



Request for City Council Committee Action From the Department of Public Works

Date: 5/17/05
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee
Subject: **Authorization to execute a contract with Certegy Check Services for check guarantee services at the Impound Lot**

Recommendation:

- a. Authorization to negotiate and execute a contract with Certegy Check Services for check guarantee services at the City of Minneapolis Impound Lot for a period of 2 years with option to renew.

Previous Directives:

- February 15, 2005 T&PW – Directed staff to proceed with RFP for check guarantee services at the Impound Lot.

Prepared by: Mike Sachi, Parking and Skyway Systems Engineer, 673-2159

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Mike Sachi

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

- Action requires an appropriation increase to the Capital Budget
 Action requires an appropriation increase to the Operating Budget
 Action provides increased revenue for appropriation increase
 Action requires use of contingency or reserves
 Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The City of Minneapolis RFP review committee selected Certegy Check Services for its check guarantee services for checks presented at the Impound Lot for payment of Towing and Storage fees, and Auction sales. Utilizing this guarantee service saves the Impound Lot an estimated \$300,000 per year in checks that could bounce. Approximately \$1.7 million per year in checks are written at the Impound Lot.

The existing check guarantee services contract expires June 30, 2005, and Public Works used an RFP process to select Certegy as the new supplier of these services. Certegy Check Services fee is 1.11% of the check value for the term of the agreement, down from 1.49% paid under the previous contract with Telecheck, Inc. The new contract is for a two year period with an option to renew for an additional 3 years.