



## AGENDA ITEM ANALYSIS

Project/Issue Name: 24-R-25 A Resolution of the City Council Authorizing the City Administrator to Enter into an Agreement with Loomis Armored US, LLC for the Purpose of Safekeeping its Currency and Increasing the Level of Safety for City Employees.

Submitted By: Bob Ford | Finance Director

Date: May 21, 2024

### Issue Statement

The City of Republic (the “City”) handles cash in its day-to-day operations, especially Parks & Recreation during the busy summer months. To increase the safety for our employees handling cash and the security of our cash, the City seeks to subscribe to the Arvest Bank (“Arvest”) and Loomis Armored US, LLC (“Loomis”) cooperative product offering for Cash Handling/Safe Transport product without seeking other bids and to treat this overall Arvest/Loomis relationship as a “Sole Source” arrangement on the following grounds:

- The City is contractually tied to Arvest Bank as our operational depository bank; and
- Loomis is Arvest bank’s sole armored transport service.
- The City Administrator has reviewed the materials and, pursuant to the bidding exceptions set forth in the City’s Purchasing Policy, has provided his written certification of the elements supporting a sole source determination in this instance.

### Discussion and/or Analysis

The City of Republic (the “City”), in its goal to increase safety for its employees and security of its assets, has an objective to become a “cashless” city by January 1, 2027. However, until that objective is met, the City needs to improve its processes/procedures on how cash is handled and transported for deposit. Currently, cash is collected by various departments and then transported to the Finance department for deposit.

- Today the transport from various Departments to the Finance Department is handled by employees without the benefit of an armed guard, many times with significant amounts of cash in tow.
- Once in the Finance department’s possession, deposit documentation is prepared and the cash is transported to our depositing bank by an unarmed delivery service, thus exposing the City to risk.
- Therefore, to reduce the risk associated with cash handling and improve the efficiency and speed of all deposits, the Finance department has recognized the need for an armored transport service to safeguard our assets and speed up the delivery of cash to our deposit bank.
  - Arvest Bank is the City’s sole operational bank, and the City is contractually bound to Arvest for all deposit services.
  - However, Arvest bank does not have a branch in Republic. The closest Arvest bank is in Springfield at Kansas Expressway and Republic Road, thus requiring the transport of cash a fair distance.



Arvest Bank has contracted with Loomis Armored US, LLC (“Loomis”) to do two things for Arvest bank and its customers:

1. Provide hardware, a safe or Virtual Vault, to function as a satellite deposit location for Arvest Bank. From a process perspective:
  - a. Cash is fed into the Virtual Vault and is counted by the Vault as it is deposited; and
  - b. Immediate credit is given to Arvest customer’s bank account (as if the deposit were being made at a local Arvest bank).
  - c. Then Loomis periodically picks up the cash from the Vault and transports it to Arvest bank.
2. As Arvest bank’s sole armored car service, Loomis will then transport all cash from the Virtual Vault to Arvest Bank.

The service arrangement will require a five-year contract with Loomis, who will provide two Virtual Vaults to the City; (1) one at the Community Center for Parks & Recreation’s cash and (2) one for Finance (BUILDS) to handle the rest of the City’s cash.

- Parks & Recreation will have two cash pickups per week @ a cost of \$661 per month.
- Finance (BUILDS) will have one cash pickup every other week @ a cost of \$292 per month.

#### **Recommended Action**

Staff recommends approval.