



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: May 19, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Online Information Services, Inc., for fraud detection and credit risk assessment for the Customer Service Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 9001 – awarded to Online Information Services, Inc., in the five (5) year not-to-exceed amount of \$320,000.00). The Public Utilities Board will consider this item on Monday, May 18, 2026.

INFORMATION/BACKGROUND

A ruling known as the Identity Theft Red Flag Regulation was jointly issued by the Federal Trade Commission, Office of Thrift Supervision, and several other governing agencies, implementing Section 114 of the Fair and Accurate Credit Transaction Act of 2003 (FACT ACT) that came in to effective May 1, 2009.

As part of compliance with federal guidelines, the City of Denton Utilities Customer Service has to provide fraud protection, credit risk assessment, and debit recovery solutions. Use of a system allows the City to verify the identity of customers via telephone in order to reduce the opportunity for identity fraud in accordance with federal law. This service is utilized when a new account is set up and any time a new person is added to an account as an authorized party. Historically, the City has spent \$51,314 a year for these services, but expects an increase in usage over the contract term due to growth.

<u>Year</u>	<u>Estimate Expenditure</u>
Year 1	\$55,000
Year 2	\$55,000
Year 3	\$55,000
Year 4	\$55,000
Year 5	\$55,000
Contingency	\$45,000
Total	\$320,000

Request for Proposals was sent to 263 prospective suppliers of this item, including four (4) Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Three (3) proposals were received and evaluated based upon published criteria, including compliance with specifications, schedule, probable performance, and price.

Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Online Information Services, Inc. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	943 - (Service Only) - Financial Services
Notifications sent for Solicitation sent in IonWave:	263
Number of Suppliers that viewed Solicitation in IonWave:	7
HUB-Historically Underutilized Business Invitations sent out:	35
SBE-Small Business Enterprise Invitations sent out:	56
Responses from Solicitation:	3

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 18, 2026, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award a contract with Online Information Services, Inc., for fraud detection and credit risk assessment for the Customer Service Department, in a five (5) year not-to-exceed amount of 320,000.

PRINCIPAL PLACE OF BUSINESS

Online Information Services, Inc.
Winterville, NS

ESTIMATED SCHEDULE OF PROJECT

This is a five (5) year contract.

FISCAL INFORMATION

These services will be funded from Customer Service Department account 870100.7866. Requisitions will be entered on an as-needed basis. The budgeted annual amount for this item is \$55,000. \$265,000 will be budgeted in future fiscal years to align with the contract terms and expenditures. The expenditure is a recurring cost and will create recurring obligations. The City will only pay for items purchased and is not obligated to pay the full contract amount unless needed.

EXHIBITS

- Exhibit 1: Agenda Information Sheet
- Exhibit 2: Pricing Evaluation
- Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Christa Foster, 940-349-7412.

Legal point of contact: Leah Bush at 940-349-8333.