

**City of Kirkland
Banking Services RFP
Job #30-23-FA
Addendum # 3**

Time Extension and Responses to Questions

The due date for this RFP has been extended to
March 21, 2024 at 4:00 PM PDT.

1. **Merchant Services - Based on Merchant scope of work, page 33, item L, states, "Once implemented the City can select or change processors, add or remove financial institutions without any loss of time or investment in prior implementation efforts." Can you define "changing processors?"**

City's Response: The City is interested in understanding the impact of changing merchant service providers once the financial institution is selected.

2. **Merchant Services – Based on Merchant Volume grid on page 34:
 - a. **What is the split between card present and card not present transactions?****

City's Response: Most transactions are done online and very few are transacted without the card being present (i.e., transaction over the phone).

- b. **Do you offer PIN debit?**

City's Response: The City does not offer this service and is unlikely to offer it in the future.

- c. **Do you apply a Service Fee and pass to the end user for any transactions?**

City's Response: No, the City does not apply a service fee.

3. **Merchant Services - Please provide a list of all hardware/terminals being used across all departments today? What are any challenges or shortcomings related to existing hardware?**

City's Response: The City does not have issues with the current hardware. However, the merchant services (Converge, Elavon) does not work well with CivicRec our Parks & Rec

4. **Merchant Services - Are there any channels you would like to add, such as: text-to-pay, email link-to-pay, bill portal to present invoices, IVR, etc?**

City's Response: The City is interested in establishing a single online portal to accept all City-related payments. Regarding the channels listed above, the City's primary interest is in establishing systems that protect information, assets, and provide an easy-to-use reconciliation and audit trail.

5. Merchant Services - Are there any API integrations or complex setups?

City's Response: The City does not currently have API integrations for merchant services.

6. Merchant Services - What is your reconciliation process?

City's Response: The City's current reconciliation process is entirely manual. Staff download daily reports from the current banking system to manually update an Excel worksheet and Quicken.

7. Merchant Services - Do you have all the reports needed to reconcile quickly?

City's Response: The City has access to the required reports currently.

8. Merchant Services - Are there any initiatives or challenges looking to be solved?

City's Response: The City is interested in delivering the lowest cost, reliable, trustworthy, platform with highly responsive customer service.

Looking for Merchant Service fee statements to be downloadable into Excel for analysis.

9. Safekeeping/Custodial Services - Looking at Schedule F, can the City please provide a sense for the holdings and market value?

City's Response: The City holdings are approximately \$220 million. Please see the safekeeping statement for details after the Q&A section of this document.

10. Will the City indicate if proposals will be accepted from financial institutions located outside of Kirkland (in our case, within 5 miles of City Hall) so long as the proposer includes solutions for all required services to be handled remotely and / or electronically?

City's Response: Please see Addenda 1 to this RFP.

11. Page 6 indicates a target "implementation of agreement" date of 5/31/24 whereas page 29 indicates a contract start date of 1/1/2025. Should a banking change be made, can the City please clarify the desired timeline for transition?

City's Response: The plans to start the discussion on 5/31/2024 with an anticipated start of the new services on 1/1/2025. The City anticipates that the services might be phased in and, in some cases, may have services at both banks (current and new).

12. Account Analysis statements – will the City please provide a recent account analysis statement?

City's Response: Please see the statement after the Q&A section of this document.

13. Inbound & Outbound File Transmission – can the City please help complete the following table based on current processes in place?

City's Response: Note:

- *Manual = files are uploaded via the bank's online banking platform (outbound) or imported into Tyler Munis / Springbrook by an authorized user (inbound)*
- *Automated = files are pushed to / from the bank via an automated transmission method (i.e., SFTP)*

Please see table below for the City's response.

City to Bank (Outbound)	Manual Import or Automated Transmission?
ACH Origination	
<ul style="list-style-type: none"> • Payroll 	Manual Import Taxes/L&I/State Payments are pulled from our bank account
<ul style="list-style-type: none"> • Utility Billing 	SpringBrook - Manual Export/Import Paymentus – Automated Transmission E-Lockbox – Automated Transmission Lockbox - Automated Transmission
<ul style="list-style-type: none"> • (Where Applicable) Misc. AP Payments 	EFT Payments - Manual Export Taxes - Pulled from our account Wires/ACH - Manual Export
Positive Pay	Manual Import
Bank to City (Inbound)	Manual Import
Reconciliation Reports	
<ul style="list-style-type: none"> • Microsoft Excel files 	Manual Import
<ul style="list-style-type: none"> • FLAT files 	Manual Import
<ul style="list-style-type: none"> • BAI files 	Automated Transmission
Any additional transmissions not listed above	

14. Cash Deposits:

- a. For help with ensuring courier / cash vault compatibility, can the City please confirm which vendor is currently used for weekly cash pick-ups?**

City's Response: The City currently uses Loomis for cash pick-ups.

- b. Does the City ever require petty cash or help with a change order? If so, please describe applicable occurrences / approximate frequency.**

City's Response: The City currently requires petty cash and/or exchange of large bills monthly.

15. Remote Deposit Capture & Utility Billing – with paper check scanning currently taking place in-house, can the City describe the process in place for posting

payment information to Springbrook (i.e., manual recon or any existing level of integration)

City's Response: The City currently uses the following processes:

- a. *Over the counter (OTC) – City staff scan checks through bank, receipt into Springbrook, approve and close batch with bank at the end of day and save reports.*
- b. *Lockbox – Bank scans and deposits, files are available online to download and edit, CSV file directly downloaded to City server, City staff then import the CSV into Springbrook.*
- c. *E-lockbox – City staff log into bank to download the transaction details and text file to import into Springbrook.*
- d. *Paymentus – City staff log into Paymentus to download the CVS file to import into Springbrook.*
- e. *Direct Debit – City staff ensures signed application is on file, pre-notes and debit are done through Springbrook and the bank.*

16. Can you provide more information on what the City utilizes Night Drop services for and how that differs from utilization of courier and remote deposit capture?

City's Response: The City utilizes Night Drop services to deposit stall rental fees collected by staff at the Juanita Friday Market because the fees are not collected before City Hall closes at 5 PM.

17. Can the City please help by completing the table below?

*City's Response: The City entered 2023 data in the table on the next page****

Merchant Account	Service	Total Annual Sales	Total Annual Transactions	Monthly Average Sales	Current Merchant Processor	Name of Software and / or hardware used to accept payments
Dev Svcs	In-person permit payments	\$249,964.43	791	\$20,830.37	Elavon	Tyler Cashiering
Cemetery - Licensing	In-person payments	\$272,166.47	9,466	\$22,680.54	Elavon	Tyler Cashiering
Municipal Court	In-person payments	\$1,710,978.13	112,424	\$142,581.51	Elavon	AllPaid
Utilities Counter	In-person payments	\$30,117,458.11	20,545	\$2,509,788.18	Elavon	SpringBrook
City of Kirkland	In-person payments	\$221,016.26	17,213	\$18,418.02	Elavon	Tyler Cashiering
Parking	Credit card payments at a kiosk	\$540,953.09	237,212	\$45,079.42	Elavon	Flowbird
E-Permits	MBP online credit card and e-check payments	\$3,756,722.61	26,572	\$313,060.22	Elavon	MyBuildingPermit - PayPal ProFlow
Moorage	Credit card payments at a kiosk	\$217,735.90	9,382	\$18,144.66	Elavon	Ventek
Parking Pay-By-Phone	Credit card payments through the parking pay-by-phone app	\$833,204.15	10,112	\$69,433.68	Elavon	Parking Pay-By-Phone
Parks REC 1-Web	Online payments through REC1	\$1,775,407.49	18,210	\$147,950.62	Elavon	Civic Rec/REC1
Pet Licensing	Payments made to PetData	\$40,193,196.57	297,983	\$3,349,433.05	Elavon	PetData is our partner: AuthorizeNet gateway
Parks REC 1-Retail	In-person payments at City facilities	\$21,586,307.51	372,725	\$1,798,858.96	Elavon	Civic Rec/REC1
BridgePay-TC Processing	Connection from Tyler Cashiering to Elavon	\$0.00	-	\$0.00	Elavon	N/A

***No convenience fees are passed on to the customers

18. If possible, can the City please provide a recent merchant processing statement on behalf of any MID included in the table that was not provided in Addendum #1?

City's Response: Please see the statements after the Q&A section of this document.

19. Is the City currently under contract with the existing purchasing card provider? If so, when does the contract expire?

City's Response: Contract can be terminated by either party but no expiration date exists on contract

20. In order to highlight the most impactful workflow improvement as part of a response, will the City please provide examples of any perceived bottlenecks or challenges that exist within the current procure-to-pay process in place (i.e., PO related requirements / approvals, GL coding / mapping, timeliness of card holder transaction recon, receipt management, recon within Tyler Munis, etc.)?

City's Response: The City processes over 1,000 transactions monthly from over 100 cardholders. Reconciling, reviewing and processing all transactions before month's end can be a challenge. Additionally, P-Card transactions are not merged effectively into the City's vendor file in Munis. This can make it difficult to track all expenses to a specific vendor.

21. It appears that the City is utilizing remote deposit capture service but there are also line items for Image Cash Letter (ICL). Is the City utilizing any 3rd party check deposit platforms that transmit ICL files to the bank?

City's Response: The City currently uses the following processes:

- a. Over the counter (OTC) – City staff scan checks through bank, receipt into Springbrook, approve and close batch with bank at the end of day and save reports.*
- b. Lockbox – Bank scans and deposits, files are available online to download and edit, CSV file directly downloaded to City server, City staff then import the CSV into Springbrook.*

22. Can you please provide a summary of the use and requirements for Trust & Escrow Agent Services the City needs from its financial institution?

City's Response: The City does not regularly require Trust & Escrow Agent Services from its financial institution. When required, the City would seek the financial institution to hold documents and securities in safekeeping, collect payments under contracts, and hold funds according to Escrow Agreements, as required by RCW 18.44 and 208-680 WAC.

With regards to Safekeeping needs, the City's Investment Policy requires:

“...that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by an independent third-party financial institution or the City's designated depository.

The Director of Finance and Administration shall designate all safekeeping arrangements and an agreement of the terms shall be executed in writing. The third-party custodian shall be required to provide a statement to the City listing at a minimum each specific security, book yield, description, maturity date, market value, par value, purchase date, and CUSIP number.

All collateral securities pledged to the City for certificates of deposit or demand deposits shall be held in accordance with the State of Washington's Public Deposit Protection Commission (PDPC)."

- 23. Page 31 – Interfaces to Financial System - Does City currently download transaction data from online banking in one of the listed file formats (BAI, Excel, FLAT) to import into its financial system, or does it utilize a direct connect, unattended session, through SFTP to automatically receive these files daily?**

City's Response: The City currently manually downloads transaction data in Excel, FLAT, PDF, and QFX formats. The City also downloads transaction data via SFTP to automatically receive BAI files to import into our financial system.

- 24. Page 33 – Attachment C, System functions line n- Does the merchant services provider need to host and support the Interactive Voice Response (IVR) banking system to process card payments by phone, or does the City utilize an existing IVR system that a new merchant processor would need to interface with for transaction data?**

City's Response: The City does not have an existing IVR system. The goal is that the merchant services provider needs to host and support the Interactive Voice Response (IVR) banking system to process card payments by phone.

- 25. Page 46 – Attachment G, line 80 & 110 - I would like to clarify if the FDIC Insurance for a sweep account charge referenced in line item 80 & 110 is simply a balance assessment on a sweep account with standard FDIC limits, or if it is a service charge for a sweep service providing FDIC insurance beyond the standard \$250,000 limit. If it is a fully FDIC insured sweep, is there a minimum dollar amount the City needs for FDIC coverage beyond \$250,000 through an insured sweep service?**

City's Response: Any bank holding City funds must be a participant in Public Deposit Protection Commission in Washington. This line is requesting what the bank will charge the City for FDIC insurance without a minimum balance. In other words, the bank's charge for a deposit should be provided as a rate per \$1,000.

- 26. Page 50 – Attachment G, line 131 -Is the PayMode Concentrator Service a feature of the current financial institution or a 3rd party service that is billed through analysis fees? What are some of the requirements to replace or interface with the service?**

City's Response: The City uses Paymentus as the 3rd party payment portal for the City's utility accounts. The cost is not paid through analysis fees. Replacing Paymentus would

be a separate RFP, and the responder is encouraged to provide the City with options for payment portals that would accept utility billing payments.

27. Attachment B – Banking Services - Should the City wish to expand on its utilization of prepaid debit cards, what are other potential use cases for a prepaid debit card solution?

City's Response: The City is interested in using prepaid debit cards for jury duty payments, employee reimbursements, gun buy-back programs, supporting the unsheltered, etc.

- **Do you have a preference of digital, physical or ability to choose between both?**

City's Response: The City is interested in being able to choose between digital and physical as prepaid cards.

- **Does the City have interest in reloadable prepaid debit cards?**

City's Response: The City is interested in learning about the reloadable option. The City currently has the ability to use reloadable prepaid debit cards for payroll.

28. Attachment C – Merchant Services - Do the annual merchant account volumes included on page 34 include ACH transactions? Please separate ACH and Card transaction dollar amounts and transaction volumes for each merchant account.

City's Response: No ACH transactions are included in the annual merchant account volumes included on page 34 of the RFP.

- **“Easy integration of data with the City’s back-office systems, utility billing, and cashiering system.” How do the current providers do this today? What systems and processes are entailed with your current configuration in the movement of payment data? What data is required for each system specifically?**

City's Response: There is no integration currently. The City is interested in learning what integration can be provided. Currently, there are 3 ways the data is transferred:

1. *The processors deposit funds to the bank and submit a record file to import to the City's system for recording.*
2. *For over-the-counter transactions, Tyler cashiering generates ICL that staff upload to the bank.*
3. *For utility billing transactions, staff use Springbrook to scan and generate ICL through the bank (on site electronic deposit).*

- **Please provide the merchant statements for online utility billing (currently with Paymentus), if in scope for the RFP.**

City's Response: Please see the statements after the Q&A section of this document.

29. Attachment D – Lockbox Services Walk us through how the City and your Lockbox vendor process mailed-in utility payments today.

- **Who sorts, scans, and keys payments? (City Staff or Vendor)**

City's Response: Both City staff and vendors sort, scan, and key payments.

- **If the City Staff scans the payments, what is the brand name of the scanners used for scanning?**

City's Response: The City uses Epson scanners.

- **In addition to traditional lockbox service, would the City be interested in learning more about a Remote Lockbox solution (checks scanned in-house, but a posting file is generated for posting into Springbrook)?**

City's Response: The City currently has the ability to process through Springbrook which includes scanning the checks and uploading the ICL to the bank.

- **What are the anticipated lockbox volumes (paper check and electronic bill payments)?**

City's Response: The current volume is approximately 2,880 per month.

- **Do utility invoices (payment coupons) include a scanline? If so, what metadata is included in the scanline (account number, amount due, etc.)?**

City's Response: The scanline currently includes the account number and the amount due.

30. Attachment G – Row 82 - Is the city looking to add check truncation services?

City's Response: The City has check truncation for the general account. The City doesn't currently have it for the RCR account. Yes, the City wants that service for all accounts.

31. ACH Optional Reports – Electronic. Are there specific ACH reports the City would like to receive electronically?

City's Response: The City would like to receive the following ACH reports:

- *Previous Day Summary & Detail report includes ACH debit/credit information for reconciling prior day cash activity*
- *Current Day Summary & Detail report includes ACH debit/credit information current day cash activity*
- *Any A/P outgoing or incoming ACH transactions.*
- *Notice of change or ACH Returns. (I.e. Payroll ACH direct deposits which are returned)*
- *Payroll payable information*
- *Utilities/SpringBrook ACH Batches*
- *Paymentus*
- *E-Lockbox*
- *Lockbox*

- *ICL Deposits*
- *Utility Payment analysis with specific avenues we use. For example, Paymentus, Lockbox transactions - how many transactions are made with Visa, AmericanXpress, MC, etc.*
- *Lockbox reconciliation reports comparing fees against the Account Analysis Statement.*
- *A Cash Deposit report*

32. Attachment – C -When referring to non-convenience fees model is the City referencing Absorb Model?

City's Response: Currently, the City does not charge convenience fees – the City absorbs the costs. The City Council reviews this fee model every two years and may change how we do this in the future. The City is seeking the flexibility to change as Council directs.