



CITY OF LONG BEACH

R-31

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard, 5th Floor • Long Beach, CA 90802 • (562) 570-7031

November 13, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. RFP FM12-055 and award a contract to RT Lawrence Corporation, of Whittier, CA (not an MBE, WBE, SBE or Local), for the purchase and installation of remittance processing equipment, in an amount not to exceed \$335,000. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with RT Lawrence Corporation for the purchase and installation of new state-of-the-art image-based remittance processing equipment. Since its implementation in October 2004, the Check Clearing for the 21st Century Act (Check 21) has enabled greater use of imaging technology for check clearing. Because of this, paper checks can be converted to electronic images for clearing and processing, thus saving on bank processing fees. Financial institutions clear checks faster as electronic images than paper checks, thus allowing access to funds on average one day sooner. Utilizing the latest in imaging and handwriting recognition technology will streamline the payment processing operation by reducing the number of processing steps and accelerating the processing of payments.

The Department of Financial Management, Commercial Services Bureau, is responsible for accepting, processing and depositing money received by the City. A key component of the City's cashing operations is the remittance processing equipment used to open and process approximately 1.2 million payments annually that are sent to the City for various City departments. The existing processing equipment had a life expectancy of ten years and is now 15 years old. As a result, the equipment has been experiencing increased maintenance calls and replacement parts are becoming harder to locate.

The total cost of the project is estimated at \$380,000. Approximately \$335,000 will be paid to RT Lawrence Corporation for equipment, software, installation, and one-year hardware and software maintenance. The remaining \$45,000 is for the procurement of hardware to be installed by the Department of Technology Services.

On August 27, 2012, the Request for Proposals (RFP) was posted and 1,201 potential bidders specializing in remittance processing systems were notified of the RFP opportunity. Of those proposers, 41 downloaded the RFP via our electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Four proposals were received on September 27, 2012. Of those four proposers, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Long Beach businesses (Local). A selection committee consisting of representatives from the Departments of Financial Management and Technology Services reviewed the four proposals and interviewed each of the vendors, and recommended RT Lawrence Corporation, of Whittier, CA (not an MBE, WBE, SBE or Local), as the most responsive proposer.

This matter was reviewed by Deputy City Attorney Amy R. Webber on October 22, 2012 and Budget Management Officer Victoria Bell on October 25, 2012.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. RFP FM12-055 and award a contract concurrently is requested on November 13, 2012, to ensure that the contract is in place in a timely manner.

FISCAL IMPACT

The total cost of the project is estimated at \$380,000. The cost will be paid by Union Bank, as part of banking services, using the City's depositing credits earned from bank balances the City has maintained at Union Bank. The Department of Financial Management will be responsible for the annual maintenance cost, which is approximately \$40,000 for FY 14, and will increase each year. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

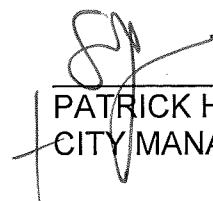
Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER