

Council Meeting Staff Report

August 27, 2019

Agenda No.:	B.
Indexes (Council Goals):	* 2019 Council Goal - N/A
Presenters:	Bob Westervelt
Legislative File:	AGR0641-19

Title

Request for Consent to Assignment of Services Agreement AGR17-01, Changing the Assignment from Diamond Marketing Solutions Group, Inc. to Output Services Group, Inc. (OSG) and Approval of Related Amendment No. 2

Recommended Action

I move that Council approve the Consent to Assignment of Services Agreement AGR17-01, changing the assignment from Diamond Marketing Solutions Group, Inc. to Output Services Group, Inc. (OSG) and the related Amendment No. 2 to Services Agreement AGR-17-01.

Utilities Manager's Recommendation

The Utilities Manager recommends that Council pass the motion as presented.

Board, Commission or Committee Recommendation

The Board of Public Utilities recommends that Council pass the motion as presented.

Body

Los Alamos Department of Public Utilities entered into Services Agreement AGR17-01 on February 1, 2017, with Diversified Data Processing & Consulting Inc (DivDat) to laser print, insert and mail monthly utility statements and past due notices to DPU customers; print and insert utility bill stuffers; generate electronic bill presentations (e-billing); and integrate utility data with the Los Alamos DPU App . The term of the agreement is from March 1, 2017 through February 28, 2021.

As required under Section O of Services Agreement AGR17-01, DPU received a July 17, 2018 letter from DivDat informing Los Alamos County that on June 26, 2018, DivDat entered into an Asset Purchase Agreement with Diamond Marketing Solutions Group, Inc. DivDat further requested the irrevocable consent from Los Alamos County for DivDat to assign its rights and obligations and the delegation of all of its performance under Services Agreement AGR17-01 to Diamond. Specifically, section O states that the "Contractor may not assign this Agreement or any privileges or obligations herein without the prior written consent of the County." Upon Los Alamos County's consent and the closing of the Asset Purchase Agreement, Diamond was to be bound by all of the terms of Services Agreement AGR17-01.

In July, 2019, DPU received another request, dated July 8, 2019, for Consent to Assignment of Service Agreement 17-01, this time to Diamond Marketing's parent company, Output Services Group (OSG). The letter states that the requirements of AGR17-01 can most effectively be accomplished by OSG directly, and requests assignment of the agreement to OSG. The proposed Approval of Assignment and Amendment No. 2 to Services Agreement 17-01 authorizes that assignment.

Alternatives

Should the Board and Council determine not to approve the Consent to Assignment of Services Agreement AGR17-01, DPU will need to work with Diamond Marketing to determine if they are able and willing to continue under the existing assignment, or DPU will need to issue a new request for proposals and award a new contract for bill printing services.

Fiscal and Staff Impact/Planned Item

Approving the Assignment of Services Agreement AGR17-01 should have no fiscal impact and no impact on staff.

Attachments

A - Request for Consent to Assignment of Agreement

B - Amendment No 2 to Services Agreement AGR17-01