



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-810

Agenda Date: 6/4/2025

Agenda #: 9.

DATE: June 4, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

TITLE: AMENDMENT 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH INFOSEND, INC. FOR PRINT AND DISTRIBUTION SERVICES

RECOMMENDATION

Staff recommends that the City Council approve Amendment 1 to the Professional Services Agreement (PSA) with Infosend, Inc., in an estimated amount of \$442,275 for a revised contract amount of \$1,462,275, extending the term of the agreement to May 31, 2026 for data processing, printing, and mailing of utility bills, business license documents, and accounts receivable invoices and statements; and authorize the City Manager to execute the amendment.

BACKGROUND AND ANALYSIS

In May 2022, the City Council approved a three-year PSA with Infosend Inc. for data processing, printing, and mailing of utility bills, business license documents, and accounts receivable invoices and statements in amount estimated to be approximately \$340,000 annually based on historical volumes and services. The agreement allows for five one-year extensions.

The initial three-year contract set the pricing for materials and services provided by Infosend without any increase. Postage rates are a direct pass through from the United States Postal Service (USPS) and rate increases are automatically passed onto the City at the time the rate goes into effect.

Per the contract, optional extensions that are exercised will incur a Consumer Price Index (CPI) increase at the current CPI rate upon execution of the extension agreement. The CPI increase from May 2022 to January 2025 for All Items San Diego- Carlsbad is 11.2 percent and will be applied to per item charges (EXHIBIT A). A 10 percent increase to postage has been factored into the contract costs due to USPS's policy for rate changes in January and July of each year.

In addition, due to the recent instability of the commodities market, a contingency cost of \$25,000 for extraordinary inflation of materials is built into the contract. Per the contract, on an annual basis, Infosend may request a materials cost adjustment when extraordinary inflation occurs. Extraordinary inflation will be measured at a 30 percent increase over the previous period. Infosend has requested extraordinary cost adjustment for specific envelope materials which have had an extraordinary cost increase in the previous period (EXHIBIT A).

Proposed Amendment 1, in an estimated amount of \$442,275 based on historical volumes will extend

the contract through May 31, 2026 and would be the first of the five optional one-year extensions.

Costs are directly related to the volume of utility bills, business license documents and accounts receivable invoices and statements sent by US mail. The City will only be charged for actual materials used and services performed.

Infosend's close proximity to Oceanside and designation as a USPS Detached Mail Unit (DMU) provides for expedient delivery of Oceanside's documents to the City's customers. Infosend has been providing excellent service to the City with minimal effort from City staff. Infosend's services have been delivered timely, accurately and on budget during the initial three years.

FISCAL IMPACT

The estimated cost of the contract is \$442,275 for one year. A contingency of \$25,000 for extraordinary inflation of materials is built into the contract. The FY 2024-2025 estimated cost of \$36,856 will be charged to 212010101.5306 which has a current available balance of \$269,891. Therefore, sufficient funds are available. The FY 2025-2026 estimated cost of \$405,419 is included in the proposed budget.

Description	Account	Estimated Expense	FY 2024-25 Budget
Amendment 1 with Infosend	Business Services 212010101.5306	\$36,856	\$269,891

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Jennifer Rhoades, Management Analyst

Reviewed by: Jill Moya, Financial Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Exhibit A
3. Amendment 1