

COUNCIL REPORT

M&C No.	2018-351
Report Date	December 07, 2018
Meeting Date	December 17, 2018
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Printing Service Agreement with Saint John Energy

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	Acting City Manager
Cathy Graham	Kevin Fudge	Neil Jacobsen

RECOMMENDATION

It is recommended that Common Council approve the Printing Service Agreement with Saint John Energy for the printing and mailing of the Saint John Water bills and payroll T4s, T4As and the Pension Pay Advices for a four year term from 2019-2022 at the costs provided in the attached report and agreement and that the Mayor and Common Clerk be authorized to sign the attached agreement.

EXECUTIVE SUMMARY

The City has been using the services of Saint John Energy for printing and mailing services for the Water and Sewerage bills and payroll information since 2003. The current contract expired in 2018. Saint John Energy has provided quality services at a very good pricing. The new proposal is providing the service for 2019 at a cost less than what was charged in the last year of the previous contract. Saint John Energy has the equipment and resources available to provide this service and can do so in such a way as to reduce the normal mailing price associated with the mailing of this information by the City saving additional costs.

PREVIOUS RESOLUTION

M&C 2014-74 - It is recommended that Common Council approve the Printing Service Agreement with Saint John Energy and the Mayor and Common Clerk be authorized to sign this agreement for the continuation of printing and mailing services of Saint John Water billings and employee T4's, as well as the printing of weekly employee and retiree's pay advices.

REPORT

Saint John Energy has been providing the printing and mailing services since 2003. The partnership between Saint John Energy and the City continues to work well and the service is high quality and cost effective. Saint John Energy has the necessary equipment and resources to provide this service to the City as they bill their customers for energy on a monthly basis. The City has been very satisfied with the services received under this partnership.

Below are the costs provided for under this agreement for the next four years:

		Year 1	Year 2	Year 3	Year 4
Water and Sewerage Invoices	Canada Post - high density presort Incentive Lettermail™ - rate per unit <i>(subject to change without notice)</i>	\$0.78	\$0.78	\$0.78	\$0.78
	Service Fee per unit	\$0.237	\$0.242	\$0.247	\$0.252
	Set-up Fee <i>(if current format significantly altered)</i>	\$960.00	\$960.00	\$960.00	\$960.00
Pension Pay Advices	Canada Post - high density presort Incentive Lettermail™ - rate per unit <i>(subject to change without notice)</i>	\$0.78	\$0.78	\$0.78	\$0.78
	Service Fee per unit	\$0.165	\$0.168	\$0.172	\$0.175
	Set-up Fee <i>(if current format significantly altered)</i>	\$960.00	\$960.00	\$960.00	\$960.00
T4s and T4As	Canada Post Lettermail™ rate per unit <i>(subject to change without notice)</i>	\$0.84	\$0.84	\$0.84	\$0.84
	Service Fee per unit	\$0.250	\$0.255	\$0.260	\$0.266
	Annual Set-up Cost <i>(Time and Materials)</i>	\$688.00	\$701.00	\$715.00	\$730.00
	Set-up Fee <i>(if current format significantly altered)</i>	\$960.00	\$960.00	\$960.00	\$960.00
Extra Inserts	Price dependent on customer's specific requirements. Will quote on request.				

The costs provided are equal or much lower than what was provided in the last year of the previous agreement. For example the pay advices were printed at a cost of 2.82 cents per unit in 2018 compared to the cost in the new agreement of 1.65 cents per unit in 2019 and will not be at the 2018 cost for the life of this agreement. The printing of Saint John Water bills has decreased from 2.47 cents per unit in 2018 to 2.37 cents per unit in 2019 and does not get back to the 2018 rate until 2021. The costs of this service has decreased by approximately \$5,400 over the four year term.

Saint John Energy has made advancements with the equipment and processes that benefit the City by allowing them to provide this service at a lower cost. It also helps to offset some of the equipment costs incurred by Saint John Energy. This relationship is a benefit to both entities.

STRATEGIC ALIGNMENT

This recommendation is in line with Common Council's priority of being fiscally responsible in seeking out cost effect, quality services for the citizens.

SERVICE AND FINANCIAL OUTCOMES

The cost savings based on current service requirements will see the costs decrease by \$5,400 over the four year term of the agreement with no change to the service. It is important to note the cost for postage is subject to change by Canada Post but the cost provided by Saint John Energy is less than normal postage.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

Finance and the City Solicitor's Office have reviewed the agreement.

ATTACHMENTS

Printing Service Agreement between the Power Commission of the City of Saint John and City of Saint John