AUGUST 1, 2016
RFP 2016-101 BANKING & LOCKBOX SERVICES
ADDENDUM #3 – PRE-PROPOSAL CLARIFICATION RESPONSES

1. **What were the triggers or pain points that prompted this RFP?**
   The City is looking for the best package of services at the best price. One pain point is that the current provider cannot provide all of the services we need. The most significant deficiency is the inability of the provider to collect payments from customer bill payer systems; as a result, the City is still using Bank of America's Paymode X for that service. Another pain point was the courier service. Deposits were getting lost, and the City was unable to locate them. The cutoff time for vault deposits was also too early. Due to traffic and the vault locations, the deposits were not getting there in time.

2. **You are currently using Garda?**
   Yes

3. **Is cash currently picked up at a single location?**
   No, there is a pickup at City Hall every day and other locations are picked up three times a week. However, this may be changing in the future. The City is currently evaluating building a new consolidated central services building which would combine some locations. However, this wouldn't be for another two to three years.

4. **How many RDC scanners do you think you would need?**
   If the City decides to use remote deposit capture, we would need three or four scanners. At the City Hall location, we run two cashiering workstations; it would depend on if it is best practice to have one scanner for each cashier or if it would be efficient to have the cashiers share a scanner.

   One of our concerns with RDC is whether it will add additional steps to the City's deposit process. We now process the checks and prepare them for deposit. This would add an additional step of scanning them in, and if the scanner does not read it correctly, we assume we would have to manually correct that. That makes additional work for City staff.

5. **Are cashiering stations integrated with SunGard?**
   No

6. **Is a scanner currently being used at the cashiering station?**
   Yes, a scanner is used to create an image and endorse the check.

7. **Do you know what version of the Core cashiering software you're using?**
   The City is currently on the XP version of Core Business Technologies' One-Step (1.2.6), which will go away soon. The new version will be (1.2.9).

8. **Does the cashiering system speak to the SunGard system? If not, how are you getting that information into SunGard?**
   No, they do not "speak". Currently there is a download from Core One-Step 1.2.6, which the City edits and then uploads to the SunGard system.

   Does the cashiering system only export an excel file or does it do other formats? The Core cashiering system does export to Excel, Character-separated values, Comma-separated values (CSV), Record style (columns of values), Rich Text Format, Tab-separated text

9.

10. **In regards to deposit cutoff times at the vault, is there a specific cutoff time in which you desire to complete your deposits? What is the latest cutoff that you're looking for?**
    It doesn't matter as long as we get same-day credit. The problem seems to be the traffic, and the armored car getting deposits all the way down to Oakland/San Francisco. The later the cutoff time the better, because of the traffic on any given day. Our deposits are prepared the night before, so they are ready for pickup in the morning as early as 6 or 7am most days.

11. **You prepare the deposits from the previous day?**
    That's correct, yes.

12. **Those are the AS400s that you're replacing for the utility billing?**
    Yes, we are replacing the utility billing software that resides on the AS400

13. **Are any changes planned for SoftPak?**
    We will be upgrading. There's an initiative for the SoftPak application that is hosted onsite for NRWS. Our (the City's) SoftPak is hosted in the cloud and there is discussion of marrying those two in the cloud version. The version we have is the version to which NRWS will upgrade.

14. **The PayMode X product you're using for online bill payments, can you tell us more about how you're using that?**
    Customers go into their home banking and make payments, the bank then takes those payments and puts them into an ACH transaction consolidator, and every day we receive a deposit into our account. We also receive a file to upload into our system so we know who has paid.

    There may be changes in the future. We're looking to use our current bill printing/mailing firm to do online bill presentment and to offer bill paying options online. We do not have many customers who pay by credit card now but that's because we don't have many good credit card options. We are looking at that for an interim solution. We are also releasing an RFP for utility billing software.

15. **Right now, it's no credit cards?**
    Not through that system. For credit card payments, customers come in physically and we accept them at the counter. Garbage and NRWS can go online and pay by credit card.

16. **The vendor that's printing the bills, are you under contract with them?**
    It's likely that the initial contract term has expired and the contract is being renewed one year at a time. The City is going through all long-term contractual relationships and doing RFPs to see where we are able to make improvements. Bill printing is on the list as well.

17. **As you're looking to do the online billing and presentments, has the City determined if it will charge convenience fees, or will the City pay the merchant card processing fees?**
    We haven't gotten that far down the road. There are fees we will be charged by the processor, and right now we are assuming we would not pass those fees on but we are still discussing.

18. **Currently if somebody comes in to pay for a business license and pays by credit card, are you charging convenience fees?**
    No

19. **Has the online bill presentment contract already been signed?**
    We already have a contract for the imaging, printing and mailing of checks. We have received information about the current vendor's ability to do the online bill presentment, but are not committed to using that vendor.

20. **Would you be interested in receiving information from a bank if that is a capability we have?**
    It never hurts to receive information. Whether or not we decide to use those services depends on the cost. We have received pricing from the current company because it would just be an additional service we could easily add on.

21. **In regards to your current lockbox service, how is the reporting functionality? Are you able to get the information from your lockbox in a timely manner?**
    The City receives a daily file. There is a 3 pm cutoff for the day's activity.

22. **The file that you receive, is that something that you log into a portal to view or do you receive via email?**
    The City receives an email with the total deposit for the day so we can enter the information into our cashiering system. The portal is used to view details of the individual payments. We can view check images on the portal.

23. **Is this the same with NRWS?**
    Yes

24. **It looked like physical copies are being returned to the City. How are you using those documents?**
    They are for recordkeeping. We are not storing images so if we obtain another service for lockbox, we want to make sure we have access to the historical images. We don't necessarily need the paper copies as long as we will have access to the images if we ever change providers. Having the physical copies also allows us access if the portal is down.

25. **There were several questions about sweep accounts, how big of a priority is that? Are you just looking for general information?**
    The City is open to various options. This is not a major focus of the RFP.

26. **Has the City done any demographic surveys or citizen outreach about whether bill payers want to pay by credit card?**
    No formal studies have been done, but we have heard from some customers that they would like to pay by credit card.

27. **Are convenience store payments picked up through PayMode?**
    Yes. One of the problems we have is they make the payments and then we don't receive the payment for a couple days. This can potentially cause an issue in shut-off situations. Another issue is sometimes not all of the customer information is transmitted so we do not know who paid.

28. **How painful is it when you get the unmatched payments?**
    It is very painful when it happens, but it doesn't happen often.

29. **Is there currently the ability to do recurring payments?**
    Not through PayMode. Direct pay is offered for water payments.

30. **When do you shut off service? 10 days after payment is due?**
    It's a long process and can take as long as 5 months to be shut off. We bill for 2 months at a time, in arrears. When the next bill is generated, it will include any remaining balance from the previous bill. If that remains unpaid, within 7-10 days we mail a delinquent notice, and then a few days later we will hang a red tag and then shut off for non-payment.

31. **Do you have drop boxes throughout the city?**
    We have one in City Hall and in front of our office. If people don't want to stand in line, they can drop their payment in the drop box.

32. **The Pro Forma shows that there are 1,581 ACH debit transactions and 19 returned ACH debit items. Do you have the option to re-clear those items?**
    Not on ACHs, but we do re-clear checks.

33. **The ACH is passed back to you and then you take action against the payer?**
    Yes, we typically end up collecting on those eventually, as we are able to add them back to the water account and shut-off for non-payment, which usually gets the customer to pay any unpaid balance.

34. **How frequently is the returned ACH due to NSF?**
    About half of the returns are for NSF.

35. **Has the City thought about making accounts payable payments on a card?**
    Yes, the current vendor has talked to us about that service. We use the CalCard if we're buying things online or for travel, but we don't pay invoices with it. We know there is an option to do that, and it's something we're interested in, but not necessarily a priority right now.

The following questions were submitted after the pre-proposal conference:

Re: Addendum #2, Question 27

36. **How long would the City need access to lockbox remittance images?**
    The City would need access to our utility billing images and checks for 10 years as this is currently our required retention period.

37. **On Attachment 9, first sample document, the stub contains an OCR scan line at the bottom. Can you provide a description of what is contained in the scan line?**
    The information in the OCR line contains the customer account number and the dollar amount of the bill.

38. **Can we be provided with a list of potential bidders for this RFP?**
    The City will not be providing this information.

39. **Will the City provide a monthly authentication file to the lockbox provider that includes the name, address, account number and payment amount? If this authentication file is provided, you will be able to see the name and account number on reports, and you can research by account number, name, address, check number, etc.**
    We will be providing an authentication file with our new utility billing system, that new system has not yet been selected.