

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a three-year agreement with US Bank for wholesale lockbox services for the City of Bellevue's business tax returns and related payments, with a two-year renewal option, for a total contract amount not to exceed \$510,000 plus all applicable taxes.

Toni Call, Director 452-7863

Troy Lucas, Tax Division Manager 452-4358

Finance & Asset Management Department

EXECUTIVE SUMMARY

This Resolution allows for contracting with US Bank for three-years with an extension option for another two-years to continue wholesale lockbox services.

RECOMMENDATION

Move to adopt Resolution No. 9605

If approved, effective date: 06/03/2019

BACKGROUND/ANALYSIS

The City contracts with an external provider for wholesale lockbox services. Annually, the City receives, processes and remits over 32,000 business tax returns. The current five-year contract for these services expired March 31, and the City is on a month-to-month contract until the new contract is executed. As required by City contracting policy, and to ensure that the City is receiving optimal level of wholesale lockbox services at a competitive price by a qualified vendor, the Finance and Asset Management Department staff issued a request for proposals (RFP) for these services in January. The City received proposals from four vendors. As a result of a thorough evaluation process, US Bank's proposal was selected as the most qualified response to the RFP.

US Bank was selected due to their experience in providing the requested services and competitive pricing. As an additional benefit US Bank provides its customers with an online portal that will streamline the process of downloading returns, reviewing and correcting errors, and approving the batch downloads.

POLICY & FISCAL IMPACTS**Policy Impact**

BCC 4.28.010 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to award the bid where the cost exceeds \$90,000.

Fiscal Impact

Approval of this action obligates the City to pay up to \$300,000, plus all applicable taxes, to US Bank for wholesale lockbox services for the City of Bellevue's business tax returns and related payments for the first three-years of this contract. Costs are based on the volume of transactions that the City

processes in a given year and a fixed price for services. If renewed for the additional two-years, the City will be obligated up to an additional \$210,000, plus all applicable taxes, which allows for the increase based on the Consumer Price Index in the Seattle area.

This expenditure was anticipated within the 2019-2020 adopted Finance and Asset Management operating 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 execution of a three-year agreement with US Bank for wholesale lockbox services for the City of Bellevue's business tax returns and related payments, with a two-year renewal option, for a total contract amount not to exceed \$510,000 plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9605

AVAILABLE IN COUNCIL LIBRARY

U.S. Bank Contracts