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CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Office of the City Clerk
Office of Councilmember Ignacio De La Fuente
Office of Vice Mayor Jean Quan
DATE: October 26, 2010

RE: **A Supplemental Report Regarding Implementation Of The Municipal Identification Card Program And Financial Analysis Of The Respondent Proposals**

SUMMARY

At the October 12, 2010 Finance and Management Committee, the committee discussed a report and recommendations from the Muni ID Work Group to select a vendor and proceed with contract negotiations to establish a cost neutral program to issue municipal identification cards for Oakland residents. The Finance and Management Committee continued the discussion to October 26, 2010 and directed staff to return to committee with a report that included *a matrix with a side by side comparison of the capabilities* of both SF Mexico Services and Veritec and their ability to add local currency to the existing proposal.

In addition, the committee further directed staff *to include in the comparison report the following information* from the two outsource proposals:

1. The total cost of the system
2. The full set of cardholder fees (Monthly fee, transaction fees, etc.)
3. A comparison chart on security issues
4. Responses to Specific questions from the Committee
 - Where card can be loaded (ATM, Safeway, etc.)
 - Each groups marketing cost
 - Technology proposed for the program (chip versus magnetic strip)
 - Explain whether or not company provides an open and /or closed loop
 - The maximum dollar amount that an individual can put on a card?
5. Criteria by which verification is accepted (Documents required for identity validation)

Staff has prepared the following charts to respond to questions and compare the information requested by the Committee, and illustrate the differences between proposals.

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BACKGROUND

The Municipal ID working group conducted an extensive review process of the three proposals received in response to the RFP which was issued on January 17, 2010. The three proposals were received on March 17th at which time the review process by each of the group members began. The Muni ID working group included representatives from the following offices: Office of Councilmember De La Fuente, Office of Councilmember Quan, Office of the City Clerk, Office of the City Attorney, Treasury Division, Oakland Police, and Information Technology. In addition, an outside consultant (attorney) with expertise in banking law also reviewed the proposals. The working group met multiple times for an in-depth review of each of the proposals. Subsequent to the initial review of each proposal, the group submitted to each bidder a set of follow-up questions to request clarification and/or additional information. After receiving the supplemental information, each bidding team was called in for a panel interview with the working group. In addition, reference request letters were sent to the three references listed by each of the bidders. After thorough consideration of the written proposals, the additional information provided, the interviews, the reference checks, and internal discussion amongst the working group, the group determined that SF Mexico Services, LLC offered the best proposal for the Municipal ID/Stored Value Card for Oakland residents.

FISCAL IMPACT

This supplemental report provides requested and additional details regarding the fiscal analysis of proposed outsourced vendor operations, highlights the differences of the outsourced program proposals and the financial comparisons on the cards holders' cash to debit card value and the affects to card holders for utilizing debit based financial services. Each program proposal is cost neutral to the City of Oakland.

DISCUSSION

Using the information contained in the two companies' responses to the City's RFP and based on additional requested information from the two vendors, staff prepared the following charts to provide side by side comparison of the capabilities of SF Mexico and Veritec, including the ability to add local currency to the existing proposal.

1) Total Cost Of Card Stock and System & Total First Year Operations Costs

Expense	SF Mexico	Veritec
	Costs of Goods Sold (COGS):	
Card Stock	39,000	93,600

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		Total	39,000	93,600
System Costs:				
Program Development			105,000	13,000
• Card Program w/ Bank	15,000			
• Software Development (if Necessary)	50,000			
• IVR Set-up (if Necessary)	40,000			
Network			0	65,000
Total Card Stock and Systems Costs			105,000	78,000
First Year of Operation per Intake Center				
Gen. & Admin. (Overhead):				
Office Space			21,450	27,625
• Office Rent	4,800			
• Rent Deposit	400			
• Call Center	16,250			
Salaries			59,904	116,272
• Sales/Marketing Manager	36,000			
• Intake Personnel (1)	23,904			
Insurance			0	3,250
Telecomm			1,200	3,900
• Phone and Fax	600			
• Internet	600			
Utilities			480	13,000
Office Supplies			2,120	6,500
• Office Supplies	720			
• Office Furniture	200			
• Petty Cash	1,200			
Postage			0	6,100
Adv. / Promo. / Marketing			17,825	13,000
Travel			7,200	3,250
Equip & Maintenance			1,050	84,396
• Computer & Printers	1,000			
• Webcams	50			
Interest Expense			0	10,800
Total Operations and Overhead Costs			111,229	288,093
Total Expense			255,229	459,693

The following table lists the proposed revenues for each company. Both SF Mexico and Veritec have proposed operations that cover the total costs of all program activity.

Revenue projection per intake center per year:

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Revenue Type / Year	SF Mexico (6,000 per year)	Veritec (36,000 per year)
Card Sales Revenue	\$78,000	\$540,000
Transaction Revenue	\$131,625	\$679,668
Total Revenue	\$209,625	\$1,219,668

Local Currency Program

The proposals from Veritec and SF Mexico included no information regarding a Local Currency Program. Requests for Proposals were submitted March 17, 2010. Discussions regarding Local Currency were raised 5 months after the deadline for submission of proposals at a meeting of August 18, 2010 with the Office of the City Administrator and Muni ID Work Group members. At the preparation of this report, SF Mexico provided a memorandum responding to their ability to have a Local Currency Program. No information was provided by Veritec.

2) Card Holder Transaction Fees (To Generate Revenue To Cover Program Cost)

Transaction		SF Mexico			Veritec		
		SF Mexico Fee	Merchant Fee	Comment	Veritec Fee	Merchant Fee	Comment
1	Financial Function Enrollment Fee	Free			\$ 7.00		Included in \$15 fee whether or not applicant wants financial account
2	Account Deposit - Card Load	\$ 2.95			Free		
3	Account Deposit - Direct Deposit	Free			Free		
4	Acct. Deposit Processing Fee - MO	N/A			Free		
5	Acct. Deposit Processing Fee - Credit Card	N/A			3% of Load		Credit Card Company Charge
6	Account To Account Transfer	\$ 2.00		Same as Card-to-Card Transfer(Domestic)	\$ 1.00		Same as Account to Account Transfer/ Decline
7	Account To Account Transfer/ Decline	Free			\$ 1.00		Veritec Transaction Type
8	Account To Account Transfer - Received	Free			Free		
9	Card-to-Card Transfer (Domestic)	\$ 2.00			\$ 1.00		Same as Acct. to Acct. Transfer/ Decline
10	Adjustment - Account Deposit Reversal	N/A			Free		
11	ACH Transfer	N/A		See Card-to-Card Transfer & Int'l Remittances	Free		
12	ATM / Alternate Media Purchase	Free			\$ 2.00		Purchase Stamps, etc. thru ATM
13	ATM Balance Inquiry / Decline	\$ 0.60	Varies		\$ 1.25	Varies	
14	ATM Withdrawal (Domestic)	\$ 1.50	Varies		\$ 1.50	Varies	

15	ATM Withdrawal Decline (Domestic)	\$ 0.60	Varies	Same as ATM Denial	\$ 1.50	Varies	
16	ATM Denial Fee	\$ 0.60	Varies		\$ 1.50	Varies	Same as ATM Withdrawal/Decline
17	Bill Payment	\$ 0.50		Same as POS Denial	\$ 2.00		Veritec Transaction Type
18	Bill Payment Decline	\$ 0.50		Same as POS Denial	\$ 2.00		Same as Bill Payment/Decline
19	Close Account with Check	\$ 10.00		We did not include this fee in the fee schedule. However, this is the standard fee charges in our other card programs	\$ 6.00		Corrected
20	Live Customer Service Inquiry Call (non-IVR)	Free			\$ 1.50		
21	IVR Inquiries	Free			Free		
22	Online Account Access & Management	Free			Free		
23	Delinquent Account	N/A		User cannot overdraft acct.	\$ 29.50		
24	Credit Adjustment	Free			\$ 1.00		
25	Expedited Replacement Card	N/A			\$ 35.00		
26	Inter-bank Pay Credit / Decline (push)	N/A			\$ 2.50		
27	Intl ATM Inquiry	\$ 0.60	Varies		\$ 3.00	Varies	
28	Intl ATM Decline	\$ 0.60	Varies		\$ 3.00	Varies	
29	Intl ATM Withdrawal	\$ 3.50	Varies		\$ 3.50	Varies	
30	Intl ATM Withdrawal Decline	\$ 0.60	Varies		\$ 3.50	Varies	
31	Intl Remittance (SF Network)	\$ 5.00		Send Money from US card to Int'l SFG card	N/A		Not a Veritec Transaction
32	Intl Remittance (CNB Network)	\$ 6.00		Send Money from US card to Int'l payout location	N/A		Not a Veritec Transaction
33	Intl Point of Sale Inquiry	N/A			N/A		Not a Veritec Transaction
34	Intl Point of Sale Inquiry /Decline	N/A			\$ 0.25		
35	Intl Point of Sale Purchase	Free	Varies		Free	Varies	
36	Intl Point of Sale Purchase Decline	\$ 0.50			Free		
37	Intl Point of Sale Return	\$ 0.50			Free		
38	Load at TRANSFERCEL Merchant	\$ 2.95		Same as Acct Deposit card load	N/A		Not a Veritec Transaction
39	Load at non-TRANSFERCEL Merchant	N/A		Same as Load Via Green Dot MoneyPak	N/A		Not a Veritec Transaction
40	Load via GreenDot MoneyPak	Free	\$ 4.95	Fee charged by Green Dot	N/A		Veritec uses MoneyGram; Not on Green Dot Network
41	Load at Visa ReadyLink retail merchants	N/A			Free	\$3.95-\$4.95	Veritec charges no fee; ReadyLink merchants may charge \$3.95 - \$4.95

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42	Load at MoneyGram Network	N/A			Free	\$4.95	Veritec Charges no fee; MoneyGram Fee is \$4.95
43	Load via Personal Check, Cashier's Check or Money Order	\$ 2.95		Same as Cash	Free		
44	Mobile Maintenance (Monthly)	\$ 1.50			Free		
45	Mobile Inquiry: Check Balance	Free			Free		
46	Mobile Inquiry: Check Transaction History	Free			Free		
47	Mobile Inquiry: Report Card Lost or Stolen	Free			Free		
48	Mobile Inquiry: View a list of Beneficiaries	Free			Free		
49	Mobile Inquiry: Change Access Code	Free			Free		
50	Mobile Inquiry: View Help Options	Free			Free		
51	Mobile Inquiry: Opt out of Mobile Services	Free			Free		
52	Monthly Fee	\$ 0.99		Same as Acct Maintenance (Monthly)	\$ 3.95		
53	Account Maintenance (Monthly)	\$ 0.99		Same as Monthly Fee	\$ 3.95		Same as Veritec Monthly fee
54	Inactive Account Fee (Monthly)	\$ 1.00		Fee is assessed after 4 months of no card activity (abandon Acct.)	N/A		Veritec does not charge an Inactivity Fee
55	Payment Enclosed	N/A			\$ 1.50		
56	PIN / Password Change	Free			Free		
57	PIN -less Debit Through Star (pull)	N/A			\$ 1.50		
58	Point of Sale Inquiry - PIN	N/A			Free		
59	Point of Sale Inquiry Decline - PIN	N/A			Free		
60	Point of Sale Inquiry - Signature	N/A			Free		
61	Point of Sale Inquiry Decline - Signature	N/A			Free		
62	Point of Sale Purchase - PIN	Free	Varies	Note that some merchants may charge an ATM fee. For example, ARCO AM/PM charges all customers a \$0.45 ATM card fee.	Free	Varies	
63	Point of Sale Purchase Decline - PIN	\$ 0.50			Free		
64	Point of Sale Purchase - Signature	Free	Varies	Same as POS purchase PIN/ Signature	Free	Varies	
65	Point of Sale Purchase Decline - Signature	\$ 0.50			Free		
66	Point of Sale Purchase and Cash Back	Free	Varies	Same as POS purchase PIN/ Signature	Free	Varies	

67	Point of Sale Return	\$ 0.50		Free<>	
68	Point of Sale Return Denial	Free		Free	
69	Replacement Card	TBD		\$ 5.95	
70	Replacement PIN	Free		Free	
71	Funds Transfer to Replacement Card	\$ 1.00		Free	
72	Returned Check Fee	N/A		\$ 29.50	
73	Statement via U.S. Mail (only if requested)	\$ 4.95		\$ 1.50	
74	Statement via Fax (only if requested)	\$ 4.95		\$ 1.50	Same as Statement Via U.S. mail
75	Charge back and Dispute Process	Free		\$ 25.00	For repeat false chargeback claims

Both companies have indicated that the above fees are illustrative and a fee schedule will be established upon successful award of a contract and negotiation with the City of Oakland.

2A - Cardholder Transactions Scenario

The table below illustrates services costs to the card holder for typical debit card transaction activity. Vendors were requested to provide the values of assessed fees for each listed transaction. To accurately show the full fiscal impact to card holders, the chart was modified to reflect additional transaction fees the cardholder must pay that were not identified.

Date	Activity	SF Mexico		Veritec	
		Specified Fee	Total Fees	Specified Fee	Total Fees
09/01/2010	Card Loaded with \$300.00 of U.S. Currency at a 7-11	Load Fee (Service not yet available at 7/11)	\$2.95	<ul style="list-style-type: none"> No Veritec Fee 7/11 fee approx. \$3.95 	\$3.95
09/08/2010	Purchased \$60.00 of groceries at Safeway	Point-of-Sale (POS) Purchase	\$0.00	Point-of-Sale (POS) Purchase	\$0.00
09/16/2010	Withdrew \$40.00 from an ATM at Wells Fargo Bank	<ul style="list-style-type: none"> ATM Withdrawal (\$1.50) Sur-Charge by Wells (\$2.00) 	\$3.50	<ul style="list-style-type: none"> ATM Withdrawal (\$1.50) Sur-Charge by Wells (\$2.00) 	\$3.50
09/21/2010	Paid \$60.00 for a Parking Ticket through IVR	POS Purchase	\$0.00	POS Purchase	\$0.00
09/23/2010	Made an ATM balance inquiry	<ul style="list-style-type: none"> ATM Balance Inquiry (\$0.60) Surcharge may be assessed by ATM owner, Wells charges is \$1.00 	\$1.60	<ul style="list-style-type: none"> ATM Inquiry (\$1.25) Surcharge may be assessed by ATM owner, Wells charges is \$1.00 	\$2.25
09/25/2010	Transferred \$50.00 to a relative within same network domestic (Acct to Acct)	Domestic Card-to-Card Transfer	\$2.00	Account to Account transfer	\$1.00
09/27/2010	Withdrew \$50.00 from an ATM at Bank	ATM Withdrawal	\$3.50	ATM Withdrawal	\$3.50

	of America	(\$1.50) • Surcharge by BofA(\$2.00)		(\$1.50) • Sur-charge by B of A (\$2.00)	
09/30/2010	Withdrew \$60.00 from an ATM at Wells Fargo Bank - Declined	• ATM Denial Fee (\$0.60) • Surcharge by Wells (\$2.00)	\$2.60	• ATM Denial Fee (\$1.50) • Surcharge by Wells Fargo (\$2.00)	\$3.50
09/30/2010	Monthly account maintenance fee	Account Maintenance	\$0.99	Monthly Fee	\$3.95
09/30/2010	Requested statement via U.S. mail	Statement Issuance via U.S. Mail - only if requested	\$4.95	Paper Statement Fee	\$1.50
10/02/2010	Loaded with \$200.00 of personal check at a loading center	Load Fee	\$2.95	No Veritec Fee *Load fees could be imposed at other loading centers *7/11 \$3.95, Safeway \$ 4.95	\$0.00* 3.95
10/07/2010	Paid dinner \$60.00 at Olive Garden	POS Purchase	\$0.00	No Fee	\$0.00
10/15/2010	Paid \$40.00 for gas at a Chevron station (Overdrafts account)	POS Denial (Acct. cannot be over-drafted)	\$0.50	No Overdrafts Allowed	\$0.00
10/20/10	Card Loaded with \$100.00 of U.S. Currency at Safeway	Load Fee (Service not yet available at Safeway)	\$2.95	No Veritec Fee Safeway fee approx \$4.95	\$4.95
Grand Total			\$28.49		\$28.10*

* These costs were not included in the responses provided to staff.

** This figure does not represent the total costs to the card holder for listed transactions.

3) Security Measures Comparison Chart – Intake/Verification Process, Card Issuance Method, Physical Card Features, and Police Verification Process

Intake/Verification Process & Security Measures		
	SF Global/SF Mexico	Veritec
Intake Process	Applicant either calls customer care center or uses online system to pre-register for their card, applicant is given an ID # and is directed to appear at an intake center to complete process, once at intake center applicant presents ID # (given in previous step,) proof of ID and proof of residency to intake staff intake is completed, photo is taken, signature is obtained, data is transmitted via web-based software to vendor,	Application completed in person, Agent inputs info into system, applicant presents qualifying documents, program staff verifies documents. Applicant appeals decision and returns with family member/friend to verify identity Once verified cardholder's record and account is set-up for card issuance. Card is either issued on the spot or applicant may return for card pick up.

	card is produced and then mailed to applicant within 5-7 days via US mail.	
Authentication of Documents Presented for Identity Verification	Cross reference the "ID Checking Guide -- International Edition," Foreign IDs are cross checked in "Lexis Nexis system," and are screened through the "Office of Foreign Asset Control."	Intake agent verifies documents visually by a manual book. If applicant cannot provide required documents, Veritec stated that applicant can bring a friend or family member as sufficient proof of identity.
Camera Specifications	Webcam (no specs provided)	Logitech Quick Cam Orbit AF Webcam. "Image quality meets facial recognition requirements"
Signature Pad	No specs provided	Electronic Signature Pad -- Topaz TL460 -- HSB (note it is not clear from the bidders proposal if this is included or not)
Finger Print Sensor	None proposed	Various fingerprint sensors described but listed as "optional" (note it is not clear from the bidders proposal if this is included or not)

Card Issuance Method		
	SF Global/SF Mexico	Veritec
	Printed by the issuing bank and mailed to applicant in 5-7 days for address verification	Either on the spot card production or pick up by applicant at a later date.

Physical Card Features		
	SF Global/SF Mexico	Veritec
Printer Type	Laser Engraved	Ink Jet Printer w/ Laser option
Miscellaneous Card Features (security)	Certain card stock thickness and material, laser engraved card stock with a serial number, embedded watermark, microtext, foil stamp, laser etching, optical variable ink, ultra violet ink, holograms.	VSCode / 2D coding, Built-In digital signature, Universal & sectioned encryption, Omni-directional & skewed reading, 5-7 layers of polymers, hologram
Printed on the card <i>*note both vendors state they can print other info on the cards as requested by the City</i>	Full name, DOB, address, photo, card #, expiration date, signature	Full name, DOB, eye color, hair color, weight, height, address, registration #, issuance date, expiration date, signature, photo, optional info i.e. allergies, etc

Magnetic Stripe or Chip	Recordable/Readable magnetic strip with silver holograms covering the strip	Recordable/Readable Magnetic Strip
PIN #	PIN # issued with card	Issued – method unstated

Police Verification Capabilities		
	SF Global/SF Mexico	Veritec
	OPD Dispatch will have access to the card database through a secure online web interface.	OPD Dispatch will have access to the card database through a secure online web interface.

4) Specific Questions from Councilmembers

		SF Mexico	Veritec
1	Where can the card be loaded?	<ul style="list-style-type: none"> • Participating business which includes the local merchants – small businesses, community organizations, credit unions, and other entities • Direct deposit 	<ul style="list-style-type: none"> • Visa ReadyLink transactions at retail merchants (7/11 stores, Safeway, Von's) • Send personal check, cashier's check or money order to Veritec • MoneyGram load network • Direct deposit • ATM's that offer visa load transaction (optional)
2	How much is budgeted for marketing?	\$17,825 per intake center for first year	\$13,000 per intake center for first year
3	Magnetic Stripe or Chip	Recordable/Readable magnetic strip with silver holograms covering the strip	Recordable/Readable Magnetic Strip
4	Define open and / or close loop system	Open-loop system – with either Visa or Discover card networks to be used on ATM and Point-of-Sales (POS), able to use cards at merchant locations throughout the city of Oakland, State of California, and the Country	Open and close-loop system: <ul style="list-style-type: none"> ➢ Open-loop works with any Point-of-Sale (POS) system that is connected to the Star payment network ➢ Any POS system not connected to Star network, and is connected to another public payment network, or a customized private network may require additional development and customization of the Veritec payment system or the POS system interface for transactions to be processed

			correctly
5	Maximum amount allowed on card	\$2,999 any given time excluding payroll direct deposit	Initial maximum balance is \$5,000. Cardholder can request and be granted an increase to \$9,000. Additional bank review and approval is required for balances over \$5,000

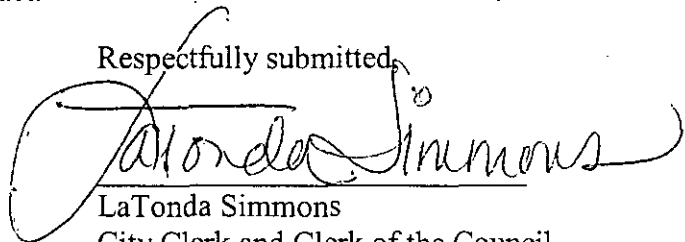
5. Document Verification

Section 2.34.040 of ordinance number 12937 C.M.S. lists the required documentation used to determine a person's identity and residency. A copy of the ordinance is attached to this report for your reference.

CONCLUSION

Staff requests consideration of this additional information and support of the original recommendation to select SF Mexico and proceed with contract negotiations with return to council on the final approval of the contract.

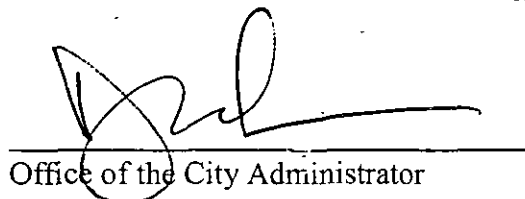
Respectfully submitted,



LaTonda Simmons
City Clerk and Clerk of the Council
Office of the City Clerk

Prepared by:
Fendy Guan, Management Assistant
Claudia Burgos, Legislative Analyst
Terrie Gillen, Legislative Analyst
David Jones, Treasury

FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:


Office of the City Administrator

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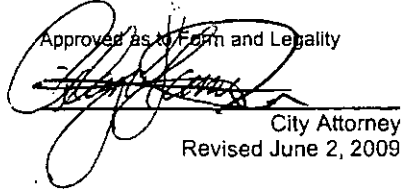
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OAKLAND CITY COUNCIL

ORDINANCE No 12937 C.M.S.

INTRODUCED BY VICE-MAYOR IGNACIO DE LA FUENTE &
COUNCILMEMBER JEAN QUAN

Approved as to Form and Legality

City Attorney
Revised June 2, 2009

**ORDINANCE AMENDING CHAPTER 2.34, TITLE 2, OF THE
OAKLAND MUNICIPAL CODE AUTHORIZING A MUNICIPAL
IDENTIFICATION CARD PROGRAM TO PROVIDE FOR THE
ISSUANCE OF MUNICIPAL IDENTIFICATION CARDS TO
RESIDENTS OF THE CITY OF OAKLAND FOR THE
PURPOSES OF IMPROVING PUBLIC SAFETY, INCREASING
CIVIC PARTICIPATION, AND SUPPORTING LOCAL
COMMERCE**

WHEREAS, many Oakland residents—including but not limited to immigrants, children and students, the homeless, transgender, the indigent, the disabled and elderly, runaway youth and adult survivors of domestic violence, and others—currently suffer from the lack of official identification, which restricts their access to law enforcement, financial institutions, jobs, housing, and home and workplace protections; and

WHEREAS, many marginalized communities lack a valid form of identification and without identification are afraid to report crimes to the police; and

WHEREAS, those who lack a valid form of identification are also often afraid to report labor and housing violations—such as blighted properties, slum landlords, and workplace health, safety, and wage violations—to the appropriate authorities; and

WHEREAS, without appropriate identification, it is difficult to open bank accounts, and immigrants carrying large amounts of cash are therefore specifically targeted for robbery and other violent crimes; and

WHEREAS, lack of a valid form of identification translates into limited access to financial institutions and fear of police and other city officials, thus resulting in decreased participation in the formal city economy and other civic matters; and

WHEREAS, an Oakland Municipal ID Card will make it easier for all residents to participate in local and regional commerce—by opening a bank account, establishing credit, and accessing loans and the housing market; and

WHEREAS, the Oakland Municipal ID Card will fill a void by providing an official form of personal identification for the many Oakland residents who currently lack one; and

WHEREAS, the Municipal ID card will unify the Oakland community, make it safer and more secure, benefit the local economy, and facilitate participation in public and private City activities; and

WHEREAS, the Cities of New Haven, Connecticut and San Francisco, California have implemented such municipal ID programs and have reported an increase in reporting of crimes in those cities; and

WHEREAS, the Oakland Municipal ID Card will be unique to the City of Oakland and will be produced with the highest privacy and security measures built in to protect the public safety and against counterfeit reproduction; and

WHEREAS, the City wishes to take appropriate measures—including but not limited to implementing meaningful benefits and uses for the Oakland Municipal ID Card and developing substantial partnerships for its dissemination—to ensure that the card is widely used and thereby of the greatest benefit to its residents and the aforementioned marginalized populations; and

WHEREAS, the City wishes to create a reliable form of identification for all of its residents; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1. That the City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this Ordinance.

Section 2 That the following provisions are hereby added to Chapter 2.34 of Title 2 -- Administration and Personnel, of the Oakland Municipal Code, to read as follows:

2.34.020. Municipal Identification Cards - Definitions

For purposes of Sections 2.34.020 through 2.34.090, the following definitions shall apply.

"City" shall mean the City of Oakland, or any department, board, commission or agency thereof.

"Municipal Identification Card" shall mean an identification card issued by the City of Oakland that shall display, including but not limited to, the cardholder's name, photograph, address, date of birth, and an expiration date.

"Program Administrator" shall mean the City Clerk or such other City Department or Agency that the City Administrator may designate.

"Resident" shall mean a person who can demonstrate that he or she has been present in the City of Oakland for at least fifteen continuous days and who presents "proof of residency" as specified in Section 2.34.040(A)(2).

2.34.030 Issuance and Purpose of Municipal Identification Cards

A. Upon request, the Program Administrator shall issue a Municipal Identification Card to any Resident who meets the application requirements set forth below in Section 2.34.040 and pays the applicable fee. The Card shall bear the seal of the City, and the Program Administrator shall cause the Card to be produced in a form intended to thwart replication or counterfeiting. Cards shall be valid for a maximum of two years from the date of issuance as long as residence in the City is maintained during that time. Card holders shall surrender their Municipal Identification Card upon moving residence out of the City of Oakland.

B. It is the City's intent that Municipal Identification Cards will provide residents with a means of proving their residency in the City of Oakland, for the purpose of accessing City programs, services and activities, and providing identification to law enforcement.

2.34.040 Applications

A. To obtain a Municipal Identification Card, a Resident shall complete an application, under penalty of perjury, requiring proof of identity and proof of residence within the City. Upon receipt of both the proof of identity and residency that this Section specifies, and the applicable fee, the Program Administrator shall issue a Card to the applicant.

1. Proof of Identity. In order to establish identity, each applicant must present either:

a. One of the following documents containing both the applicant's photograph and date of birth: a U.S. or foreign passport; a U.S. driver's license; a U.S. state identification card; a U.S. Permanent Resident Card (commonly known as a "Green Card"); a consular identification ("CID") card; or a photo identification card issued by another country to its citizens or nationals that meets the requirements of Section 2.34.010(A). Notwithstanding the above, if the applicant is thirteen years of age or younger, he or she, as an alternative, may present a certified copy of a U.S. or foreign birth certificate to establish identity under this subsection; or

b. Two of the following documents, provided that at least one form of identification shall display the applicant's photograph and date of birth: a national identification card with photo, name, address, date of birth, and expiration date; a foreign driver's license; a U.S. or foreign military

identification card; a current visa issued by a government agency; a U.S. Individual Taxpayer Identification Number (ITIN) authorization letter; an identification card issued by a California educational institution, including elementary, middle, secondary, and post-secondary schools; a certified copy of a U.S. or foreign birth certificate; a court order issued by a state or federal court to verify a person's identity; or a Social Security card. Notwithstanding the above, where the applicant is aged thirteen or under, he or she may in the alternative present an official medical record and/or official school record to establish identity under this subsection, provided that at least one of the two forms of identification presented shall display the applicant's date of birth.

2. Proof of Residency.

a. In order to establish residency, each applicant must present one of the following items, provided that the item includes both the applicant's name and a residential address located within the City: a utility bill dated within the last thirty days; a written verification issued by a homeless shelter that receives City funding confirming at least fifteen days residency within the last thirty days; written verification issued by a hospital health clinic, or social services agency that receives City funding, confirming at least fifteen days residency within the last thirty days; a local property tax statement or mortgage payment receipt dated within the last thirty days; a bank account statement dated within the last thirty days; proof of a minor currently enrolled in a City school; an employment pay stub dated within the last thirty days; a written ruling, order or notice from the Oakland Rent Adjustment Board dated within the last thirty days; a jury summons or court order issued by a state or federal court dated within the last thirty days; a federal or state income tax or refund statement dated within the last thirty days; or an insurance bill (homeowner's, renter's, health, life or automobile insurance) dated within the last thirty days. If a certified copy of a marriage certificate is presented at the time of application, an applicant may prove residency using documents bearing the name of his or her spouse.

b. The Program Administrator may by regulation provide that if an applicant is thirteen years of age or younger, cannot produce any of the items set forth in this Subsection (A)(2) to prove residency, a parent or legal guardian may verify the applicant's residency, provided that the parent or guardian himself or herself would be eligible for a Municipal Identification Card.

3. The Program Administrator may by regulation provide for acceptance of additional forms of proof of identity and/or proof of residency, provided that the Program Administrator determines that such forms of proof are:
 - a. issued by a governmental entity, or
 - b. issued by an entity that takes reasonable steps to verify the identity and/or residency of the individual to whom the item is issued, or
 - c. of a type that is normally accepted as proof of identity and/or proof of residency in the ordinary course of business.
- B. An application submitted on behalf of a minor must be completed by such minor's parent or legal guardian.
- C. The City shall keep confidential to the maximum extent permitted by applicable laws, the name and other identifying information of persons applying for and receiving Municipal Identification Cards. The City shall cause the applications to be produced in a form that allows applicants to state their privacy preferences. The City shall not retain records of applicants' residential addresses.

2.34.050 Implementation

The Program Administrator is authorized to adopt rules and regulations not inconsistent with this Section, subject to approval as to form and legality by the City Attorney, in order to implement and administer the issuance of Municipal Identification Cards. The City shall require applicants to declare the information provided in their applications under penalty of perjury.

2.34.060 Fees

The City shall charge a fee for each application submitted. Such fees shall not exceed the costs reasonably associated with the production of the Cards and administration of the Program. The Program Administrator shall, by regulation, provide for reduced application fees, up to and including complete waiver of the fee, for low-income applicants who present proof of income status in a form to be determined by the Program Administrator. The Fee will be set and published in the Master Fee Schedule.

2.34.070 Acceptance by City Departments

A. When requiring members of the public to provide identification or proof of residency in the City, each City department shall accept a Municipal Identification Card as valid identification and as valid proof of residency in the City, unless such City department has reasonable grounds for determining that the card is counterfeit, altered, or improperly issued to the card holder, or that the individual presenting the card is not the individual to whom it was issued.

B. Other than requiring the City to accept the Card as proof of identification and City residency, this Section is not intended to replace any other existing requirements for issuance of other forms of identification in connection with the administration of City benefits and services. The requirements of this Section do not apply under circumstances where (1) a Federal or State statute, administrative regulation or directive, or court decision requires the City to obtain different identification or proof of residence, (2) a Federal or State statute or administrative regulation or directive preempts local regulation of identification or residency requirements, or (3) the City would be unable to comply with a condition imposed by a funding source, which would cause the City to lose funds from that source.

2.34.080 City Undertaking Limited to Promotion of General Welfare

In undertaking the adoption and enforcement of this ordinance, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

2.34.090 Counterfeit and Fraudulent Cards

It is a misdemeanor violation of this Code, as specified in Chapter 1.28, for any person or entity to do any of the following acts:

- A. To knowingly present false information to the City in the course of applying for a Municipal Identification Card.
- B. To alter, copy, or replicate a Municipal Identification Card without the authority of the City.
- C. To Use the Municipal Identification Card issued to another person, with the intent to cause a third person or entity to believe the holder of the card is the person to whom the card was issued.

Section 3. Non-Severability

The City Council intends that all the provisions of this ordinance function as an interdependent whole. If a court of competent jurisdiction rules that the City may not implement or enforce any provision of this ordinance, then all City officers and employees shall henceforth cease implementing and enforcing all provisions of this ordinance.

Section 4. This Ordinance shall become effective upon Council voting for an implementation plan.

IN COUNCIL, OAKLAND, CALIFORNIA, JUN 16 2009, 200

PASSED BY THE FOLLOWING VOTE:

AYES- DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, AND PRESIDENT BRUNNER - 7

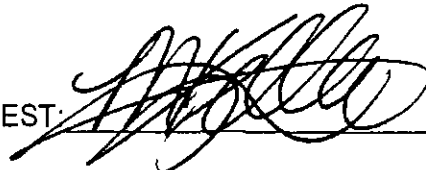
NOES- BROOKS - 1

ABSENT- 0

ABSTENTION- 0

Introduction Date: JUN 2 2009

ATTEST:



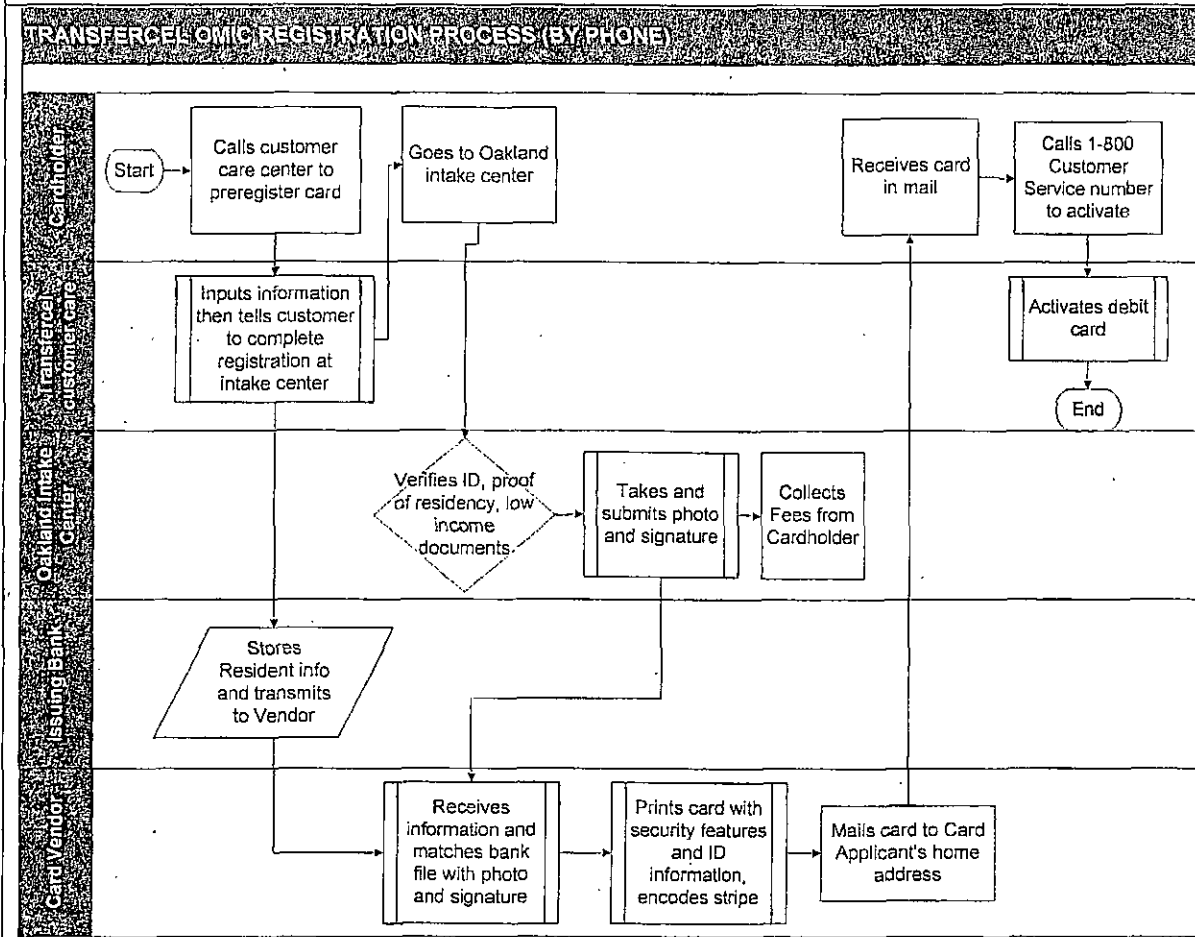
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

DATE OF ATTESTATION:

6/22/09

SF Mexico Card Security/Features

activate the debit component of the Transfercel OMIC. It is at this time that the Resident chooses his/her PIN number.



Documents for identity verification: The City of Oakland shall determine the qualifications for obtaining a Transfercel OMIC. Based upon the ID requirements set by the City of San Francisco and the requirements for the debit card set by our issuing bank, SFMS suggests the following:

1. PROOF OF IDENTITY

ONE of the following documents (must display applicant's photograph and date of birth):

- US or Foreign Passport;
- US Driver's License
- US State ID
- US Permanent Resident Card (Green Card)
- Consular Identification (CID)

OR TWO of the following documents (at least one document must display applicant's date of birth and photograph. Photograph requirement does not apply to applicants 13 and under):

- Certified Copy of US or Foreign Birth Certificate
- Social Security Card

Security Features

Fine line pattern formed by guilloche graphic

Multicolored background (green, black)

Embedded watermark of the Oakland tree logo

Microtext appears in one of the lines of the tree (less than 3pt)

Card stock is a certain thickness

Not seen: UV ink that is read under a UV lamp

City of Oakland, CA

Municipal Identification Card

ID Number: 18524789654123

Last Name: Doe
 First Name: Jane
 Address:
 12 Anystreet Ave
 Oakland, CA 94601

DOB: 01/02/1982



Jane Doe



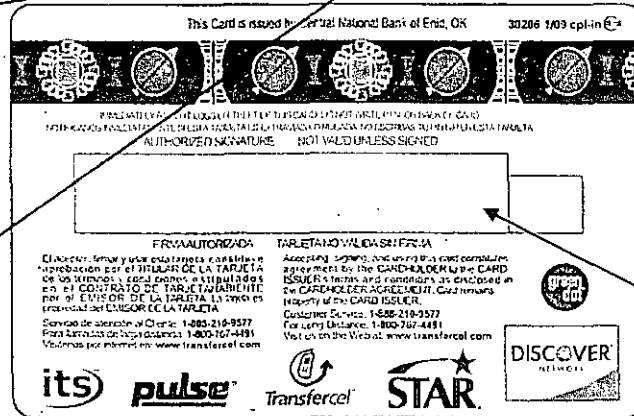
Card Number:
6022 3045 6789 1234
 Exp: 03/12



OVI ink is used to print the headline. It changes from green to orange as you turn the card.

Silver foil stamp of the Oakland seal.

If Visa, a Visa hologram would appear above the VISA logo. The signature would be placed elsewhere.



Silver holograms cover the magnetic stripe

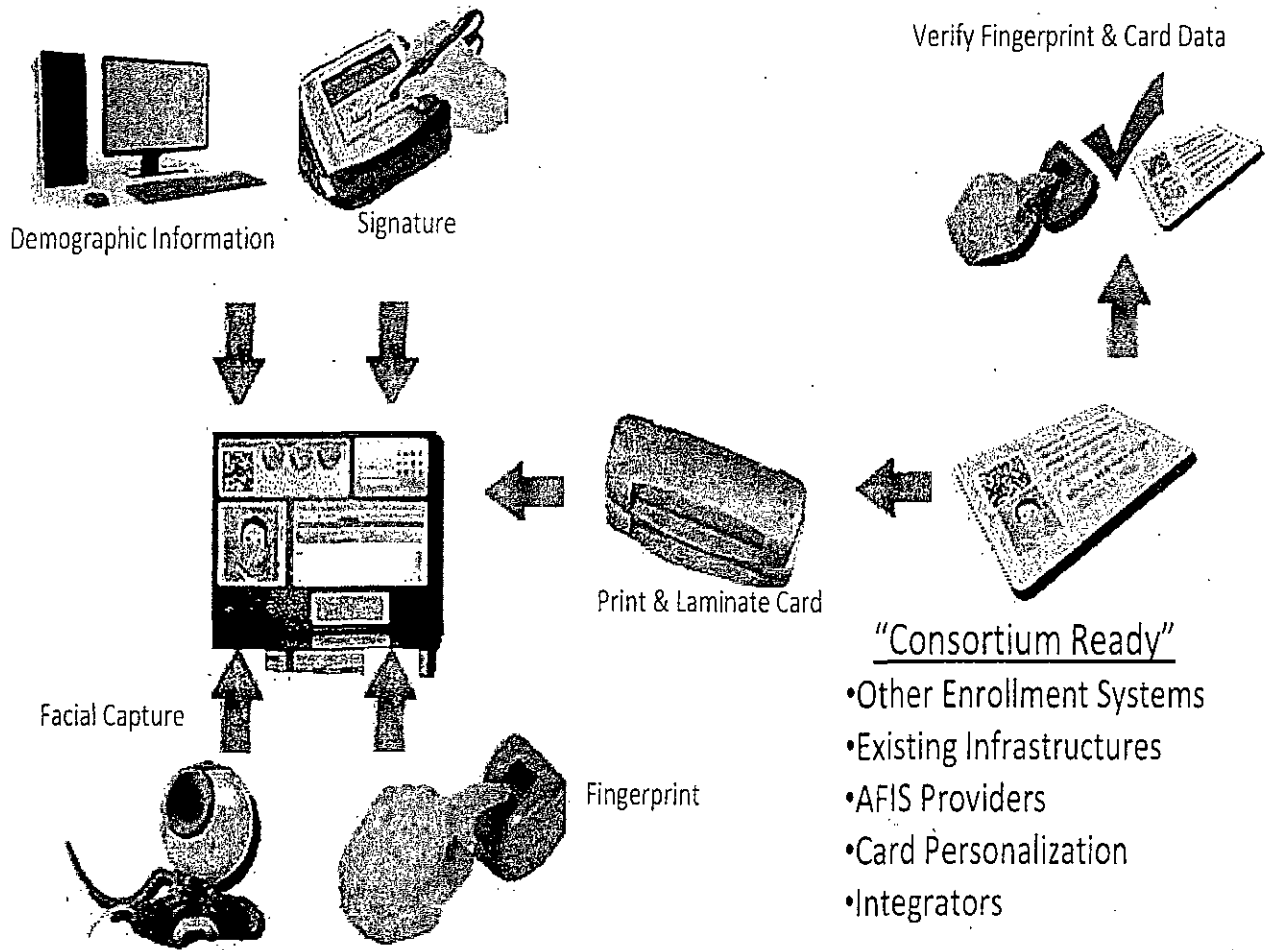
Tamper proof signature panel and magnetic stripe

NOTE: THIS IS JUST A SAMPLE FOR PURPOSES OF THE RFQ. ACTUAL DESIGN MAY VARY.

SFMS/Transfercel

SF Mexico
Card Security/Features

Multipurpose Card Issuance Steps (Including Optional Fingerprint Scan)



k. Sample Card Designs

