



CITY OF WACO

Purchasing Services
Post Office Box 2570
Waco, Texas 76702-2570
254 / 750-8060
Fax: 254 / 750-8063
www.waco-texas.com

Date: 01-27-10
RFP No: **2010-031**
Commodity: **Depository Banking Services**

Closing Time: 2:00 P.M., February 19, 2010
Opening Time: 2:00 P.M., February 19, 2010

Proposal Opening Location: Purchasing Services Office
1415 North 4th Street., Waco, TX

Addendum No: 1

The above-mentioned Proposal invitation has been changed in the following manner. **Sign and return addendum to the Purchasing Office by the closing time and date with your RFP response.** Returning this page signed by your authorized agent will serve to acknowledge this change. All other requirements of the invitation remain unchanged. If you have any questions, please call or stop by the Purchasing Office at the above address.

Please see the attached pages for responses to proposers' questions, and to view the copy of a scanned utility payment envelope as requested. Questions 8, 9, 13, and 16 will be answered in a second addendum as soon as the responses are available.

Firm: _____

Address _____

Signature of Person
Authorized to Sign Bid: _____

Signor's Name and Title
(print or type): _____

Date: _____ Telephone: _____ Fax: _____

CITY OF WACO, TEXAS

RESPONSE TO PROPOSERS' QUESTIONS REGARDING RFP No: 2010-031

Treasury Management Services

1. Can the City create NACHA file formats for ACH transactions? **The City currently creates standard and acceptable NACHA file formats for its direct deposit and other ACH credit/debit transactions.**
2. Aside from CD ROM storage, what archiving systems are currently being used by the City? **None.**
3. Will the City want to move towards all electronic bank statements and granting access to only authorized individuals or will you need paper statements to be mailed to multiple individuals as is the situation today? **Initially the City will continue with one departmental copy but the City is moving in general towards reduction of paper and anticipates moving towards electronic copies.**

Account Structure and Collections

4. Under a master-ZBA sweep structure, would all accounts roll up to the Combined Fund Acct or would some accts remain stand-alone? **As stated in the RFP "the City is anticipating a potential change from the controlled disbursement structure to a ZBA structure transferring to the Combined Account". A final decision has not been made but probably all but 4-5 accounts would be swept to the Consolidated account.**
5. Does the City have armored card pick up 5 days a week? How many locations? Where are those locations? **As noted in V.3, the City intends continuation of armored car services five days a week. The armored car service picks up at 9 year-round and 1 seasonal locations with-in the City limits and has a monthly average of 950 separate deposits. There are 1-2 departments making their own deposits but these are not on a scheduled daily basis.**
6. Should we base pricing on 14 accounts since the Health Insurance Fund will be eliminated? **Yes.**
7. Why are 19 accounts being charged for Automated Services – Balance & Detail on online reporting? **The 19 accounts include savings accounts that the City is currently maintaining. Please provide the per unit cost and assume 14 accounts.**
8. Are your branch cash deposits charged per \$100 or per \$1000? **The City will provide this information in a follow-up distribution.**
9. Are your vault deposits charged per \$100 or per \$1000? **The City will provide this information in a follow-up distribution.**
10. Are you using TxPool today? **The City does use the Local Government Investment Pools when necessary for their investment parameters. Funds are currently invested in the TexPool and TexSTAR pools.**

Merchant Services

11. Please verify if American Express is accepted? **No.**
12. What is the 2009 volume for PIN-secured debit transactions? **City does not currently accept PIN-secured transactions.**
13. What percentage of transactions are swiped/card-present versus key-entered/card-not-present (mail order/phone order/ecommerce)? **This information will be provided in a follow-up distribution.**
14. What point of sale solutions (hardware, software and ecommerce) are currently being used to accept credit/debit cards? **See Attachment C on Merchant Services.**
15. Is the City currently satisfied with its merchant services solutions? Does the City plan to stay at the current level of service? (This is directed to compatibility with operating platforms during the implementation.) **The City anticipates no increased level of service but does require full and complete reporting as part of that service.**

16. Describe in detail the Equipment listed in Attachment C (Perfect Solutions SAM4S, Rec Trac, iTerminal) **This information will be provided in a follow-up distribution.**
17. What is the *Umbrella Account* noted on Attachment C. **A non-merchant activity account was set up originally to consolidate all accounts for reporting purposes. This is not a merchant account and could be replaced by more pro-active reporting which consolidates across all merchant numbers.**
18. On page 23, #5 the City indicates use of Sungard Public Sector Click2Gov for online utility payments. Are there other departments that also utilize this application? In what capacity? **No other departments are currently using Click2Gov to accept payments, but the City has the ability to expand to other types of payments in the future.**
19. What transmission method does the City use today for credit card processing? **SunGard Public Sector Click2Gov transmits using Vital. Transactions that are accepted thru Rec Trac are transmitted using the system provided by Vermont Systems. The City also uses stand-alone credit card machines and iTerminals which connect via the web.**
20. Do you have plans for enabling Internet bill payments through a Website? **See answer to the preceding question. The City will also be considering expansion of acceptance of additional internet payments in the future.**
21. Does the City currently accept PIN debit? If so, please provide model and manufacturer of the PIN pad. **No, the City does not currently accept PIN debits.**
22. Are convenience fees accepted for card not present transactions today or desired in the future? **They may be considered in the future but are not now in place.**
23. Is it possible to get a copy of a recent merchant statement for each location? **The information you see on Attachment is the only information available as received from Chase.**

Disbursements

24. Are the Payroll Warrant accounts issuing true warrants (i.e., warrants not payable upon demand, but payable upon presentation)? This would require the processing bank to check with the issuing bank to verify that the presented item should indeed be paid. **The City is issuing payroll checks with positive pay verification.**
25. Can the City clarify how the Payroll Warrant accounts are functioning as imprest accounts? **The City only funds the account with the exact amount that is needed to cover the checks that have been issued and the direct deposit amounts.**
26. Do all Positive Pay accounts require, at a minimum, Partial Recon (page 9 RFP)? If correct, please describe how your current Positive Pay works without Recon services. **As noted, all check writing accounts are required to have positive pay. (Accounts using ACH will require various blocks and filters.) Due to recent fraudulent activity on one of the City accounts, the City has recently added positive pay to most accounts, even those without check writing.**
27. How many City employees currently receive paper payroll checks, and at what frequency? **City employees are paid bi-weekly—approximately 300 receive paper payroll checks. A small number of Civil Service employees are also paid an additional check/direct deposit on a three-week cycle. Approximately 27 of these are paper checks.**
28. Which company does the City currently utilize to process payroll checks and direct deposit? **The City processes all payroll and direct deposit for City employees internally. A local public accounting firm provides payroll processing services for Waco Transit employees.**

Lockbox

29. Does the City provide its customers with a coupon with an OCR scan line and a return envelope? **The remit document for utility payments that is currently mailed out is shown in Section VII.2. The scan line is shown on the document.**
30. What is the return rate of your scannable coupon? **Approximately 90-95% of the payments are returned with the remit document. Approximately 5-10% of the payments are returned without the remit document.**
31. Of the total processable volume, what percentage is represented by:

- a. Single Payments (i.e. single check with a single coupon) = **70%**
 - b. Multiple Payments (i.e. multiple coupons and/or multiple checks) = **20%**
 - c. Check Only Payments (checks received without coupon) = **5%**
 - d. Correspondence only (no checks) = **5%**
32. Will the City require the bank to key in data for check payments received without a coupon aka "check only" items (if account information is written on the memo portion of the check)? **Yes.**
33. What type of return envelope do you provide to your customer? Do you use return window envelopes or preprinted return-reply envelopes? (Please provide a sample.) **A scanned copy is attached.**
34. How many different coupons or document formats do you have? **The remittance document in Section VII of the RFP is the only document used.**
35. Does your bank receive transmissions from billing consolidators? **Yes, utility payments are accepted at other locations and payments are transferred to the City by Western Union.**
36. Are check & list payments received? (e.g. billing consolidators send one check but provide multiple account numbers) **Payments from Western Union are sent via ACH and are loaded by the City's IT department directly to our software.** If so, what is the monthly volume of this type of check and the average number of account numbers per check? **N/A**
37. Do you require check MICR information in your Retail Lockbox transmission? **The MICR (scan) line is shown on the sample in Section VII of the RFP.** Which MICR fields are required? **The current scan line represents the account number and amount due. It should remain as thirty (30) digits.**
38. Do you have any customized report requirements? **The City requires detail be transmitted on each payment to retrieve account number and payment amount.**
39. Do you require any paper returned (i.e. remittance coupons, envelope, check copy)? **No. The City would want all 'white paper' correspondence but not the remittance document or check.**
40. Is paying by credit card an option on your existing utility coupons? **Yes**
41. What is the average monthly volume of credit card payments that would be processed in the lockbox? **As noted in Section VII, 2, the City processes between 22,000 and 23,000 physical check payments monthly. Bills are processed on a daily billing cycle leveling the flow of bills throughout the month.**

Custody Services

42. What are the average assets in safekeeping (PAR)? **The average amount of assets in safekeeping has varied during 2009 from a high of around \$190 million to a low of around \$130 million. While the average for 2009 may have been around \$160 million, we expect the average for 2010 may decrease as existing bond funds are spent..**
43. Does the custodian hold any "free cash" in sweep or is cash always swept at end of day to the City's bank depository account? **No, all security clearing transactions draw from a designated account and all cash is distributed daily back to that account.**

Collateral

44. Will the City accept pass-through mortgage backed securities as collateral issued by Fannie Mae or Freddie Mac? If not, will the City accept mortgage backed securities issued by GNMA which carry the full faith and credit of the US Government? **As stated in Section V.11, the City authorized collateral is defined by Policy as:**
- **Obligations of the U.S. Treasury, and**
 - **Obligations of the U.S. Agencies and Instrumentalities FHLB, FNMA, and FHLMC, including letters of credit, but to exclude subordinated debentures and mortgage backed securities.**
- These restrictions do not allow for pass throughs and CMOs from FNMA or FHLMC. The restrictions also not allow for use of GNMA regardless of their full faith and credit guarantee.**

45. Does the City plan to join the State-wide collateral pool when it begins later this year? **As noted in Section V.11, the City reserves the right to use a pooled vehicle. No decision will be made until the pooling mechanisms are completely defined and before analysis by City staff. In general, the City does not anticipate use of the collateral pool at this time.**
46. The bid mentions FHLB letters of credit as an acceptable form of collateral. Is this something that you would like to move towards or do you prefer US Treasury Securities? **The LOCs are authorized by the Code and the City's Investment Policy, it is not a preference. The bank must comply with the Policy dependent on its preferences.**
47. What type of collateral are you using today with your current bank? **Current collateral is not pertinent to the proposals. See Question 44 and the RFP for authorized collateral.**

Fee Attachment A

48. What is PWS (Payables Web Services) which has the line items: Automated Check Services Maintenance, Extended Paid Check Return, and Check Services Maintenance. **PWS is a proprietary service from the current depository, Chase Bank, which is an internet disbursement application tied to their internet portal ACCESS for the processing and reporting of payables.**
49. How would the City like to see pricing? Should we provide one pricing model for the required services and a second for optional services? **Complete Attachment A which has both the required services and the optional services.**

Agreements

50. Must we need provide copies of all service agreements? **Every proposer, including the current depository, is required to provide a copy of all service agreements as a condition of the RFP.**
51. Must we define an implementation timeline process for banking services and Merchant Services? **Every bank, including the incumbent, must provide implementation schedules.**



AFFIX
STAMP
HERE



CITY OF WACO WATER OFFICE

P.O. Box 2649

Waco, TX 76702-2649

