

CITY COUNCIL REGULAR SESSION

Resolution authorizing the execution of a five-year General Services Agreement with Retail Lockbox, Inc., for a three-year term in an amount not to exceed \$327,000, with a two-year renewal option, for a contract total not to exceed \$570,000, plus all applicable taxes.

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Finance & Asset Management Department

EXECUTIVE SUMMARY

This Resolution allows for contracting with Retail Lockbox, Inc. for lockbox processing services of business tax returns and payments for the City's Tax Division.

RECOMMENDATION

Move to adopt Resolution No. 10233

BACKGROUND/ANALYSIS

The City contracts with an external provider for wholesale lockbox services. As a business payments processing tool, lockbox services speed up the collection and processing of account receivables. Annually, the City receives, processes, and remits over 32,000 business tax returns. Taxpayers remit payment via mail to a post office box. These payments are collected, processed, and a payment file is transmitted electronically to the Tax Division. Tax payments are deposited into the bank by the lockbox provider.

Retail Lockbox, Inc was selected using an open and competitive Request for Proposal (RFP) process. The RFP was published by the Finance & Asset Management Department in August 2022 seeking proposals for lockbox processing services for City business tax returns. Two submittals were received, reviewed, evaluated, and scored by the Selection Committee. Review was based on criteria identified in the RFP including qualifications, cost, and experience. Only one vendor was able to meet all of the requirements of the Tax Division's lockbox processing. Staff recommends awarding the contract to Retail Lockbox, Inc.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code Chapter 4.28 provides for the fair and equitable treatment of all persons involved in the purchasing process. This action is consistent with this policy and objectives.

Fiscal Impact

Approval of this action obligates the City to pay up to \$327,000, plus all applicable taxes, to Retail Lockbox, Inc. for the City of Bellevue's business tax returns and related payments for the first three

years of the contract. Costs are based on a fixed price per return. If renewed for the additional two-years, the City will be obligated up to an additional \$243,000, plus all applicable taxes, for the two-year renewal period.

This expenditure was anticipated, and sufficient funding exists within the 2023-2024 adopted General Fund budget for the first two-year term of the contract. Future funding for the remaining year of the initial term and for the renewal option, if exercised, will be requested in subsequent budget processes.

OPTIONS

1. Adopt the Resolution authorizing the execution of a five-year General Services Agreement with Retail Lockbox, Inc., for a three-year term in an amount not to exceed \$327,000, with a two-year renewal option, for a contract total not to exceed \$570,000, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10233

AVAILABLE IN COUNCIL LIBRARY

Copy of General Services Agreement