AGENDA REPORT

CITY MANAGER'S OFFICE

DATE: MAY 1, 2012

TO: MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: LASHONDA WILSON, MANAGEMENT ANALYST

SUBJECT: CITY OF RICHMOND MUNICIPAL IDENTIFICATION/STORED VALUE CARD PROGRAM

STATEMENT OF THE ISSUE:

The City of Richmond solicited proposals from qualified vendors and service providers who are able to provide systems to produce and distribute customized and secured Richmond Municipal Identification (ID) Cards with the capacity to facilitate certain payment and banking functions and possibly interface with some of the existing City of Richmond systems. The City received and scored two (2) proposals and interviewed both companies. City staff recommends proceeding with contract negoitiaitons with SF USA, LLC, the top scorer, to implement the Municipal ID Card program.

RECOMMENDED ACTION:

AUTHORIZE the City Manager to negotiate and execute a contract with SF USA, LLC to implement the Richmond Municipal Identification/Stored Value Card system subject to the system being no net cost to the City of Richmond, and with approval as to form by the City Attorney.

FINANCIAL IMPACT OF RECOMMENDATION:

The City Council directed staff to issue an RFP for the development and implementation of a Municipal Identification Card program that will be operated by a Third Party Administrator. The conditions for implementing the program include that the program cost be covered by user fees to the greatest extent possible. City staff believes that it is possible to establish a program that is no net cost to the City if SF USA, LLC is awarded the contract and administers the program.

DISCUSSION:

Background

The Richmond City Council approved Ordinance No. 16-11 N.S., amending chapter 2.64, Article II, of the Richmond Municipal Code (Attachment 1), authorizing a Municipal Identification program. The program objectives are to provide for the issuance of Municipal ID cards to residents of the City of Richmond for the purpose of improving public safety, increasing civic participation, and supporting local commerce.

The City believes that the Richmond Municipal ID Card (ID card) will make it easier for all Richmond residents to participate in local and regional commerce and that it will fill a void by providing an official form of personal identification for many Richmond residents who currently lack one. It is the City's intent that ID cards provide residents with a means of proving their residency in the City, for the purpose of accessing City programs, services and activities, as well as helping to substantiate their identity to law enforcement personnel. Residents may also have the ability to utilize their ID card as a pre-paid debit card.

Request for Proposals and Solicitation Process

On October 21, 2011, the City of Richmond (City) released a Request for Proposals (RFP) (Attachment 2) soliciting proposals from qualified vendors and service providers who were able to utilize their own systems to produce and distribute customized and secured Richmond Municipal Identification (ID) Cards with the capacity to facilitate certain payment and banking functions and possibly interface with some of the existing City of Richmond systems.

Vendors or service providers were asked to submit a professional service proposal that provided details and quotes on <u>one or both</u> of the following <u>service proposal requests</u>:

1. Perform intake, processing, verification and distribution of a secured municipal identification card with defined service capacity as specified in the Scope of Services section with or without a financial services (stored value card) component *(Offsite Production & Financial Service Proposals)*.

2. Provide a stored value card component using financial services institutions and/or financial services providers that provides additional functionality to the Municipal ID card as specified in the Scope of Services section *(Financial Services Component Proposals).*

The City chose to accept proposals that did not fit within the two requests mentioned above if the vendor could meet all of the requirements listed within the RFP and could demonstrate that the ID card program being proposed was fully cost recovered through user fees to the greatest extent possible with no subsidy from the City.

The City's BidsOnline system notified 795 vendors and 15 downloaded the RFP. The City staff also contacted the three (3) companies that responded to Oakland's RFP, as well as other prospective bidders, to inform them about the RFP and encourage them to sign-up on BidsOnline.

On December 16, 2011, the City received two (2) responses to the RFP:
➢ Capture Technology
➢ SF USA, LLC

Proposals contained information on the following:
➢ Project personnel
➢ Scope of services, which included responses to questions regarding operational specifications, card validation/verification requirements, reloadable/account-based stored value card services, transaction fees, and security features
➢ Relevant experience
➢ Project approach, organization and implementation
➢ References
➢ Billing rates

Decision Making Process – City Staff Working Group

A group comprised of various City staff was convened to review and score both proposals. The review panel included representatives from the following departments: Employment & Training, Richmond Police Department, Successor Agency's Housing Division, City Attorney's Office, Library's Literacy for Every Adult Program, Finance Department, Information Technology, Human Resources, and City Manager's Office.

Each proposal was evaluated based on the following criteria:
➢ Relevant experience
➢ Qualifications
➢ Organization
➢ Approach and scope of services
➢ Local and small local certified business participation
➢ Other factors such as presentation, completeness, clarity, organization, and responsiveness of proposal

Below are the average scores received for each proposal (out of 100 total points):
➢ SF USA, LLC – 76.5
➢ Capture Technology – 59.7

City staff interviewed both respondents in February 2012. Five of the ten City staff that reviewed the proposals also participated on the interview panel. The interview panel included representatives from the Richmond Police Department, the Library's Literacy for Every Adult Program, the Finance Department, Information Technology, and the City Manager's Office.

Below are the average scores received for each interviewer (out of 100 total points):

> - SF USA LLC – 89.2
> - Capture Technology – 45.2

Selection and Recommendation

After thorough consideration of the written proposals, the interviews, the reference checks, and internal discussion, City staff is recommending that the Council authorize the City Manager or his designee to negotiate a contract for implementation of the City's Municipal ID Card program with SF USA, LLC, the highest ranked vendor, and to execute a contract subject to the program being at no net cost to the City of Richmond, and with approval as to final form of the contract by the City Attorney. City staff felt that SF USA, LLC was the more qualified company to implement the program. The other company, Capture Technology, was able to demonstrate their expertise in the photo identification/authentification industry; however, they were not able to successfully demonstrate, through the proposal or during the interview process that they could implement Richmond's Municipal ID program to the extent that SF USA, LLC could. A comparison of key components of both proposals can be found in Attachment 3.

SF USA, LLC presented a comprehensive plan for implementing the Municipal ID Card/Stored Value Card program. They were able to demonstrate:
> - Their experience in implementing an ID card and pre-paid debit card program
> - How residents would access the card including information on the intake process, intake centers, and staffing
> - How the card could be utilized. Cardholders will be able to use their Municipal ID cards to:
>   - Provide identification for use within the City of Richmond and to access city services (where accepted and applicable)
>   - Load checks and/or cash on the card for a fee or for free via Direct Deposit,
>   - Make cash withdrawals at ATMs and get cash-back at other locations
>   - Make purchases and cash-back at retail locations, over the phone and on-line,
>   - Send money to other cards in the US and aboard
>   - Receive discounts at participating businesses (if rewards and discount program is implemented with local merchants)
> - Security features on the card and for the residents
> - Possible use of the card by City departments and outside entities
> - Potential phases of the implementation process, including steps for convening a city working group, card design, city service integration, promotional campaign, and launch event.

Next Steps

During the contract negotiations, staff will work with SF USA on the following:
> - Partnering with a local banking institution for the pre-paid debit card feature
> - Ensuring that there will be no cost to the City of Richmond to implement this project

- ➢ Confirming transaction fees to ensure that they align with Ordinance No. 16-11
- ➢ Developing a detailed implementation plan, including the development of the timeline, intake process, and location and staffing of intake centers.

Staff recommends that it be authorized to execute the contract once negotiations are complete, provided that it meets the service provisions outlined above and that the program is verified to be cost neutral to the City, with final review as to the form of the contract by the City Attorney. This process is expected to be completed by July 2012. Although staff is unsure of the exact length of time needed to address the issues stated above, staff does understand the importance of this program and will therefore aim to negotiate the contract and implement the program within a reasonable timeframe.

DOCUMENTS ATTACHED:

Attachment 1 - City of Richmond Ordinance No. 16-11
Attachment 2 - City of Richmond Municipal ID/Stored Value Card Request for Proposals (RFP)
Attachment 3 - Comparison of Key Components between SF USA, LLC and Capture Technology