

Agenda Report

TO: CITY COUNCIL **DATE:** SEPTEMBER 27, 1999

FROM: CITY MANAGER

SUBJECT: PURCHASE OF ONE REMITTANCE PROCESSOR

Recommendation:

It is recommended that the City Council authorize the Purchasing Administrator to issue a purchase order to Technology Unlimited Inc. in the amount not to exceed \$135,000 for the purchase and installation of a remittance processor for the Department of Finance Municipal Services Division. The proposed purchase is exempt from competitive bidding pursuant to City Charter section 1002(H), contract with other governmental entities or their contractors for labor, material, supplies or services.

It is also recommended that the City Council grant this contract a partial exemption (vendor outreach only) from the Affirmative Action in Contracting Ordinance pursuant to P.M.C. 4.09.060(C) contracts for which the City's best interests are served.

Background:

The Department of Finance, Municipal Services Division processes on average 3,000 customer payments per day covering such items as utility billing, parking citations, business licenses and animal licenses; representing receipts ranging from \$350,000 to \$1,000,000 per day. The vast majority of these payments are received through the mail. The Division currently operates two remittance processors, of the same type and manufacture, in order to process payments received in this manner.

As part of the City's Year 2000 preparedness efforts, the remittance processors were reviewed for Y2K compliance and found to be non-Y2K compliant. Moreover, each machine is over 5 years old, prone to mechanical failure as well as being considerably slower than equipment currently available on the market.

Replacing the existing equipment will ensure the continued smooth operations of the Municipal Services Division as well as maintain revenue intake for the City. Additionally, the acquisition of a new remittance processor will reduce the amount of staff time required to process payments received through the mail. The recommended equipment processes payments four times faster than the existing equipment and is also upgradable to meet the future needs of the City.

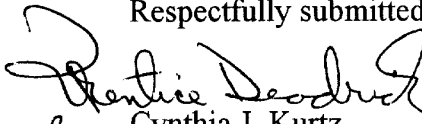
In June of 1999, the State of California awarded a contract to Technology Unlimited, Inc. for the purchase of a remittance processor. Based on staff's analysis, this same type of equipment is best suited to meet the City's needs. Technology Unlimited, Inc. has offered to sell this equipment to the City of Pasadena under the same pricing terms.

The proposed purchase is in compliance with the Competitive Bidding and Affirmative Action in Contracting Ordinance.

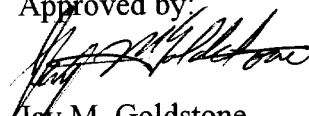
Fiscal Impact

Funds for the replacement of the remittance processors are budgeted in the FY 2000 Capital Improvement Project #71113. The proposed purchase order amount of \$135,000 includes the cost of hardware, software and implementation.

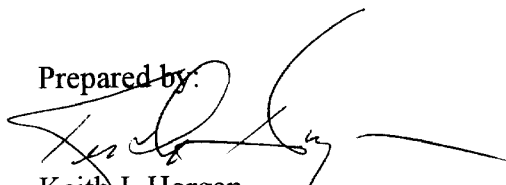
Respectfully submitted,


for Cynthia J. Kurtz
City Manager

Approved by:


Jay M. Goldstone
Director of Finance

Prepared by:


Keith J. Horgan
Departmental Systems Analyst III