

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 10

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**TO:** Board of Directors

**FROM:** George Vaughn, Director of Finance and Internal Operations  
Rebecca Boyles, Director of Marketing and Customer Care

**SUBJECT:** Approval of Amendment One (1) to Automate Mailing Services, Mailing House Vendor, to extend through June 30, 2022 and increase the agreement amount

**DATE:** November 12, 2020

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#### **RECOMMENDATION**

Adopt a resolution authorizing the Interim General Manager, in consultation with VCE Legal Counsel, to execute Amendment One (1) to VCE's existing agreement with Automate Mailing Services (Automate) extending the termination date to June 30, 2022 and increasing the agreement amount.

#### **BACKGROUND & DISCUSSION**

VCE and other CCAs print and send various mailings to customers for both regulatory and general communication purposes (e.g. Enrollment notices). Since October 2018, VCE has contracted with Automate Mailing Services for these services. After requesting informal proposals from various mailing house vendors, in October 2018, the VCE Board authorized the Interim General Manager via Resolution 2018-027 to execute a two-year agreement with Automate for a not to exceed amount of \$100,000. The agreement is set to expire on December 7, 2020.

The Automate agreement provides for printing, mailing and processing services for VCE's notices, letters and other bulk mailings. These services are time sensitive in nature and mission critical to the organization. Automate has provided prompt service, competitive market rates for contracted services, and has met or exceeded contract provisions. Based on the competitive rates and performance, staff is recommending an extension of the services agreement with Automate.

The recommended amendment would extend the Automate agreement by 18 months and add \$40,000 to the original \$100,000 not to exceed amount for a total amount of \$140,000. Additionally, Exhibit A – Scope of Services, Exhibit C - Schedule of Services, Exhibit D – Budget, Payment, Rates, and the rates listed in Exhibit D will be updated to reflect these changes. All other provisions of the contract remain unchanged.

In the first 23 months of the contract (December, 2018 through October, 2020), Automate expenditures have totaled \$77,392, or \$3,365 per month. By increasing the contract to

\$140,000, there will be \$62,608 remaining to cover 20 months (November, 2020 through June, 2022), which will allow average spending of \$3,130 per month.

**FISCAL IMPACT**

The costs associated with providing mailing services are included in VCE's current adopted FY2020/21 Budget. The proposed Automate agreement extension is consistent with the amount budgeted for these types of services in FY2020/21.

**ATTACHMENTS**

1. Resolution including the following exhibits:
  - a. Amendment One (1)
  - b. Amendment A – Scope of Services
  - c. Amendment C – Schedule of Services
  - d. Amended Exhibit D – Budget, Payment, Rates

**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2020 - \_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY CLEAN ENERGY ALLIANCE APPROVING AMENDMENT ONE (1) TO THE AUTOMATE MAILING SERVICES FOR PRINTING, MAILING AND PROCESSING SERVICES AND AUTHORIZING THE INTERIM GENERAL MANAGER TO EXECUTE AMENDMENT ONE**

**WHEREAS**, on October 18, 2018 via Resolution 2018-027 between VCE and Automate Mailing Services (AMS) executed an agreement for printing, mailing and processing services for VCE's notices, letters and other bulk mailings, said agreement will expire on December 7, 2020; and

**WHEREAS**, AMS has met or exceeded contract provisions for these time sensitive and mission critical services; and

**WHEREAS**, both parties have agreed to extend the contract through June 30, 2022, increase the not to exceed amount by \$40,000.00 to the original \$100,000 not to exceed amount for a total of \$140,000, and update Exhibits A, C and D; and,

**WHEREAS**, the new not to exceed amount of \$140,000 through June 30, 2022 is within VCE's fiscal year budget for 2020/2021 and will be budgeted in fiscal year 2021/2022.

**NOW, THEREFORE**, the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. The VCE Interim General Manager is hereby authorized on behalf of VCE to execute Amendment One (1) to the AMS Agreement for printing, mailing and processing services; which Amendment One (1) is attached hereto as Exhibit A; and,
2. Amendment No. One makes the following changes to the Agreement:
  - a. the termination date is extended to June 30, 2022;
  - b. the not to exceed amount is increased to \$140,000; and,
  - c. Exhibits A, C and D, are updated and replaced as set forth in the attached Amendment One (1) to AMS' Agreement.
3. The Interim General Manager is authorized to execute the agreement amendment substantially in the form attached hereto as Exhibit A on behalf of VCE, and, in consultation with legal counsel, is authorized to approve minor changes to the agreement so long as the term and price are not changed.

**PASSED, APPROVED AND ADOPTED**, at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Don Saylor, VCE Chair

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Alisa M. Lembke, VCE Board Secretary

EXHIBIT A - Amendment One (1) to Automate Mailing Services Agreement

**EXHIBIT A**

**AMENDMENT ONE (1) TO  
AUTOMATE MAILING SERVICES AGREEMENT**

**AMENDMENT NO. ONE (1)**  
**TO THE AGREEMENT FOR CONSULTANT SERVICES**  
**BETWEEN**  
**VALLEY CLEAN ENERGY ALLIANCE**  
**AND**  
**AUTOMATE MAILING SERVICE**

**1. Parties and Date.**

This Amendment No. One (1) is made and entered into as of this \_\_\_ day of November 2020, amending the Consultant Services Agreement dated October 18, 2018 by and between Valley Clean Energy Alliance, a Joint Powers Agency, (“VCE”) and Automate Mailing Service (“AMS”). VCE and AMS are sometimes individually referred to as “Party” and collectively as “Parties.”

**2. Recitals.**

2.1 Automate Mailing Service. VCE and AMS have entered into an agreement entitled “Agreement for Consultant Services” dated October 18, 2018 and effective December 7, 2018 (“Agreement”) for the purpose of retaining AMS to provide the services described in the Agreement.

2.2 Amendment Purpose. VCE and AMS desire to amend the Agreement to extend the Agreement for an additional eighteen (18) months to revise the scope of services, and increase the not-to-exceed compensation amount to \$140,000.

2.3 Amendment Authority. This Amendment No. One (1) is authorized pursuant to Section 6.10 of the Agreement.

**3. Terms.**

3.1 Amendment. Section 1.4 of the Agreement is hereby amended in its entirety to read as follows:

1.4 Term The term of this Agreement, as amended, shall began on December 7, 2018 for a period of two years. The term of this agreement is extended for an additional eighteen (18) months and shall end on June 30, 2022, unless amended as provided in the Agreement, or when terminated as provided in Article 5.

3.2 Amendment. Section 4.1 of the Agreement is hereby amended in its entirety to read as follows:

4.1 Compensation This is a “time and materials” based agreement. Consultant shall receive compensation, including authorized reimbursements, for services rendered under this Agreement at the rates, in the amounts and at the times set forth in **Exhibit D**. Notwithstanding the provisions of Exhibit D the total compensation shall not exceed One Hundred Forty Thousand and no/100 dollars (\$140,000.00) without written approval of VCE. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3 Amendment. Exhibits A, C and D of the Agreement are hereby replaced in their entirety by the Exhibits A, C and D attached hereto, which are incorporated herein.

3.4 Continuing Effect of Agreement. Except as amended by this Amendment No. One (1), all other provisions of the Agreement remain in full force and effect and shall govern the actions of the parties under this Amendment No. One (1). From and after the date of this Amendment No. One (1), whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by this Amendment No. One (1).

3.5 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. One (1).

3.6 Severability. If any portion of this Amendment No. One (1) is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**[Signatures on Next Page]**

**SIGNATURE PAGE FOR AMENDMENT NO. ONE (1) TO THE AGREEMENT FOR  
CONSULTANT SERVICES  
BETWEEN VALLEY CLEAN ENERGY ALLIANCE  
AND AUTOMATE MAILING SERVICE**

IN WITNESS WHEREOF, the Parties have entered into this Amendment No. ONE (1) as of  
the      day of November 2020.

VALLEY CLEAN ENERGY ALLIANCE

AUTOMATE MAILING SERVICE

By: \_\_\_\_\_  
Mitch Sears  
Interim General Manager

By: \_\_\_\_\_  
Its: \_\_\_\_\_ President

Printed Name: \_\_\_\_\_ Phillip Keely \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Harriet Steiner  
VCE Attorney

## EXHIBIT A

### SCOPE OF SERVICES

#### Automate Mailing Services will perform the following:

Provide color and/or black/white press printing of postcards, letters, marketing materials and/or any other item as requested. Paper and/or card stock to be used shall be, whenever possible, recycled or post-consumer waste (PCW) material and/or a portion thereof. Setup data and setup production costs may be included in the printing of items. VCE and/or its Contractor(s) to provide artwork and text.

Provide print proofs for VCE approval, prior to the printing of any product.

Provide postage and services for the mailing of items either 1<sup>st</sup> or 3<sup>rd</sup> class. Automate shall provide postage options to VCE who shall approve the option, including the cost estimate based on the costs on Exhibit C. Services include data process, confirmation of addresses through the National Change of Address (NCOA) data base and deliver to Post Office.



**EXHIBIT C**

**SCHEDULE OF SERVICES**

All other printing and mailing services will be upon the request of VCE and/or its Contractor(s) with mutually agreed upon target printing and mailing dates.

**EXHIBIT D**

**BUDGET, PAYMENT, RATES**

**BUDGET:** \$140,000 total not to exceed for mailing and/or printing needs covering through June 30, 2022.

The following rates can be used as guidelines for costs for future mailings and/or printing needs. Please note that these rates are subject to change.

**STANDARD PRINT COSTS**

**8.5X5.5" POSTCARDS 4/4 ON 100# VELVET COVER 10% PCW**

QTY 5,000 - \$925

QTY 10,000 - \$1175

QTY 25,000 - \$1675

QTY 50,000 - \$2575

QTY 75,000 - \$3375

**6 X11" POSTCARDS 4/4 ON 100# VELVET COVER 10% PCW**

QTY 5,000 - \$1050

QTY 10,000 - \$1375

QTY 25,000 - \$1975

QTY 50,000 - \$3275

QTY 75,000 - \$4275

**2 PMS COLOR #10 REGULAR ENVELOPES ON 24# WHITE WOVE**

QTY 5,000 - \$500

QTY 10,000 - \$650

QTY 25,000 - \$950

QTY 50,000 - \$1500

QTY 75,000 - \$2000

**FULL COLOR #10 REGULAR ENVELOPES ON 24# WHITE WOVE**

QTY 5,000 - \$650

QTY 10,000 - \$1025

QTY 25,000 - \$2500

QTY 50,000 - \$4500

QTY 75,000 - \$6500

**8.5X11 LETTERS 4/4 ON 60 OR 70 LB OFFSET**

QTY 5,000 - \$350

QTY 10,000 - \$500

QTY 25,000 - \$1000

QTY 50,000 - \$1750

QTY 75,000 - \$2450

**STANDARD MAILING COSTS:**

**MINIMUMS SET AT 1,000**

SETUP PRODUCTION - \$25

SETUP DATA - \$25

NCOA - \$45

LETTER FOLDING - \$10/THOUSAND

VARIABLE LETTER FOLDING - \$15/THOUSAND

MACHINE INSERTING - \$32/THOUSAND

APPLYING LIVE STAMPS - \$10/THOUSAND

ADDRESS AND DELIVER LESS THAN 5000 PIECES - \$35/THOUSAND

ADDRESS AND DELIVER MORE THAN 5000 PIECES - \$25/THOUSAND

**STANDARD POSTAGE RATES:**

**FIRST CLASS LETTERS - \$ .39-\$ .44 PER PIECE (IF WEIGHS 1 OZ. OR LESS)**

**THIRD CLASS LETTERS - \$ .23-\$ .30 PER PIECE**

**FIRST CLASS FLATS - \$ .43-\$ .72 PER PIECE (IF WEIGHS 1 OZ. OR LESS)**

**THIRD CLASS FLATS - \$ .36-\$ .66 PER PIECE**

<b>LETTER DIMENSIONS</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>
<b>HEIGHT</b>	<b>3 ½ INCHES</b>	<b>6 1/8 INCHES</b>
<b>LENGTH</b>	<b>5 INCHES</b>	<b>11 ½ INCHES</b>

<b>FLAT DIMENSIONS</b>	<b>MINIMUM</b>	<b>MAXIMUM</b>
<b>HEIGHT</b>	<b>6 1/8 INCHES</b>	<b>12 INCHES</b>
<b>LENGTH</b>	<b>11 ½ INCHES</b>	<b>15 INCHES</b>

**NOTES:**

- **PRESORTED ("BULK") 1<sup>ST</sup> CLASS MAILINGS NEED MINIMUM OF 500 RECORDS/ADDRESSES**
- **PRESORTED 3<sup>RD</sup> CLASS NEEDS MINIMUM OF 250 RECORDS/ADDRESSES**