

Request for Proposal (RFP) for:

Lockbox Services



Job No. 09-10-FA

**City of Kirkland
Department of Finance and Administration
123 Fifth Avenue
Kirkland, WA 98033**



City of Kirkland REQUEST FOR PROPOSAL

I PURPOSE OF REQUEST

The City of Kirkland ("City") is requesting proposals for lockbox services. The City's needs are outlined in the following Request for Proposal ("RFP").

II BID PROCESS

The City will attempt to follow this timetable, which should result in the implementation of lockbox services by March 1, 2011.

Issue RFP	April 15, 2010
Deadline for submitting questions	May 7, 2010
Deadline for Submittal of Proposals - 4:00 p.m. PDT	May 14, 2010
Preliminary Selection of Firm	June 11, 2010
Recommendation to Council Finance Committee	June 29, 2010
Agreement for Lockbox Services Signed	September 1, 2010
Implementation of Lockbox Services	March 1, 2011

III INSTRUCTIONS TO PROPOSERS

- A. All questions should be submitted in writing (email will suffice) to:
- Michael Olson, Deputy Director, Finance and Administration
City of Kirkland
123 5th Avenue
Kirkland, WA 98033
(425) 587-3146
molson@ci.kirkland.wa.us

Note that the deadline for submitting questions is by 5:00 pm on Friday, May 7, 2010.

- B. All proposals must be received by no later than 4:00 p.m. PDT on May 14, 2010. All sealed proposals must be clearly marked in the lower left-hand corner "RFP - Lockbox Services". An original and four (4) copies of the RFP must be delivered to:

City of Kirkland
Attn: Barry Scott – Job #09-10-FA
123 5th Ave
Kirkland, WA 98033

OR

Proposals may be submitted as an email attachment in PDF or MS Word format to:

bscott@ci.kirkland.wa.us

Faxed proposals or proposals submitted as Zip files will not be accepted.

- C. Proposals should be prepared simply and economically, providing a straight forward, concise description of provider capabilities to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not required or desired. Emphasis should be on completeness and clarity of content. Use recycled paper for responses and any printed or photocopied material created pursuant to a contract with the City whenever practicable. Use both sides of the paper for any submittal to the City whenever practicable.
- D. All proposals must include the following:
 - 1. Responses to Lockbox Services Questions/Statements. Attachment 1
 - 2. Statement of Lockbox provider Qualifications signed and notarized. Attachment 2
 - 3. Non-Collusion Affidavit Certificate signed and notarized. Attachment 3
 - 4. A detailed schedule of costs by specified task using the Bid Sheet form in Attachment 4.

Volumes indicated on the Bid Sheet are estimates and actual quantities may vary. Costs not included on the Bid Sheet, but which the lockbox provider proposes to charge, must be individually itemized and thoroughly explained. Bid Sheets must be executed by an official of the firm in a position to commit the institution to provide the services in accordance with these terms and conditions.

- E. Those interested in submitting a proposal are encouraged to provide contact information to Barry Scott, Purchasing Agent, at bscott@ci.kirkland.wa.us. Providing contact information will allow the City to provide notification if an addendum to the RFP is issued or the RFP is canceled. Those who choose not to provide contact information are solely responsible for checking the City's website for any issued addenda or a notice of cancellation.

IV SCOPE OF SERVICES

GENERAL INFORMATION

The City of Kirkland is soliciting proposals for lockbox services to collect and process customer payments for utility services, business license, false alarm and other miscellaneous customer payments due to the city.

The following is the approximate payment volume that the City of Kirkland currently produces.

Utility Payments (Mailed Payments Only)												
Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Monthly Average
2,700	2,950	3,600	3,400	2,500	3,500	3,400	2,600	3,050	2,600	2,950	3,500	3,063
Business License and False Alarms (Mailed Payments Only)												
Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Monthly Average
1,000	600	600	600	600	600	600	600	600	600	1,500	1,500	783

The City is scheduled to annex a large area north of the City on June 1, 2011. This will potentially increase the volume of transactions up to 3,000 transactions per month.

The City will be contracting for lockbox services for a two year period beginning March 1, 2011 and ending February 28, 2013. At the City's option, two, two year extensions will be permitted with the same terms and conditions of the original contract or as amended.

V TERMS AND CONDITIONS

- A. The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.
- B. The City reserves the right to request clarification of information submitted, and to request additional

information on any proposal.

- C. The City reserves the right to award any contract to the next most qualified lockbox provider, if the successful lockbox provider does not execute a contract within 30 days of being notified of selection.
- D. Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not so timely withdrawn shall constitute an irrevocable offer, for a period of one hundred and twenty (120) days to sell to the City the services described in the attached specifications, or until one or more of the proposals have been approved by the City administration, whichever occurs first.
- E. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City, and shall reflect the specifications in this RFP. A copy of the proposed contract is available for review (see attachment A). The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney's office.
- F. The City shall not be responsible for any costs incurred by the lockbox provider in preparing, submitting or presenting its response to the RFP.

VI EVALUATION PROCESS

Proposals will be evaluated by a committee of City staff. Evaluations will be based on criteria outlined herein which may be weighted by the City in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The criteria used will be:

- A. Responsiveness to the RFP
The City will consider all the material submitted to determine whether the lockbox provider's offering is in compliance with the RFP documents.
- B. Ability to Perform Required Services
The City will consider all the relevant material submitted by each lockbox provider, and other relevant material it may otherwise obtain, to determine whether the lockbox provider is capable of providing services of the type and scope specific to the RFP. The following elements may be given consideration by the City in determining whether a lockbox provider is capable:
 - 1. The ability and capacity of the lockbox provider and the skills, experience, and availability of the specific individuals to be assigned to the City to perform the services required;
 - 2. The quality of performance by the lockbox provider on previous and similar contracts and such other information as may be secured and considered relevant by the City, including information on customer service as supplied in Attachment 1 and obtained from references provided;
 - 3. The ability of the lockbox provider to present professional and innovative work; the skill of the lockbox provider as demonstrated by samples of similar work and/or references from similar organizations;
- C. Fees
As described in Attachment 4
- D. References
As described in Attachment 1
- E. Interviews and Site Visits

The City may conduct interviews and site visits as part of the final selection process.

LOCKBOX SERVICES QUESTIONS/STATEMENTS

Attachment 1

Please provide your responses to the items below in the order presented.

1. Provide the names of individuals, with phone numbers and e-mail addresses, who will be working on the proposed services and their areas of responsibility including their specific experience relative to the request for proposal requirements.
2. Submit at least five (5) references (preferably from current local government customers) who can attest to the lockbox provider's experience as it relates to providing lockbox services. The references must include contact name, title, address, e-mail address, telephone number and services used.
3. Provide a description of the following key items:
 - Time and frequency of pickups
 - Turn-around processing time
 - Deposit deadlines
 - Ability to provide images of remittance documents and checks via web and/or CD ROM.
 - Acceptance criteria for payments
 - Rejection criteria for payments
 - Method and time of data transmissions
 - Location of post office box
 - Location of lockbox office
 - Ability to return original documents of all business license and false alarm submissions
 - Method and time of delivery for returning original documents to the City
 - Ability for the City to determine appropriate batch size and batch numbering system
 - Treatment of exceptions (non-standard) items
 - Ability to handle payments containing multiple remittance advices
 - Technical specifications of transmission of data to the City
 - Error tolerance of lockbox personnel and subcontractors
 - Bonding requirements of lockbox personnel and subcontractors
4. Describe your ability to accommodate an increase in volume of up to 3,000 transactions per month when annexation occurs on June 1, 2011.
5. Describe how inquiries requiring research and adjustments are handled by the institution. Are there established turn-around times for research and adjustment items? If yes, specify.
6. Security/Protection Measures: What security features are in place to minimize the risk of unauthorized transactions?
7. Service Enhancements: Describe any enhancements, technological or otherwise, that we should consider to improve operational or cash management efficiencies.
8. Discuss your use of the internet in providing services to your municipal/business customers.
9. Provide information on how your institution plans to keep your product line competitive. Describe what approach you are taking in the development of new services.

10. Disaster Recovery:
 - a. Describe your institution's formal disaster recovery plan.
 - b. How quickly will back-up facilities be activated?
 - c. Describe your institution's operating capabilities to assist the City in the event of a disaster or declared emergency.

11. Implementation Plan: Describe the implementation plan you would coordinate with the City, including timetable.

12. List the address and hours of operation at your lockbox office.

13. Discuss any special conditions, other fees, other services, or deviations from the requested scope.

STATEMENT OF LOCKBOX PROVIDER QUALIFICATIONS

Attachment 2

Each lockbox provider submitting a proposal for items included in this document shall prepare and submit the following data along with their proposal:

1. Name of Lockbox provider _____
2. Business Address _____
3. Business Phone _____ Fax No. _____
4. E-mail address _____
5. How many years have you been in business under the present name? _____
6. General character of services provided by your institution:

7. City of Kirkland Business License Number: _____
8. State of Washington Sales Tax Registration Number: _____
9. Federal I.R.S. Identification Number: _____
10. I certify that the institution:
 - is capable of providing the services as outlined in this proposal,
 - will comply with the rules and regulations outlined by the Revised Code of Washington, Kirkland Municipal Code, and the Washington Public Deposit Protection Commission, and other applicable laws and regulations.

Lockbox Services

 Institution Name Authorized Signature

Sworn before me, this _____ day of, _____ 2010.

 Notary Public
 in and for the State of Washington

Item	Unit Price	Estimated Monthly Volume	Monthly Cost	Explanation
Processing				
Monthly Maintenance				
Processed Item				
Multiple Payment Surcharge				
Check Only Account Number Key Surcharge				
Deposit				
Cash Payment Received				
Additional Processing				
Manual/Express Mail				
Sort				
Coupon Only Item				
Photocopy				
Online Exception Review				
Online Exceptions Monthly				
Online Exceptions Item				
Online Exceptions User				
Image Delivery Services				
Image Monthly Maintenance				
Image Web Item				
Image Full-Page Item				
Image CD-ROM				
Image CD-ROM Item				
Reporting				
Transmissions				
Custom Report Monthly				
Other				
Lockbox Changes				
Package Preparation				
US Mail per item				
Research Request				
Annual P.O. Box Rental				
Initial Fees				
Lockbox Setup Fee				
Image Setup Fee				
Courier Fees				
Daily Courier Service				
Third Party Courier Service				
Photocopy				
Per Item Photocopy Charge				

Authorization:

Lockbox Provider Name

Date

Mailing Address

Phone Number

City, State, Zip

Fax Number

By

Title

Contact Name (if different from above)

Contact Phone Number

Attachment A

Lockbox Services Agreement

LOCKBOX SERVICES AGREEMENT PROVISIONS FOR THE CITY OF KIRKLAND

The City of Kirkland, Washington, a municipal corporation (hereinafter the "City") and _____, whose address is _____, (hereinafter the "Lockbox provider", agree and contract as follows:

1. SERVICES BY LOCKBOX PROVIDER

- A. The Lockbox provider agrees to perform the services described in this proposal, which attachment is incorporated herein by reference.
- B. All services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

2. COMPENSATION

- A. The total compensation to be paid to the Lockbox provider shall be detailed in Attachment 4.

The above fees include all labor, materials and expenses required for the completion of these services.

- B. Payment to Lockbox provider by the City in accordance with the above shall be the total compensation for all work performed under this agreement and supporting documents hereto as well as all subcontractor's fees and expenses, supervision, labor supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Lockbox provider shall be paid based on the acceptance of the proposed compensation.
- D. The City shall have the right to withhold payment to the Lockbox provider for any service not completed in a satisfactory manner until such time as the Lockbox provider modifies such service to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a check is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

3. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving forty-five (45) days notice to the Lockbox provider in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Lockbox provider pursuant to the Agreement shall be provided to the City. In the event the City terminates this agreement prior to completion without cause, the Lockbox provider may complete such analyses and records as may be necessary to place its records in order. The Lockbox provider shall be entitled to receive just and equitable compensation of any satisfactory services completed prior to the date of suspension or termination, not to exceed the compensation set forth above. Should the Lockbox provider desire to terminate this agreement, written notice of 120 days is required.

4. OWNERSHIP OF WORK PRODUCT

Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this agreement or the project to which it relates, without written concurrence by the Lockbox provider will be at the sole risk of the City.

5. GENERAL ADMINISTRATION AND MANAGEMENT

The Director of Finance and Administration or the Deputy Director of Finance and Administration for the City of Kirkland shall review and approve the Lockbox providers charges to the City under this Agreement, shall have the primary responsibility for overseeing and approving services to be performed by the Lockbox provider, and shall coordinate all communications with the Lockbox provider from the City.

6. CONTRACT PERIOD

The Lockbox Services Agreement is to extend for a period of two years, beginning on March 1, 2011 with a two, two year options to renew the Agreement. The City in order to exercise its renewal option will need to do nothing. At the end of this period, the City may choose to negotiate a renewal option or to request additional proposals.

7. SUCCESSORS AND ASSIGNS

The Lockbox provider shall not assign, transfer, convey, pledge, or otherwise dispose of this agreement or any part of this agreement without prior written consent of the City.

8. NONDISCRIMINATION

The Lockbox provider shall, in all hiring or employment made possible or resulting from this agreement, take affirmative action to ensure that there shall be no unlawful discrimination against any employee or applicant for employment because of sex, race, age, color, creed, national origin, marital status or the presence of any sensory, mental or physical handicap, unless based upon a bonafide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

No person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap.

9. HOLD HARMLESS/INDEMNIFICATION

The Lockbox provider agrees to indemnify, defend, and save harmless the City and its officers, agents, and employees, from any claim, real or imaginary, filed against the City or its officers, agents, or employees, alleging damage or injury arising out of the subject matter of this Agreement; provided, however, that such provision shall not apply to the extent that the damage or injury results from the fault of the City or its officers, agents, or employees. "Fault" as herein used shall have the same meaning as set forth in RCW 4.22.015.

10. LIABILITY INSURANCE COVERAGE

The Lockbox provider will, at the Lockbox provider's sole expense, obtain and maintain during the life of this Agreement, policies of comprehensive general liability insurance, each with combined single limits of not less than \$1,000,000 per occurrence. Any policy of required insurance on a claims made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services so to be performed. A failure to obtain and maintain such insurance or to file said certificates shall be a material breach of this Agreement.

11. COMPLIANCE WITH LAWS/BUSINESS LICENSE

The Lockbox service provider shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes. Contractor must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

12. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Lockbox provider activities except as set forth in this Agreement.

13. INDEPENDENT CONTRACTOR

The Lockbox provider is and shall be at all times during the term of this agreement an independent contractor.

14. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties hereto.

15. ADDITIONAL WORK

The City may desire to have the Lockbox provider perform other services in connection with the Lockbox Services relationship other than provided for by the express intent of this contract. Any such services shall be considered as additional work, supplemental to this Agreement. Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental Agreement between the City and the Lockbox provider.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

LOCKBOX PROVIDER:

CITY OF KIRKLAND:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM:

Kirkland City Attorney

Date: _____