

## EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Retail Lockbox, Inc. in partnership with Bank of the Cascades** for **Lockbox Services** (check payment processing).

Board Meeting Date: August 01, 2017

Project Name/Contract#: Lockbox Services / RFP 053-2016

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

### Contract Amount:

Original Contract Amount: \$ 450,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 450,000

**Resulting Cumulative Total:** \$ 450,000

### Contracting Method:

Method of Solicitation: Formal Request For Proposals

If applicable, basis for exemption: N/A

Term of Agreement: August 02, 2017 – August 01, 2022

Option to Renew? Annual up to 5 years

Approval for purchases "as needed" for the life of the contract Yes

Proposals Received (Range): 4 (\$87,000 – 249,000 annually)

Selection Basis: Highest Ranked Proposer

### Narrative:

The Board is being asked to approve a new contract with **Retail Lockbox, Inc. (RLI) in partnership with Bank of the Cascades** for the purchase of lockbox services and associated banking services. RLI will perform the processing of customer checks in partnership with Bank of the Cascades which will manage the electronic banking required to process checks.

Lockbox services include transport from EWEB's remittance postal box to a secured processing facility, automated check payment processing, electronic banking and fund transfers, financial reporting, record retention, and secured on-line web access.

In January 2017, staff issued a Formal Request for Proposals (RFP) for a suite of Financial Processing Services, including Lock Box Services. EWEB received four (4) proposals for Lockbox Services from: Retail Lockbox, Inc. in partnership with Bank of the Cascades (Bank of the Cascades will complete a merger with First Interstate Bank on August 14, 2017), respectively of Seattle, WA and Bend, OR; US Bank of Portland, OR; Wausau of Wausau, WI; and Bank Up, Inc. of Alameda, CA. The responses were evaluated on criteria including: products and services, experience of key staff, conversion, implementation and training plan, references, and cost (including preference for local businesses).

RLI in partnership with Bank of the Cascades was found to be responsive and received the highest score with particularly high scores in the products & services and cost criteria.

Staff has successfully negotiated a contract and issued a Notice of Intent to Award the contract to **RLI in partnership with Bank of the Cascades**, pending Board approval. The standard lockbox and bank fee services for this work represent a decrease of approximately \$20,000 annually from current costs. While a Eugene postal box could be accommodated by the vendors, payment posting to customer accounts would be delayed by several days, additional handling increases the risk of errors and costs would be higher. EWEB staff recommends a Washington based postal box near the RLI processing center for quickest mail pick-up and bank deposit times. The total contract amount will be approximately \$450,000 over the total five year period, based on estimated annual spend of \$87,000.

**ACTION REQUESTED:**

Management requests the Board approve a contract with **Retail Lockbox, Inc.** of Seattle, WA, in partnership with **Bank of the Cascades** of Bend, OR, for lockbox services. Funds for these services were budgeted for 2017 and will be budgeted annually in the Financial Services Division budget.

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_  
Manager: \_\_\_\_\_  
Purchasing Supervisor: \_\_\_\_\_  
Executive Officer: \_\_\_\_\_  
Board Approval Date: \_\_\_\_\_