Addendum # 1

City of Kirkland
Payment Services for Utility Billing (Job# 41-22-FA)
Answers to Questions

Q: How many lockboxes do you currently have and why (e.g., collecting payments for a single business in multiple locations; have separate boxes for different types of receipts; etc.)?

A: We have one physical lockbox. We have an e-lockbox, but that is outside the scope of this RFP.

Q: Where are your lockboxes currently located and why?

A: It is located in Portland, OR. They were the winning the bid in our last contract evaluation.

Q: Are you looking to maintain the same lockbox configuration (number of boxes, approximate locations)? If "no", what is your envisioned configuration?

A: Yes

Q: Can you provide monthly or annual number with peak month volume of checks flowing through each of your lockboxes?

A: Monthly volume is pretty consistent across the year, as this is for our utility customers. Monthly volume: 2600-3800.

Q: What is the monthly or annual dollar value of checks flowing through each of your lockboxes?

A: The monthly dollar value is roughly $800,000 - $1,500,000.

Q: Do you provide to your customers a bill that includes a tear-off remittance coupon with an OCR scan line which is meant to be sent with the check?

A: Yes

Q: Do you have any peak volume patterns (e.g., spikes within the week, month, year)? If "yes", please describe (e.g., 50% of volume received the few days around the 1st of the month; seasonal peaks with summer months receiving 30% more than the monthly average; etc.). Patterns may vary by lockbox.

A: Volumes may be higher on Mondays and Tuesdays because of mail delivery. Otherwise there is little variation.

Q: What is the monthly volume of correspondence-only (remittances without a check enclosed) items received? On some bank account analysis statements, correspondence-only items may be labelled as "unprocessable" or "reject" items rather than "correspondence". They may be reported separately from or together with checks which cannot be processed (e.g., unacceptable payee).

A: There are about 20-30/month.

Q: Do you have payments via credit card coming into any of your lockboxes? If "yes", how do you want them handled:
　　　a) Physically forwarded to you without any additional handling? What is the average monthly transaction volume?
　　　b) Seek authorization and trigger settlement of approved payments? If "yes":
　　　　　i. What is the average monthly transaction volume for each lockbox?
　　　　　ii. Who is your current credit card merchant processor?

A: No credit card payments are received in this lockbox

Q: Our default deposit cut for all clients is 5:00 local site time each business day. Would you like additional deposit cuts? Note that your preferences for reporting timing (addressed later in this document) may affect your deposit cut schedule.

A: No

Q: Do you require weekend processing and deposit? Additional fees apply. Your choice may vary by lockbox

A: No

Q: What type of image delivery best suits your needs:
>**a) Internet-based browser application with online retention of:**
>>**i. 90 days (default)?**
>>**ii. 2 years?**
>>**iii. 7 years?**
>>**iv. 10 years?**
>**b) Periodic Virtual CD/DVD:**
>>**i. Monthly (default)?**
>>**ii. Weekly?**
>>**iii. Daily?**
>**c) Daily transmission of indexed images to be imported into your in-house image database?**
>>**i. Single TIFF (each image is a separate .tif file)?**
>>**ii. Multi-TIFF (each transaction is a single .tif file containing multiple images)?**

A: We prefer image-based lockbox with internet browser application with online retention of 90 days.

Q: What would you like imaged?
>**a) Checks (default)**
>**b) Remittance materials enclosed with the check (check stub/skirt, invoices, remittance coupon, correspondence)?**
>**c) Correspondence-only items (materials received in envelopes that have no check or card payment enclosed)?**
>**d) Credit card payments (credit card number will be masked except the last four digits)?**
>**e) Envelopes?**

A: We would like all items that are mailed to the lockbox to be imaged.

Q: What is your estimate of the percentage of remittance documents (check stubs/skirts, invoices, etc.) that will have content on the back side?

A: Our statement scans are double-sided, but the back side is not information that needs to be captured as it is stock language for all accounts.

Q: For imaged documents, how would you like the original document handled:
>**a) Held and securely disposed of within 7 days.**
>**b) Retention of remittance and correspondence documents for an additional 30 days?**
>**c) Sent to you?**

A: Original documents can be held for 7 days and securely disposed.

Q: Do you receive into your lockboxes checks drawn on Canadian banks? If "yes":
      a) What is the average monthly volume?
      b) How would you like Canadian checks processed?
          i. If in Canadian dollars:
              a. Do not process; forward original check and accompanying documents to you?
              b. Convert to U.S. dollars and deposit for converted amount?
              c. Send to International Banking for deposit to Canadian account?
          ii. If in U.S. dollars:
              a. Process check?
              b. Do not process; forward original check and accompanying documents to you?

A: Yes, the volume is very limited, less than 10 times a year. We would like the vendor to forward the original check and accompanying documents to us.

Q: Do you receive into your lockboxes checks drawn on non-Canadian foreign banks? If "yes":
      a) What is the average monthly volume?
      b) How would you like foreign items handled?
          i. Send to International Banking for collection?
          ii. Do not process; forward original check and accompanying documents to you?

A: No. If one were to be submitted, forward it to us.

Q: What information from the MICR line do you require for your reporting needs (e.g., included on a data file or detail report about which we inquire separately later in this document)?

A: We need all MICR fields.

Q: What information, other than the check MICR line (routing transit number, checking account number, check number, check amount) do you want captured from the face of the check (e.g., remitter name, check date, other)?

A: We would like customer account number, check date, processed date, bank reference number, and donations. Dates should be MMDDYYYY, bank reference number is usually 5-6 digits, donations vary from 1 digit to 3 digits in addition to cents included.

Q: For items that come without a coupon, what remittance detail do you want captured (e.g., SSN Taxpayer name, etc.)?

A: We like customer account number.

Q: If the check and non-check remittance detail capture you have described above is currently being done by your existing lockbox provider, please provide the average monthly keystroke volume billed to you. If your current provider is completing some but not all the data capture described, please indicate what the current keystroke volume includes (e.g., includes only remitter names; includes only SSN but no remitter names; etc.).

A: We don't have that information readily available. It is not information that is provided by our current lockbox provider.

Q: If the data capture described above is not currently done by your existing lockbox provider or a keystroke volume is not available, for each field you would like captured, please specify the average number or maximum number of characters. For example: your invoice number is 8 characters long and invoice amount is normally 6 digits (amounts between $1,000.00 and $9,999.99); customer number is 5 characters; etc.

A: N/A

Q: If the data capture described above is not currently done by your existing lockbox provider or a keystroke volume is not available, for each field you would like captured, typically how many times does it appear per payment (e.g., customer number is once per check; each check pays an average of 5 invoices; etc.)?

A: N/A

Q: If you accept payments via credit card into your lockbox and will have us seek authorization on your behalf, what type of remittance data capture do you want for these items [e.g., same fields as for check payment (invoice numbers, invoice amounts, etc.), card fields, etc.].

A: N/A

Q: For payments received without your desired data capture fields, we offer several exception handling options:
  • Payment Lookup – You provide to us an inbound file of your customer data; when we encounter a payment with missing information, we try to identify the customer within your data set and locate the missing information.
  • Web Decisioning – We present images of incomplete items to you for review; you can provide missing information and release the item back into the deposit processing flow.

A: We would like both of these exception handling options. If the payment lookup method doesn't work, we would want to implement web decisioning.

Q: If you require capture of tax payment amounts, must tax payment amounts balance to the check amount? If "yes", how should an out of balance transaction be processed:
  a) Insert a dummy record for the difference (positive or negative)?
  b) Reject the payment and forward it to you unprocessed?
  c) Send to our web-based exception review and decision application, Web Decisioning?

A: N/A

Q: Do you have the need to use positive or negative file services on any of your lockboxes? If "yes", for how many boxes is the service required?

A: We need positive file services.

Q: We offer our clients the ability to have one lockbox deposit checks to multiple accounts when certain conditions are in place (e.g., a remittance coupon with an OCR scan line containing a deposit identifier). Would this "split deposit" functionality be of interest to you?

A: N/A

Q: Do you want a daily data file transmission of lockbox detail to allow for automated payment posting to your accounts receivable system? If "yes":
  a) What is your preferred data file format? Please provide a document detailing the specifications.
  b) At what time(s) of day would you like the file delivered?

A: Yes, at 3pm. The file format is .csv

Q: Please describe any other lockbox-related reporting requirements you have, which may include lockbox deposit summary, lockbox batch listings, detailed lockbox transaction listings, deposit reporting with availability breakdown, etc.

A: We would like Deposit summary, lockbox batch listings, detailed transactions listings. Currently we are getting financial and nonfinancial reports. We can run reports by transaction types. We can search customer specific information, reject details, can monitor our online status and daily deposits. We can also review and approve requests for exceptions.

Q: For any lockbox items being physically forwarded to you, how are they to be shipped:
   a) U.S. Mail?
   b) Courier (local or national)? When a courier is used, we require that you provide us with our account number with the chosen courier so that transportation fees are charged directly to you.

A: Courier. Either FedEx or UPS.

Q: Do you receive into your office location, checks that should have been sent to a lockbox? If "yes":
   a) How do you handle these items currently (e.g., physically forward to the lockbox via courier/mail; post manually and deposit the check at a branch or via remote check deposit).
   b) Would you like to deposit the items remotely to your lockbox so that they can become part of all lockbox data capture and reporting services put into place? If "yes":
      i) How many lockboxes would have remotely deposited items?
      ii) What is the monthly number of checks that would be deposited remotely to a lockbox?
      iii) Of those checks, what percentage are scannable (accompanied by a standardized OCR payment coupon; see questions about scannable later in this document)?

A: Payments are made in person by customers or dropped in our after-hours box on location. These are processed internally.

Q: Regarding lockbox checks deposited which are subsequently returned for insufficient funds or other reason (e.g., account closed; stop payment instruction):
   a) What is your average monthly volume of:
      i. Returned checks which are redeposited?
      ii. Final return checks?

b) What are your return item advising preferences?
c) Are you interesting in receiving a file of returned lockbox checks where the originally captured remittance detail (e.g., invoice number) is included in the file? If "yes" for which lockboxes? For pricing, we need to know the number of lockboxes and the total number of checks deposited through those lockboxes.

A:The average monthly volume is no greater than 10. Transactions should be scanned and included with exceptions for our review and determination of next steps.

Q: What percentage of your total check remittance volumes is:
a) Single check / single OCR coupon?
b) Multiple transactions (single check / multiple OCR coupons; multiple checks / single OCR coupons; multiple checks / multiple coupons)?
c) Check without OCR coupon but accompanied by other remittance documents (e.g., check stub/skirt; invoice; remittance advice)?
d) Check only (no OCR coupon and no other materials, including check skirt/stub)?

A: 80%/10%/5%/5%

Q: How many different OCR remittance documents do you issue/use? Please provide us with a pdf sample (front and back) of each document accompanied by an explanation of the scan line content so that we may:
a) Examine the document layout.
b) Determine if an amount due is included in the scan line.
c) Learn how check digits are used (e.g., one for the full scan line; one for the scan line plus one on the account number field; etc.).

A: There is only one. Electronic copy provided below.

Q: Do you use temporary or manually prepared documents? If "yes":
a) Under what circumstances are these documents created/used?
b) Please provide a sample of all variations of the temporary or manually prepared documents.
c) What is the estimated monthly volume that will be received in your lockboxes?
d) Do you want them processed by your lockbox provider or forwarded to you unprocessed?

A: No.

Q: How would you like out of balance multiples (amounts to be applied to each coupon do not sum to the total check amount) handled?
a) Forward to you unprocessed?
b) Present to you via Web Decision application for you to allocate the check amount to the existing remittance coupons?

A: We would like out of balance multiples presented via Web Decision.

Q: What is your estimated monthly volume of out of balance multiples?

A: The monthly volume is less than 10 a month.

Q: If your remittance coupon allows for change of address information to be provided, how would you like us to handle scannable items received with change of address indicated?

A: N/A

Q: Do you have custom batch size or batch numbering requirements? If "yes", please describe. Our standard batch sizes for scannable wholesale lockboxes are 300 for scannable payments and 50 for non-scannable payments.

A: N/A

Q: Do you currently have a service in place to electronically collect payments that consumers initiate via online bill pay methods (e.g., their bank's bill pay module)? This service is frequently referred to as "E-Lockbox", "Electronic Lockbox" or "Bill Consolidation Service". If "yes":
a) What is the average monthly volume by billing entity (e.g., the utility department; property tax; permits; parking violations)?

b) How to you currently post these items to your receivables system(s)?

A: Yes we do. This is outside the scope of the RFP. Monthly volume for utilities is about 7,500.

Q: What is your current resolution process when there are questions about what utility account a payment should be credited?

A: We use a web decision portal

Q: What are the tracking requirements when a payment that includes a donation to a charity through a program called "Kirkland Cares"? Is it just flagging the payment or is there more required?

A: It is recorded in a separate column in the daily transaction reports.

Q: What are your processing requirements for business license and false alarm submissions? Do you need original documents returned? Could you take photocopies in lieu of originals?

A: We can take photocopies.