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Title: Approve a First Amendment to the professional public information services contract for the Department of Public Utilities with Two Q, Inc. dba JP Marketing to extend the agreement through June 30, 2024, and increase the contract amount by \$808,698 to fund continuity of services, for a revised total contract amount of \$2,993,673.

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. Attachment 1 - First Amendment.pdf, 2. Attachment 2 - Agreement for Professional Public Information Services.pdf

Date	Ver.	Action By	Action	Result
6/29/2023	1	City Council	APPROVED	Pass

REPORT TO THE CITY COUNCIL

FROM: BROCK D. BUCHE, PE, PLS, Director
Department of Public Utilities

BY: CHERYL BURNS, MPA, Senior Management Analyst
Department of Public Utilities - Administration

SUBJECT

Approve a First Amendment to the professional public information services contract for the Department of Public Utilities with Two Q, Inc. dba JP Marketing to extend the agreement through June 30, 2024, and increase the contract amount by \$808,698 to fund continuity of services, for a revised total contract amount of \$2,993,673.

RECOMMENDATION

Staff recommends that Council approve the First Amendment to the professional public information services contract for the Department of Public Utilities with Two Q, Inc. dba JP Marketing to extend the agreement through June 30, 2024 and to increase the contract amount by \$808,698 to fund continuity of services, for a revised total contract amount of \$2,993,673; and authorize the Director of Public Utilities, or designee, to execute the amendment on behalf of the City of Fresno (City).

EXECUTIVE SUMMARY

On January 22, 2018, the City executed a contract with JP Marketing in the amount of \$436,995 annually for the Professional Public Information Services for the Department of Public Utilities

Request for Proposals No. 9402. The contract term was three years with two optional one-year extensions, both of which were executed. With the impending expiration of JP Marketing’s contract, the Purchasing Manager executed an interim contract extension, as permitted under the contract, on December 16, 2022, at DPU’s request for continuity of service on specific tasks. The interim extension is valid through October 22, 2023.

The funding approved by the City Council under the original agreement has been expended. City Council approval of additional funds for the interim extension is now required, along with a time extension through June 30, 2024, to allow for ongoing services related to the design and printing of monthly utility bill inserts, the preparation and printing of the annual Community Confidence (Water Quality) Report, large campaign strategic direction and creative concepting, grant-funded campaign support, staff extension support, and Proposition 218 rate-setting outreach activities and printing needs. The cost proposal for JP Marketing’s interim extension tasks totals \$808,698. Of that, \$211,100 is labor hours for JP Marketing, which represents an approximately 60-percent reduction in labor costs from the original contract. The remaining \$597,598 is for print and mail hard costs that will be passed through JP Marketing to DPU with no agency mark up.

Should the Proposition 218 process not be initiated, then the charges related to those activities will not be incurred.

The Department does not have the capacity to perform these activities in house.

BACKGROUND

On January 22, 2018, the City executed a contract with JP Marketing in the amount of \$436,995 annually for Professional Public Information Services for the Department of Public Utilities Request for Proposals No. 9402. The contract term was three years with two optional one-year extensions. The first one-year extension was executed on October 21, 2020, effective through January 22, 2022. The second one-year extension was executed on October 20, 2021, effective through January 22, 2023.

With the impending expiration of JP Marketing’s contract, the Purchasing Manager executed an interim contract extension, as permitted under the contract, on December 16, 2022, at DPU’s request. The interim extension is valid through October 22, 2023, and is necessary for continuity of service on specific tasks, including: the design and printing of monthly utility bill inserts, the preparation and printing of the annual Community Confidence (Water Quality) Report, large campaign strategic direction and creative concepting, grant-funded campaign support, staff extension support, and Proposition 218 rate-setting outreach activities and printing needs. The breakdown of costs is identified in Table 1 below.

Table 1 - Breakdown of JP Marketing Interim Extension Costs

Task	Labor	Print & Mail Hard Costs	Paid Outreach	Total
Proposition 218	\$39,500	\$290,598	\$54,450	\$384,548
Water Quality Report	\$17,000	\$7,550	\$12,000	\$36,550
Utility Inserts	\$57,600	\$183,000	n/a	\$240,600
Large Campaign Strategy & Creative	\$40,000	n/a	n/a	\$40,000

Grant-Funded Campaigns & Programs	\$36,000	n/a	\$50,000	\$86,000
Staff Extension Support	\$21,000	n/a	n/a	\$21,000
TOTALS	\$211,100	\$481,148	\$116,450	\$808,698

The funding approved by the City Council under the original agreement has been expended. City Council approval of additional funds for the interim extension is now required, along with a time extension through June 30, 2024.

The cost proposal for JP Marketing’s interim extension tasks totals \$808,698. Of that, \$211,100 is labor hours for JP Marketing, which represents an approximately 60-percent reduction in labor costs from the original contract. The remaining \$597,598 is for print and mail hard costs that will be passed through JP Marketing to DPU with no agency mark up. The majority of the print and mail hard costs, in the amount of \$290,598, are related to the printing of legally required Proposition 218 materials, including the Notice, Protest Card, outbound envelopes, and return envelopes. The second largest print and mail hard costs, in the amount of \$183,000, are for the printing and shipping of the monthly utility bill inserts.

Should the Proposition 218 process not be initiated, then the charges related to those activities will not be incurred.

DPU will either be soliciting proposals for a new marketing and outreach contract prior to the expiration of the proposed contract extension with JP Marketing or bring the services in house which will require the hiring of additional staff.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this contract amendment is not a "project."

LOCAL PREFERENCE

Local Preference was not implemented as this is an amendment to an existing contract.

FISCAL IMPACT

There is no impact to the General Fund. The funds for outreach and education activities are appropriated in the Water Enterprise, Wastewater Enterprise, and Solid Waste Enterprise Fiscal Year 2024 budgets.

Attachments:

Attachment 1 - First Amendment

Attachment 2 - Agreement for Professional Public Information Services