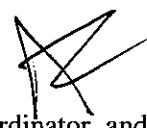




TO: Board of Contracts and Awards
FROM: Andy Cherullo, Director, Finance Department
Michael San Soucie, Treasury Manager, Finance/Treasury
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Richelle Krienke, Finance/Purchasing
SUBJECT: Retail Lockbox Contract Extension
Request for Proposals Specification No. FI06-0808F – June 24, 2014
DATE: June 5, 2014



SUMMARY:

The Finance Department, Treasury Division, requests approval to extend and increase the contract with Retail Lockbox Inc., Seattle, WA by a maximum of \$75,000.00, sales tax not applicable, for lockbox receiving services for the City of Tacoma through November 30, 2014. This increase will bring the contract to a cumulative total of \$1,265,873.01, sales tax not applicable. An extension to this contract is necessary to maintain lockbox receiving services from Retail Lockbox Inc. while the City completes the RFP process, contract selection, award, and conversion of lockbox services.

STRATEGIC POLICY PRIORITY:

Strengthen and maintain a strong fiscal management position. Lockbox services provide for deposit of moneys and receipt of payments via US mail for items such as: tax and license payments, animal license payments, Click! Network payments and City utility payments.

BACKGROUND:

Treasury staff are currently working on the final phases of the conversion of the City’s commercial banking services from Bank of America to Wells Fargo. It would not make sense to convert retail lock box services until after the commercial banking services conversion is complete. By staging these two conversion processes, the City will avoid any potential delays, system compatibility issues or potential disruption of lockbox services. The contractor has agreed to extend the contract at the same terms and conditions as the original contract through November 30, 2014.

ISSUE:

The current contract expires on June 30, 2014, and the RFP process for retail lockbox services has not yet been completed.

ALTERNATIVES:

None of the alternatives are preferable. The City requires lockbox services, letting the contract lapse while the RFP process is finished is not an option as it would disrupt the current business processes of multiple departments. Moving to a sole source or direct negotiation process is not optimal since the RFP process allows the City to attract a broader pool of vendors and get better value for the City.

COMPETITIVE SOLICITATION:

This contract was originally awarded to Retail Lockbox Inc. as a result of Request for Proposals (RFP) Specification No. FI06-0808F in November, 2006.

CONTRACT HISTORY:

Resolution 37034 approved the contract award to Retail Lockbox Inc. to provide lockbox services for an initial three-year period with the option to extend for two additional two-year periods. The contract was previously amended through June 30, 2014.



RECOMMENDATION:

The Treasury Division of the Finance Department recommends an extension to the current contract with Retail Lockbox Inc. to allow adequate time for the City to complete the commercial banking conversion and RFP, contract selection, award, and conversion for retail lockbox services.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5007-TRSOP Treasury Operations	CC 490300	5524200	75,000.00
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5007-TRSOP Treasury Operations	CC 490300	4349050	75,000.00
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$75,000.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.