



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2016 APR 14 PM 6:11

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Kirsten LaCasse  
Interim Controller

**SUBJECT:** Contract for Citywide Check Stock

**DATE:** April 4, 2016

City Administrator Approval

Date:

4/14/16

## RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator or Designee To Waive Competitive Bidding And Award A One-Year Contract For The Purchase Of Customized E-Z Fold Check Stock Needed For Accounts Payable, Payroll, Retirement, And Successor Redevelopment Agency Payments To CTP Solutions In An Amount Not-To-Exceed Ten-Thousand Dollars (\$10,000).**

## EXECUTIVE SUMMARY

Adoption of the proposed resolution will allow the City Administrator to enter into a one-year contract with CTP Solutions, the vendor currently providing the City's E-Z fold check stock, in an amount not-to-exceed \$10,000. The contract will allow the City to continue regular check processing for the next year while staff updates the specifications for the Request For Qualifications (RFQ) process.

Obtaining check stock is a time sensitive need, and failure to obtain the stock in the next few months could have significant impacts on the City's ability to issue payroll and payables.

## BACKGROUND / LEGISLATIVE HISTORY

The Controller's Bureau is responsible for purchasing and controlling the City's check stock that is used for all accounts payable, payroll, retirement, and Successor Redevelopment Agency payments. The City uses a customized E-Z Fold pressure seal check stock that was tailored to meet strict specifications established between the City and its banking partner that allow for adequate financial controls on City payments and high-volume durability. The City has been purchasing check stock from CTP Solutions since 2006.

In October 2015, the Controller's Bureau issued a requisition to competitively bid out the E-Z Fold pressure seal check stock. The department worked rigorously to identify all specifications and details needed for this requisition; however, it was discovered when bids were submitted in February 2016 that, due to the complex nature of the City's custom check stock, additional specifications were needed for vendors to bid responsively.

Item: \_\_\_\_\_

Finance and Management Committee

April 26, 2016

Article 1 of Chapter 2.04.020 of the Oakland Municipal Code authorizes the City Administrator to purchase goods up to \$100,000 and award to the lowest responsible, responsive bidder without Council action, provided that all purchases over \$500 are competitively bid.

Chapter 2.04.050.1.5 allows the City Council to waive the City's competitive bidding requirement upon a finding of existing facts and circumstances that, "*it is in the best interests of the City*" to do so.

### **ANALYSIS AND POLICY ALTERNATIVES**

The City's existing check stock supply for payroll and payables is low and will only carry the City through the next two months, which is not enough time for the department to update the specifications for the Request For Qualification (RFQ) process, advertise and re-bid the stock, and run comprehensive testing of the check stock. It is necessary to, in conjunction with Payroll, Treasury, Information Technology Department, and the City's banking institution, do extensive testing of the sample check stock to run it through the printing, processing, and banking systems to assure it works without issue.

Below is a list of just a few check stock elements that can have a huge impact on the City's ability to process and bank payments:

- Paper size
- Paper quality
- Paper thickness
- Paper color
- The folds of the check stock
- The placement of pressure seal glue
- The shelf-life of pressure seal glue

Any change in the paper size, quality, thickness, color, or where the folds are placed will likely require the City to reconfigure all of its accounts payable, payroll, and retirement payments in order to meet the City's and the bank's requirements. In addition, paper size, quality, thickness, and folds may interact in unknown ways with the City's special, bank-secure ink that is used as a precautionary banking control. Further, as another control, the City only orders batches of its various check stock as the need arises, this is because the shelf-life of the pressure seal glue on the check stock is only good for a limited period. As such, the City needs flexibility in when and how much check stock is ordered, which is a hard criteria for potential vendors to bid. Any new check stock received by the City, will require extensive reconfiguration and testing by the Controller's Bureau, Treasury Bureau, Information Technology Department, and the City's banking institutions in order to ensure that the check stock will not cause significant payment delays and issues for the City.

Obtaining check stock is a time sensitive need, and failure to obtain the stock in the next few months could have significant impacts on the City's ability to issue payroll and payables. For this reason, the department is asking for the Council to waive competitive bidding for a one-year contract with CTP Solutions in an amount not-to-exceed \$10,000. However, going forward, the

department will continue to refine its specification requirements so that it can competitively bid this product and get responsive bids.

### **FISCAL IMPACT**

On average, the City has used about 95,000 units of check stock annually and spent about \$8,750 per year.

The Controller Bureau's proposed one-year contract with CTP Solutions in a total amount not-to-exceed ten-thousand dollars (\$10,000) will ensure that the City can continue to issue hundreds of thousands of accounts payable, payroll, retirement, and Successor Redevelopment Agency payments smoothly without concern of unknown changes to the check stock accidentally causing mass issues with citywide payments.

Funds are available in the Controller Bureau's Fiscal Year 2015-17 Adopted Policy Budget in the amount of ten-thousand (\$10,000) from General Purpose fund 1010.

### **PUBLIC OUTREACH / INTEREST**

No public outreach was conducted for this report beyond the posting of this report on the City's website.

### **COORDINATION**

This report was prepared by the Controller's Bureau, after conversations with the Controller's Purchasing Section, Treasury Bureau, Payroll Division Information Technology Department, and City Attorney's Office.

### **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

Overall, the City and its banking partner have been pleased with the quality and functionality of the check stock provided by CTP Solutions since 2006.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** There are no economic opportunities associated with this report.

***Environmental:*** There are no environmental opportunities associated with this report.


***Social Equity:*** There are no social equity opportunities associated with this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator or Designee To Waive Competitive Bidding And Award A One-Year Contract For The Purchase Of Customized E-Z Fold Check Stock Needed For Accounts Payable, Payroll, Retirement, And Successor Redevelopment Agency Payments To CTP Solutions In An Amount Not-To-Exceed Ten-Thousand Dollars (\$10,000).

For questions regarding this report, please contact Paige Alderete, Assistant Controller, at X7492.

Respectfully submitted,



For /

KIRSTEN LACASSE  
Interim Controller, Finance Department

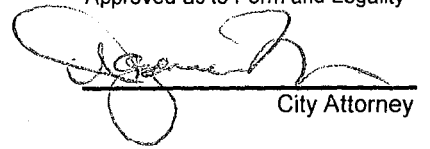
Reviewed by:  
Paige Alderete, Assistant Controller

Prepared by:  
Tony Daquipa, Administrative Analyst  
Controller's Bureau

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2016 APR 14 PM 6:11

# OAKLAND CITY COUNCIL

  
City Attorney

RESOLUTION No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO WAIVE COMPETITIVE BIDDING AND AWARD A ONE-YEAR CONTRACT FOR THE PURCHASE OF CUSTOMIZED, E-Z FOLD CHECK STOCK NEEDED FOR ACCOUNTS PAYABLE, PAYROLL, RETIREMENT, AND SUCCESSOR REDEVELOPMENT AGENCY PAYMENTS TO CTP SOLUTIONS, IN AN AMOUNT NOT-TO-EXCEED TEN-THOUSAND DOLLARS (\$10,000)**

**WHEREAS**, the City relies on customized E-Z fold check stock for all of its citywide payments, including its accounts payable, payroll, retirement, and Successor Redevelopment Agency payments; and

**WHEREAS**, in October 2015, the City tried to competitively bid out its check stock, but it was discovered when bids were submitted in February 2016, that due to the complex nature of the City's custom check stock, additional specifications were needed for vendors to determine the type of stock to bid and none of the bids offered the necessary paper; and

**WHEREAS**, the City's existing check stock supply for payroll and payables is low and will only carry the City through the next two months (approximately May 2016), which is not enough time for the department to update the specifications and rebid and test check stock before the supply is exhausted; and

**WHEREAS**, use of any new check stock will require extensive time for testing by multiple City departments and the City's banking institution to ensure payments will be printed, processed, and banked without issue; and

**WHEREAS**, the City uses about 95,000 units of this check stock annually, at an average cost of about \$8,750 per year; and

**WHEREAS**, funds are available in the Controller Bureau's Fiscal Year 2015-17 Adopted Policy Budget in the amount of ten-thousand dollars (\$10,000) from General Purpose Fund 1010; and

**WHEREAS**, Oakland Municipal Code Section 2.04.050.I.5 allows the City Council to waive the City's competitive bidding requirement upon a finding of existing facts and circumstances that, "*it is in the best interests of the City*" to do so; and

**WHEREAS**, due to the current time sensitive need of obtaining check stock, the department requests that the City Council finds it in the best interest of the City to waive competitive bidding and authorize the department to enter into a one-year contract with the vendor that has been providing the City's check stock for the last decade, CTP Solutions for an amount not-to-exceed ten-thousand dollars (\$10,000); now, therefore be it

**RESOLVED**: That pursuant to the OMC Section 2.04.050.I.5 and for the reasons stated above, the City Council determines that it is in the best interest of the City to waive the competitive bid process for the purchase of check stock over the next year; and be it

**FURTHER RESOLVED**: That a one-year contract for the purchase of customized E-Z. fold check stock is awarded to CTP Solutions in an amount not-to-exceed ten-thousand dollars (\$10,000); and be it

**FURTHER RESOLVED**: That funds are available in the Controller Bureau's Fiscal Year 2015-17 Adopted Policy Budget in the amount of ten-thousand dollars (\$10,000) from General Purpose Fund 1010; and be it

**FURTHER RESOLVED**: That the Office of the City Attorney will review and approve the contract as to form and legality and a copy will be on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLÉN, KALB, KAPLAN, REID, AND  
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California