



TO: Board of Contracts and Awards

FROM: Andrew Cherullo, Finance Director *AC*
Michael San Soucie, Treasury Manager Finance *MS*

COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and Richelle Krienke, Finance/Purchasing

SUBJECT: Lockbox Receiving Services for the City of Tacoma
Request for Proposals FI14-0028F – April 7, 2015

DATE: March 19, 2015

SUMMARY:

The Finance Department/Treasury Division recommends a contract be awarded to Retail Lockbox, Inc., Seattle, WA, in the amount of \$350,000, sales tax not applicable, for lockbox receiving services. City Departments including: Tax & License, Animal Care and Control, Tacoma Public Utilities, Tacoma Power’s Click! Network, receive payments as well as miscellaneous receivables via mail. Retail Lockbox, Inc. receives and processes these payments in a safe and efficient manner for the City. The initial contract term of three years with the option to renew for two additional two-year periods for a projected contract amount of \$900,000.

STRATEGIC POLICY PRIORITY:

Strengthen and maintain a strong fiscal management position.

The contract supports a strong fiscal management position. Retail Lockbox, Inc. will efficiently process a large volume of customer payments and ensure the safekeeping of both the funds and the payment records. The City will receive bank credit on a daily basis for the funds received by Retail Lockbox, Inc.

BACKGROUND:

The City of Tacoma Finance Department, Treasury Division, manages payments made via mail for various departmental billings including Tax & License, Animal Care and Control, Tacoma Power’s Click! Network, Tacoma Public Utilities, and miscellaneous receivables. Retail lockbox providers are set up solely for this purpose and provide efficient, safe, and consistent service.

ISSUE: The contract for lockbox services was expiring and a new vendor search was needed.

ALTERNATIVES: Only two bidders responded to our RFP. The alternative would be to issue a new RFP and hope more respondents submit proposals. In the meanwhile, the City would have to negotiate to extend the current contract to allow time for the bid process.

COMPETITIVE SOLICITATION: Request for Proposals Specification No. FI14-0028F was opened October 14, 2014. Three companies were invited to bid in addition to normal advertising of the project. Two submittals were received.

<u>Respondent</u>	<u>Location (city and state)</u>	<u>Rank or Score</u>
Retail Lockbox, Inc.	Seattle, WA	80.4
Wells Fargo Bank N.A.	Seattle, WA	70.6

Pre-bid Estimate: \$100,000 per year.

The recommended award is 16 percent above the pre-bid estimate.



CONTRACT HISTORY: New contract

SUSTAINABILITY: Retail Lockbox, Inc., is committed to providing their services as identified in this RFP in a sustainable manner. A few examples of this include recycling and shredding 750 lbs of paper each day, and electronically turning off and on all the computers in their fleet to reduce electricity utilization including monitors. They also optimize their courier runs to reduce travel distances and carbon emissions as well as encourage the use of reusable coffee mugs and maintain compost bins in their break room.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Finance Department, Treasury Division recommends a contract to be awarded to Retail Lockbox, Inc., for lockbox receiving services.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
0010 General Fund	104100	5524200	\$900,000.00
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Assessments	104100	5950076	\$900,000.00
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: \$233,334

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

Explain how expenditures are to be covered and if budget modifications are required.