

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MARCH 9, 2020

ITEM NO: 8

SUBJECT: FIRST AMENDMENT TO SUMMARY AGREEMENT WITH CREDITRON, INC., AS THE SUCCESSOR IN INTEREST TO NETVANTAGE, INC., FOR UPGRADE OF CREDITRON SOFTWARE AND HARDWARE IN AN AMOUNT NOT TO EXCEED \$151,060 WITH AN ANNUAL HARDWARE MAINTENANCE COST OF \$11,015 AND ANNUAL SOFTWARE MAINTENANCE COST OF \$13,745.96 FOR THE PURPOSE OF REMITTANCE PROCESSING AND A 15% or \$22,659 CHANGE ORDER AUTHORITY

ISSUES:

Approve the First Amendment to the Summary Agreement with Creditron Inc., as the successor in interest to Netvantage, Inc., for the upgrade of Creditron Software and Hardware in an amount not to exceed \$151,060 with an annual hardware maintenance cost of \$11,015 and an annual software maintenance cost of \$13,745.96 for the purpose of remittance processing and authorize change order authority of up to 15% or \$22,659.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Approve the First Amendment to the Summary Agreement with Creditron, Inc., as the successor in interest to Netvantage, Inc., for the upgrade of Creditron Software and Hardware in an amount not to exceed \$151,060 with an annual hardware maintenance cost of \$11,015 and a software maintenance cost of \$13,745.96 for the purpose of remittance processing;
2. Authorize change order authority of up to 15% or \$22,659; and
3. Authorize the City Manager, or designee, to execute the Amendment and all documents pursuant to purchase of the Falcon Red V hardware and the Creditron software, including making minor non-substantive changes, and executing annual renewals.

BACKGROUND:

On July 13, 2010, City Council approved an agreement with Netvantage, Inc., now Creditron, Inc., for new remittance processing hardware and to transfer/upgrade existing software to a version that is compatible with new hardware for the Treasury Division.

On July 16, 2010, the Board of Public Utilities ratified the agreement.

The Treasury Division handles approximately 230,000 remittance payments for utility customers each year using an NCR iTran 180e machine. Both the software and hardware support for this machine is nearing expiration, with de-support scheduled in 2020 and 2022, respectively. As the deadlines approach, the City

may realistically begin to experience a shortage in supplies and/or an increase to supply costs, which can also lead to significant delays in payment processing.

DISCUSSION:

After participating in several discussions and demonstrations related to this process, it is evident that the Falcon Red V by OPEX is the only scanning device which is comparable to the current processing method and encompasses the advanced technology available to improve processing speed. The Falcon Red V machine will recognize the advanced software capabilities, while allowing for mail opening, scanning, and sorting to be done in a single location set up. This will help to streamline the current process and increase efficiency within the division.

Research has been conducted related to both the procurement of the Falcon Red V hardware, as well as the upgrade of the Creditron software component. Other organizations with similar processing needs were contacted to confirm that price and capabilities were in line with the quotes provided to the City. Overall performance satisfaction and processing efficiencies were recognized with both product items. Based on the research conducted, it is evident that the OPEX/Creditron solution will allow for advanced processing capabilities at a reduction in supply and maintenance costs. Creditron holds a value-added reseller agreement with OPEX; therefore, the contracts and billing are directly with and through Creditron.

Purchasing Resolution No. 23256, Section 602 (n) states that competitive procurement shall not be required if the procurement is for the renewal of maintenance, license(s), support, or a similar need for existing technology systems, including hardware, and the items procured are from the owner/developer of the software/hardware or from a sole source provider, and the Manager is satisfied that the best price, terms, and conditions have been negotiated.

The Purchasing Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256, Section 602 (n).

FISCAL IMPACT:

The fiscal impact of this action for Fiscal Year 2019/20 is \$175,820.96 with possible change order of 15% or \$22,659. Sufficient funds are available in Public Utilities Account No. 6130000-470694 (CIS Banner Upgrade). The total recurring annual maintenance cost of \$24,760.96 will be included during budget development for all future Fiscal Years.

Prepared by: William Obeid, Business Systems Manager II
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Concurs with: George Khalil, Chief Innovation Officer

Certifies availability
of funds: Brian Seinturier, Utilities Fiscal Manager

Attachment: First Amendment to Summary Agreement with Creditron, Inc., as the successor in interest to Netvantage, Inc.