

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an increase to an existing Intergovernmental Agreement (IGA) with **Clark Joint Processing Center (JPC)** for **EWEB's lockbox remittance payment processing**.

Board Meeting Date: June 07, 2016
Project Name/Contract#: Clark JPC Remittance Processor / IGA 11218
Primary Contact: Mark Freeman Ext. 7061
Purchasing Contact: Tracy Davis Ext. 7468

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Contract Amount:

Original Contract Amount: \$ 700,000 (approved in November 2007)
Additional \$ Previously Approved: \$ 0
Invoices over last approval: \$ 175,000
Percentage over last approval: 25 %
Amount this Request: \$ 60,000 (est. cost through December 2016)
Resulting Cumulative Total: \$ 935,000

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Contracting Method:

Method of Solicitation: Direct Negotiation
If applicable, basis for exemption: Intergovernmental Agreement
Term of Agreement: November 2007 through December 2016
Option to Renew? No - new IGA in negotiation

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

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

NARRATIVE:

The Board is being asked to approve an increase to an existing Intergovernmental Agreement (IGA) with **Clark Joint Processing Center (JPC)** for EWEB's lockbox remittance customer payment processing.

In 2001, EWEB negotiated an IGA with Clark JPC to process paper check payments and provide electronic payment data for EWEB to upload into the Customer Information System (CIS). The contract was established to continue each year, unless cancelled with 60 day written notice by either party. Contracting for these services has helped to mitigate labor costs, and minimize equipment replacement and maintenance costs. EWEB and Clark JPC have developed a trusted partnership. Clark JPC is able to offer low pricing for remittance processing to its governmental agency partners, including EWEB.

The Board approved the current contract value in 2007. With the online bill pay system, the number of payments processed has been reduced from a high of 597,000 annual payments to 283,000 annual payments by 2015. Decreased annual processing has allowed for annual remittance budgets to be reduced, and subsequently extended the 2007 Board approved contract amount of \$700,000 over a longer term. Contract activity has remained below the 25% change order threshold that requires Board approval until now.

In 2014, Clark JPC announced their intent to upgrade services to include new software and hardware, which would provide more efficient processing and banking services. Both parties agreed that a new IGA was appropriate based on the revised scope and required updates to the terms and conditions. As staff completes the negotiation of the new IGA, ongoing processing services are required.

ACTION REQUESTED:

Management requests the Board approve a funding extension through December 2016 to the existing IGA with **Clark JPC** for **EWEB's lockbox remittance payment processing**. Funds for these services are budgeted for 2016. Staff intends to bring to the Board a subsequent five-year Board Consent request upon completion of the new IGA currently under negotiation.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____