

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: July 1, 2010**

SUBJECT: Utility Bill Lockbox Outsourcing

SUBMITTING DEPARTMENT: Management Services

PREPARED BY: Cordell R. Compton, Customer Accounts Division Manager for William Kauppi,
Management Services Director

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: (a) Chart of proposed vendor costs (b) sample CDS Global Master Service Agreement, and (c) CDS Global flow chart and supporting documents.

SUMMARY/BACKGROUND: Staff had previously discussed the option of outsourcing the processing, handling and posting of water/sewer payments to streamline the Town's cash collection process. Discussions had been held with the bank the Town is doing business with and this was not economically feasible for them to do. Further research has recently resulted in communication with CDS Global and staff has investigated outsourcing not only to streamline the cash collection process, but to also allow the Town to better balance the workload and redistribute some of the duties of the Customer Accounts Division to focus more on our delinquency functions. This outsourcing option will also provide for better coverage for monies being deposited on a timely basis when staff are absent through sickness and/or vacation.

Division staff currently processes between 11,000 – 12,000 pieces of mail per month. These payments include one check – one stub, multiple stubs – one check, multiple stubs – multiple checks and bank bill pay payments. Mail volume and processing time for these payments varies from day to day, but several hours each day could be devoted to other duties such as delinquent account collection, as well as processing other customer payments through bank drafts, online payments and drop box payments, and the handling of customer walk-in traffic.

CDS Global processes and posts funds to the bank the same day and would transmit a posting file to the Town so that customers' accounts are updated. Since the Town offices are closed on Fridays, any postal mail that arrives at the post office is not processed until the next work day (usually Mondays). CDS Global can process and post mail payments on Fridays, gaining several days' use of funds for the Town over the present process, resulting in a more timely posting of funds to the Town bank account..

The City of Prescott uses CDS Global to process their utility payments and have expressed to us that they are very pleased with the service. Staff is presenting to Council CDS Global's mail outsourcing proposal for discussion and possible approval at a future regular Council meeting.

OPTIONS ANALYSIS: N/A. For discussion only.

ACTION OPTION: N/A. For discussion only.

RECOMMENDATION: N/A. For discussion only.

FISCAL ANALYSIS: Depending upon mail volume processed, the estimated yearly costs to the Town would range from \$26,000.00 -- \$29,000.00

REVIEWED BY:

Management Services Director _____ Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____