

Executive Summary

Board of Governors Meeting, March 23, 2022

Magnetic Ink Character Recognition (MICR) Printers and Related Services – 22-0004

Topic

Citizens is requesting approval to contract with RJ Young Company, LLC, for the purchase and maintenance of two (2) high speed MICR check printers and two (2) desktop MICR check printers. This purchase will replace the current MICR printers, purchased May 8, 2011 and June 6, 2013 which will soon be obsolete and no longer supported with maintenance, parts, and supplies. Citizens' ability to print ink sensitive bank checks (for such things as claims and premium refunds) reliably and consistently is mission critical for operations, especially in the event of a catastrophe. Approval is requested for a three (3) year base term with one (1) two (2) year renewal option, for an amount not to exceed \$211,368.01 for the life of the contract.

History

Citizens is seeking approval to contract with RJ Young Company, LLC for the purchase and related maintenance services of two (2) high speed MICR printers and two (2) desktop MICR printers. Citizens will use the two high speed printers to print claims, return premium and commission checks, the two desktop printers will be used to print claims checks in the event we implement the Citizens' business continuity plan. In 2021, Citizens printed 313,614 claims, 142,205 return premium, and 48,731 commission checks. Citizens originally purchased one MICR high-speed printer in 2011 and one in 2013 and has maintained maintenance contracts each year. Recently, the printer manufacturer notified Citizens' that they will stop servicing/maintaining the printers Citizens owns and operates effective June 30, 2022.

For the last several years Ricoh/Rosetta floor model printers have successfully met Citizens check processing demands. The specific models of printers required, as outlined below, will have the same footprint (electrical and space wise) as Citizens' current printers. This means no change to spacing or electrical needs. Also, and perhaps most importantly, the specific models integrate with Citizens' existing software (Guidewire BillingCenter, Guidewire ClaimCenter, and OMS500) and will not require any new configuration or changes.

Citizens issued Invitation to Bid 22-0004 for two (2) Ricoh/Rosetta Pro 8320M MICR printers and two (2) Ricoh/Rosetta P 501M MICR LED printers. The requested contract was selected based on the lowest responsive bid. The ITB was issued on February 28, 2022. On March 10, 2022, Citizens received all responses meeting the outlined requirements, from 3 vendors, RJ Young Company, LLC, Ricoh USA, and CFX Office Technologies, Inc. After review and scoring, the Procurement Officer determined that RJ Young Company, LLC was lowest cost responsive vendor and recommends this for award.

The contract includes the purchase of four (4) total MICR printers (\$140,076) and related services with a three (3) year base term with one (1), two (2) year renewal option (\$17,154.01),

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printer impression overages (\$25,000), parts and supplies (\$25,000). Approval is requested for an amount not to exceed \$211,368.01 including renewals.

Recommendation

Staff recommends the Board of Governors:

- a) Authorize Citizens to contract with RJ Young Company, LLC for the purchase of two (2) Ricoh/Rosetta Pro 8320M MICR printers and two (2) Ricoh/Rosetta P 501M MICR LED printers with related maintenance/services with an initial term of three (3) years, and for one (1) two (2) year renewal option, for an amount not to exceed \$211,368.01 for the life of the contract, as set forth in this Action Item; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

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ACTION ITEM

New Contract

Contract Amendment

Other _____

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval _____

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	High Speed MICR Printers and Desktop MICR Printers
Purpose/Scope	<p>This Action Item seeks Board approval to contract with RJ Young Company, LLC for the purchase and maintenance of two (2) high speed MICR printers and two (2) desktop MICR printers. This purchase will replace the current MICR printers, purchased April 8, 2011, and June 6, 2013, which will soon be obsolete and no longer supported with maintenance, parts, and supplies. Citizens must maintain its ability to print ink sensitive bank checks, needed for processing claims and premium refunds, reliably and consistently as this is mission critical for operations, especially in the event of a catastrophe.</p> <p>The specific models of printers under this contract, will have the same footprint (electrical and space wise) as Citizens’ current MICR printers. This means no change to spacing or electrical needs. Also, and perhaps most importantly, these specific models will integrate with Citizens’ existing software (Guidewire BillingCenter, Guidewire ClaimCenter, and OMS500) and will not require any new configuration or changes.</p>
Contract ID	<p>MICR Printers and Related Services</p> <p>Contract number, if applicable</p> <p>Recommended vendor, if applicable: RJ Young Company, LLC</p>

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Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Text
Procurement Method	Invitation to Bid
Contract Amount	\$211,368.01
Contract Terms	Maintenance Term – Three (3) year base with one (1), two (2) year renewal period

Board Recommendation (DOES NOT go through Committee)	<p>Citizens' Staff proposes that the Board of Governors:</p> <ul style="list-style-type: none"> a) Authorize Citizens to contract with RJ Young Company, LLC for the purchase of two (2) Ricoh/Rosetta Pro 8320M MICR printers and two (2) Ricoh/Rosetta P 501M MICR LED printers with related maintenance and services with an initial term of three (3) years, and for one (1) two (2) year renewal option, for an amount not to exceed \$211,368.01 for the life of the contract, as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
CONTACTS	Jennifer Montero, Chief Financial Officer