Consider approval of a Contract-Specific Special Procurement exemption for Retail Lockbox, Inc.

The Marion County Treasurer’s Office is requesting approval of a contract specific special procurement to award a contract for services to Retail Lockbox, Inc. for online credit card merchant services. During the evaluations of proposals and negotiations with RLJ, the county became aware that RLJ was able to provide online credit card merchant services. Through internal discussions, County personnel came to realize that having one service provider handle both payment options would be a more efficient means of collecting payments for the county and would present a cost savings.

There is no cost to the county for these services. Fees are paid by taxpayers who pay their property taxes online with a credit card.

None.

1. Approve the Contract-Specific Special Procurement
2. Deny the Contract-Specific Special Procurement
3. Take no action at this time

1. Approve the Contract-Specific Special Procurement

1. Board Order
2. Request for Special Procurement No. 714

Camber Schlag and Laurie Steele

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to: cschlag@co.marion.or.us
BEFORE THE BOARD OF COMMISSIONERS
FOR MARION COUNTY, OREGON

In the matter of granting a Contract- Specific  
Special Procurement exemption to award a  
contract for services pursuant to  
The Marion County Public Rules.

ORDER NO. ____________

This matter came before the Marion County Board of Commissioners, acting as the Marion County Contract Review Board (Board), on at its regularly scheduled public meeting on Wednesday, April 15, 2020.

WHEREAS, the board finds that the Marion County Treasurer’s Office seeks an exemption from Marion County Public Contracting Rules, pursuant to Section 20-0285, which provides for the use of alternative contracting methods as may be directed by the Board of Commissioners under ORS 279B.085; and

WHEREAS, Section 20-0285 allows the Board to direct the use of alternative contracting methods as an exception to the prescribed public contracting practices in Oregon and its use must be justified in accordance with public contracting code and Marion County Public Contracting Rules; and

WHEREAS, the Treasurer’s Office conducted a Request for Proposal in 2019 and awarded one contract for lockbox services to support the Marion County Tax Office; and

WHEREAS, due to the Treasurer’s Office desire to maximize efficiency and control costs an additional contract award is needed to pass all property tax payments through a single contractor; and

WHEREAS, as demonstrated in the findings, attached as Exhibit A, contracting with Retail Lockbox, Inc. for online credit card payments will allow the Treasurer’s Office and the Tax Office to realize a cost savings and maximize efficiency, and will not encourage favoritism or will not substantially diminish competition in entering into an additional contract; and

IT IS HEREBY ORDERED that the Board adopts the findings attached hereto as Exhibit A and grants a Contract- Specific Special Procurement exemption to allow the use of a contract for services to allow for online credit card payments for property taxes with a term of July 1, 2020 through June 30, 2024 with an option to extend through June 30, 2028.

DATED this 15th day of April 2020.

MARION COUNTY BOARD OF COMMISSIONERS

Chair

Commissioner

Commissioner

Original: Treasurer’s Office
cc: BOC
     Finance Contracts

Attachments:
Exhibit A – Department Findings
REQUEST FOR SPECIAL PROCUREMENT No. 714

Date of Request: ____________ Department Name: Treasurer’s Office

Department Contact Name: Laurie Steele, Marion County Treasurer

Type of Request: ______ Class Special Procurement  X ______ Contract-specific Special Procurement

Time Period Requested: From: July 1, 2020  To: June 30, 2028

Total Estimated Cost: There is no cost to the county for these services. Fees are paid by taxpayers who pay their property taxes online with a credit card. In the fiscal year ending June 30, 2019, the previous service provider collected approximately $65,000 in fees from credit card transactions. Those fees are shared between the card brand company (Visa, MasterCard, etc.), the card issuing bank, and Marion County’s service provider. A majority of the fee is set by and collected by the card brand company. It is anticipated that the overall amount collected by the county’s service provider will go up as more people move away from paying their property taxes with checks and utilize the credit card option.

Title: Supplies and/or Services to be Acquired:

Online credit card merchant services to allow taxpayers to pay their property taxes online.

Request, Background and Proposed Contracting Procedure:

a. Request:

The Marion County Treasurer’s Office is requesting approval of a contract specific special procurement to award a contract for services to Retail Lockbox, Inc. (RLI) for online credit card merchant services. The proposed contract would have a term through June 30, 2024 with an option to extend the agreement through June 30, 2028. This term mirrors the term of RLI’s contract for lockbox services.

b. Background:

In 2019 the Marion County Treasurer’s Office conducted a request for proposal (RFP) for lockbox services to support the payment of property taxes. Services included processing of paper checks with deposits directly to the county’s preferred banking institution.

During the evaluations of proposals and negotiations with RLI, the county became aware that RLI was able to provide online credit card merchant services. Through internal discussions, County personnel came to realize that having one service provider handle both payment options would be a more efficient means of collecting payments for the county and would present a cost savings.

In August of 2019 a contract for services was executed with RLI for lockbox services with a term through June 30, 2024. The contract includes an option to extend services through June 30, 2028

c. Proposed Contracting Procedure:

Marion County intends to negotiate and direct award a contract with RLI.
Justification for use of Special Procurement: Describe the circumstances that justify the use of a Special Procurement. Attach relevant documentation.

Marion County has built a process whereby RLI receives tax payments for Marion County. RLI receives the payments, images the information and sends a file to load into the county’s tax software which updates the customer accounts. RLI also sends an Image Cash Letter file to US Bank, which is essentially a remote deposit. Both file processes have been built and are working well. If the county uses a different vendor to manage the online tax payments, we will have to build and maintain another file transfer process between our tax software and an online payments vendor. The county would also receive a second deposit into the US Bank account that would have to be reconciled daily. If RLI managed the lockbox payments and the online payments, the county and US Bank would only receive one upload file each day, rather than two.

Additionally, when there is an issue with a payment, the Tax Office or Treasurer’s Office must log into the vendor’s software system to review payment information. If we use RLI for online tax payments, all of our payments (not made at the front counter) will be in one software system rather than two.

By using one vendor the County is able to maximize efficiency and eliminate the costs associated with a second vendor process.

Findings to Satisfy the Required Standards: This proposed special procurement:

_____ (a) will be unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts because:

RLI was awarded their contract for lockbox services through a competitive request for proposal. Because the main benefit of this contracting method is an increase in efficiency and a reduction in redundancy, only RLI can make the county realize those benefits. Contracting with any other service provider would still result in duplication of efforts.

and

_____ (b)(i) will result in substantial cost savings to the contracting agency or to the public because:

or

X _____ (b)(ii) will otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with the requirements of ORS 279B.055, 279B.060, 279B.065, or 279B.070, or any rules adopted thereunder because:

By maximizing efficiency and reducing duplication of efforts, County staff will be better able to process payments and provide services to the public.

Special Procurement Authorized: Yes No

Chief Administrative Officer or Designee Date