation where the Board determines that the best interest of the County could be served without the necessity of proposals, staff is asking that this Board approve this agreement without the competitive bidding process as this is a sole source service that can only be provided by Ontario Systems, formerly Columbia Ultimate, Inc. This new agreement effectively continues Revenue Services' successful and beneficial relationship with Columbia Ultimate, as established in the 2016 contract authorized by this Board.

County Counsel has reviewed and approved the agreement and resolution as to form.

The resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

Approval of the resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by allowing Revenue Services to continue utilizing cost-effective and efficient mailing services to support County departments in their effort to recover revenues due to the County.

FISCAL IMPACT:

The term of the agreement is from July 1, 2019 to June 30, 2022 in an amount not to exceed \$810,000. Funds for these services have been included in the Revenue Services FYs 2019-21 Recommended Budget. Similar arrangements will be made for future budget years. The Revenue Services Division operates at zero Net County Cost.