



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Greg Piland, Financial Operations Manager
Date: March 4, 2021
Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF March 16, 2021.

This report is provided to apprise the Council of recent and upcoming procurement activities where the cost is estimated or known to be in excess of \$50,000. The "Process" column on the table indicates the process being used to determine the award of the contract.

The City's major procurement activities initiated since the last report dated February 18, 2021 are as follows:

	Project/Purchase	Process	Estimate/Price	Status
1.	Utility bill printing and mailing services	Direct Purchase*	\$88,000.00	Contract awarded to Databar, Inc. of Edgewood, WA.

*See attached waiver of the competitive process

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To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Greg Piland, Financial Operations Manager
Jay Gewin, Customer Accounts Supervisor

Date: February 19, 2021

Subject: REQUEST FOR WAIVER OF COMPETITIVE BIDDING – Utility bill printing services

RECOMMENDATION:

Staff recommends the waiver of a competitive process to enter into contract with a utility bill printing vendor for services.

BACKGROUND DISCUSSION:

On February 5, 2021, the City of Kirkland became aware of a security/data incident related to its utility billing vendor, Automatic Funds Transfer Services, Inc (AFTS). The incident halted the ability for AFTS to print and mail Kirkland's utility bills along with processing any check payments that are mailed in by community members for their utility bills. AFTS does not process any credit card payments for the City. This function is handled by another vendor.

As of February 18, 2021, AFTS has not identified when their systems would be operational again with the ability to handle this essential function for the City of Kirkland. With an average of 24,750 utility bills in all cycles, Kirkland is not setup for mass printing and mailing of utility bills.

Staff began investigating other vendors that could provide services and are recommending the waiver of the competitive process for utility bill printing services based on vendor ability to take over this process from AFTS in an expedited time frame.

For utility bill printing, staff reached out to vendors in Portland, a local company in Renton, and Databar, a vendor located in Edgewood. The Portland vendor has identified pricing similar to their proposal when the City of Kirkland conducted a request for proposals in 2019 for this service while Databar has agreed to match the pricing offered by AFTS. Databar specializes in utility bill printing for the public sector and serves 75 public sector clients. One unique aspect of Databar is the programming staff they have for utility bill preparation. They have many customers that utilize Springbrook, the utility billing software used by Kirkland. In fact, while the other companies have identified an implementation timeline from 30 to 90 days, Databar has stated they will provide a concept proof by the end of the week. This rapid implementation, security measures, and the price match with our current contract leads staff to recommend a contract with Databar.

Using the expiration date of February 28, 2022, staff also recommend a City option for a two-year extension. For the initial term, the estimated contract value with Databar would be \$88,000, including postage. If the two-year extension was utilized the total contract value would be estimated at \$176,000.00, including postage.

If approved, staff would begin working immediately with Information Technology, the City Attorney's Office, and the vendor to implement these services with the hopes of a minimal impact to the Kirkland community.

KMC 3.85.210 provides that the competitive process may be waived by the City Manager when the purchase is legitimately limited to a single source of supply. However, for purchases costing more than \$50,000, the purchase must be reported to the City Council. If you approve this purchase, this memo and the supporting documents will be included in the next Procurement Activities Report to the Council.

Please contact Greg Piland if you require additional information.

Request Approved Request Denied

 2/19/21
Kurt Triplett, City Manager