

# City of Albuquerque

## Request for Proposals ADDENDUM #3

Solicitation Number: RFP2007-023-KD

### “Fiscal Agent and Other Banking Services”



**Mandatory Pre-Proposal Conference:**  
**1:30 PM (Local Time) Thursday, May 17, 2007**

**REVISED Proposal Due Date:**  
**NLT 4:00 p.m. (Local Time) July 10, 2007**

**The time and date proposals are due shall be strictly observed.**

City of Albuquerque  
Department of Finance and Administrative Services  
Purchasing Division

### **Addendum 3**

#### **RFP2007-023-KD “Fiscal Agent and Other Banking Services”**

The following questions were submitted at or after the Mandatory Pre-Proposal meeting held on May 17, 2007, for RFP2007-023-KD, “Fiscal Agent and Other Banking Services”.

1. We are requesting that the City please make available complete copies of the most recent account analysis statements for all accounts, reflecting high, medium and low volumes in the City’s bank account activity.

**Please see Attachment 1 - Account Analysis Statement for February, March and April 2007 for both the Water Clearing and Common Fund accounts.**

2. For accounts not on analysis, we would like to request complete copies of the most recent bank statement, again reflective of high, medium and low volumes.

**Please see Attachment 2 for volume information on accounts not on account analysis statement.**

3. We would also like to request complete copies of bank/investment statements for any sweep account (Repo or mutual fund) the City may have.

**Please see Attachment 3 for investment information.**

4. Regarding the City’s Lockbox, can you please confirm that the box can be transferred should a new fiscal agent bank get selected? Often times the box can remain intact and the new financial institution can simply commence servicing the box.

**The City’s PO Box location for the lock box will remain intact. The City prefers that the fiscal agent provide the lockbox processing service.**

5. What ERP software are you currently using?

**The City is in the design phase of implementing an ERP system. The City will be converting to PeopleSoft/Oracle in 2008.**

6. What Version are you running?

**Please see question/answer #5.**

7. What modules or functionality do you currently have?

**Please see question/answer #5.**

8. Are we to include our bank processing agreements in our proposal? These agreements are required by bank policy regulatory requirements and are typically attached as exhibits to the City's contract.

**The City prefers to use the proposed contract in the RFP. If the offeror submits additional terms and conditions proposed to be included within the terms of the contract, then these additional terms and conditions must be specifically drafted for the City and not contain boiler plate or general language. Higher score may be awarded for acceptance of the City's draft contract as is.**

9. Account Analysis -Please provide three months of account analysis statement from your existing providers. Include all details.

**Please see Attachment 1 - Account Analysis Statement for February, March and April 2007 for both the Water Clearing and Common Fund accounts.**

10. Custody Services-Daily Investment Services- Please provided a list of the City approved dealers?

**Please see Attachment 6 for approved dealers.**

11. Deposit Availability - Please clarify deposit availability of all checks shall be same day. Does this mean immediate availability of available balances- no float assignment?

**The City prefers immediate availability of available balances with no float assignment.**

12. Is your current provider assigning uncollected funds and uncollected funds charges to your accounts?

**The City's current provider is not assigning uncollected funds and uncollected fund charges to the City's accounts.**

13. Merchant Services-

Hardware/Software

- \* What kind of equipment do they currently use at each location?
  - **The City's uses dial-up swipe terminals for merchant services.**
  - \* How many of each?
  - **Varies at each cash site. Please see Appendix D in the RFP.**
  - \* How many do they own, rent or lease?
  - **Please see Appendix D in the RFP.**
  - \* What type of software do they use?
  - **The City utilizes various software throughout the departments for merchant services. Some examples include ICVerify; Sirius Ware, etc.**
  - \* Is it a customer owned gateway?
  - **.No, ICVerify and Sirius Ware have their own gateway.**

- \* Describe in more detail the method/gateway used at the Kiosks.
- **Currently, the City has not implemented kiosks, but is considering kiosks in the future.**

#### 14. Communication Methods

- \* Dial, IPN, Leased Line or Frame Relay
- **The City utilizes dial up for merchant services, with exception of web-based payments.**
- \* Detail on what type where
- **The City utilizes regular dial-up. The City is investigating the use of IPN as a replacement for dial-up.**

#### 15. Statements

- \* Is it possible to get current processing statements?
- **Please see Attachment 5 for the City's current merchant services processing statements.**

#### 16. Card Types/Product

- \* What card types do they accept today?
- **Most locations accept only VISA and MasterCard. The BioPark and Golf accept VISA, MasterCard & AMEX.**

17. Purchase Card- Please confirm that No. of Units = 3,426,875 is in fact dollars and this is monthly transactions?

**The \$3,426,875 figure is in dollars and represents an approximate annual dollar amount of P-card transactions.**

18. Error Detection- What type of error are you referring to? Transmission failures, system outages or posting delays? Please provide examples.

**City expects that the fiscal agent bank will assist in monitoring the daily electronic transmission of check issuances and the month end report process to the extent necessary to detect potential errors and omissions and will contact the City when errors appear to have occurred such as file transmission problems, email unavailability, late posting of files/reports.**

#### 19. Remittance Processing - Lockbox

- a. Are you currently using, or planning to use, an OCR coupon? If so, please provide a sample. Do all divisions use an OCR coupon? If no, which divisions do and do not use coupons?

**Yes, all Divisions use an OCR coupon. Please see Attachment 8 – Invoices/Remittances.**

- b. Please describe your deposit channels to our recommended lockbox solution, i.e. post office, payments directly to city offices, etc.

**Post Office, possibility of Remote Lockbox Capture.**

c. What is the differentiator of payment type, e.g. water utility, special assessments, etc.? Are you open to the idea of multiple lockboxes to segregate the payments by account?

**The way we differentiate payment types is by a 3-digit code printed as the first 3 digits of the OCR Scan Line. Multiple lockboxes would not be necessary.**

d. What percentages of your payments are: matched, unmatched, check only, etc.?

**85% match, 150 check only per day**

Do you desire account look up services or stop file processing?

**Yes to both questions.**

**20. Electronic Bill Presentment**

a. Do you currently provide or plan to provide electronic statements on your web site?

**The City has a version of the statement online now, but we would like to provide a PDF version of the actual statement.**

b. If so who is your provider?

**Currently, the City uses a standard PeopleSoft module (Web Self Service).**

**21. TABLE 3 e-Commerce/EDI Services**

a. Please clarify the service descriptions and products in the pricing attachment. Are these for on-line payments on the City's web site or from other bank web sites? What other EDI services are included. Please explain.

**Payment concentration – concentration of payments by the fiscal agent of payments made via various online payment services, including banks, third parties, etc.**

**On-line payment service – this is the City's web site service provided by the fiscal agent.**

22. Please confirm the number of terminals, make and model at each of the processing locations?

**Dial-up terminals. Exceptions are POS's @ Treasury Main and Annex, Golf Center, Kimo, Parking Division, and BioPark. 15 terminals total in the City. See Appendix D Table V of RFP.**

23. What processing software is the City currently using?

**ICVERIFY and Sirius Ware**

24. What payment gateways does the City currently use for their web based processing?

**B of A Partial Gateway utilizing Princeton Ecom to process the CC transactions. SiriusWare uses Protobase.**

Is the City currently processing Pin based debit transactions? If so which locations, and what kind of pin pads are in use?

**No Pin based debit transactions are being processed now, but we would like to explore this.**

25. What types of Ticketing Kiosks are in use and what are their locations? Which Merchant ID's does the City currently use?

**The City has not implemented ticketing kiosks at this time.**

26. Please provide merchant statements for 3 consecutive months including current pricing and volumes.

**Please see Attachment 5 for merchant services statements. Because of the merchant services statement's page volume being large the City is only providing a one month statement.**

27. Would the City of Albuquerque consider a targeted response to stand-alone, value add components of this proposal?

**The City prefers a fiscal agent that can provide most, if not all, of the requested services, however, the City may award different functions of service to various vendors.**

28. Instructions to Offerors

- a. P. 4, Sec 1.5.5 and Sec 1.25: Would the City consider waiving the bonding requirement for City given its credit rating and credit-worthiness as well as other New Mexico contracts that City has successfully performed?
  - **No the City will not consider waiving bonding requirements. This is a City Purchasing requirement.**
- b. P. 8, Sec 1.13: Please identify what terms in the form contract are considered "boilerplate?"
  - **None of the terms in the form contract are considered boiler plate language for the City. If the offeror submits additional terms and conditions proposed to be included within the terms of the contract, then these additional terms and conditions must be specifically drafted for the City and not contain boiler plate or**

**general language. A higher score may be awarded for acceptance of the City's draft contract as is.**

**29. Scope of Services -Depository Services**

- a. Percentage of coin, currency and checks?

**Please see Attachment 1 - Account Analysis Statement to determine the percentages.**

- b. Of currency deposited percentages of the different denominations?

<b>c. Denomination</b>	d.
e. \$100	f.
g. \$50	h.
i. \$20	j.
k. \$10	l.
m. \$5	n.
o. \$1	p.

**Percentages of denominations are unknown at this time.**

- c. Deposits
1. Frequency of Deposits (Daily, Weekly, other)?
    - Total number of deposits per month?
    - Total dollar of deposits per month?
    - Number of checks deposited per month?

**Deposits must be made daily by City Ordinance. Please see Attachment 1 - Account Analysis Statement.**

- d. Cash and Coin Orders
- Total dollars coin/currency dollars furnished per month?
  - Frequency of coin/currency orders?
  - Percentage of coin and currency ordered?
  - Standing coin/currency orders?

**Please see Attachment 1 - Account Analysis Statement.**

- e. Mileage requirements, if any?**None.**
- f. Percentage of checks returned, if applicable? **Approximately 300 to 500 per year are returned.**
- g. Percentage of deposit adjustments? **Approximately 300- 400 per year.**
- h. Deposit Envelopes utilized? **One deposit bag per cash site, except for Parking Division and Transit Department which may use more than 1 deposit bag.**
- i. Frequency of deposits (daily, weekly, other)? **Deposits are made daily.**
- j. Total number of deposits per month? **Please see Attachment 1 - Account Analysis Statement for items j through t below.**

- k. Total dollar of deposits per month?
- l. Percentage of coin, currency and checks?
- m. Number of checks deposited per month?
- n. Total dollars coin/currency dollars furnished per month?
- o. Frequency of coin/currency orders?
- p. Percentage of coin and currency ordered?
- q. Standing coin/currency orders?
- r. Mileage requirements, if any?
- s. Percentage of checks returned, if applicable?
- t. Percentage of deposit adjustments?
- u. Do you use night deposit? **No, the City does not have night deposits at any of its cash sites.**

Orders (cash/coin):

- v. Frequency of orders? (daily, weekly, other?) **In Treasury orders are inputted once a week. All other sites order as needed.**
- w. Average amount per order per store. **In Treasury the average amount is approximately \$31, 500 per week and \$500- \$800 in coins every two weeks. All other sites vary.**
- x. Order method preference: phone, internet, or standing order. **Orders are made by phone and fax.**
- y. Typical Note Orders (\$20's, 10's, 5's, 1's). **The City's typical note orders are \$50s, \$20s, \$10s & \$1s.**
- z. Typical Coin Orders (Qtr, Nickels, Dimes, Pennies). **The City's typical coin orders are quarters, nickels, dimes and pennies. The amount of coin orders varies per cash site.**

Describe your account management process and needs?

- aa. Are locations each allocated a budget for deposit services? **No. Budget for banking services are centralized in Treasury.**
- bb. Does each location manager negotiate or arrange for deposits, orders, etc? **All banking services are coordinated through City Treasury.**
- cc. How do you reconcile your accounts? **All summarized cash activity flows through the City's "Cash Book" application, and is reconciled to previous day bank activity obtained through the fiscal agent's online banking application.**
- dd. What type of file can you accept (BAI 1, BAI 2, other)? **The City can accept the BAI 1 file type.**
- ee. What reconciliation system do you use? (Oracle, SAP, other). **Currently the City has a "home grown" application known as Cash Book Remote. With the ERP conversion, the City anticipates using the PS/Oracle Cash Management and Banking modules for daily reconciliation.**

### 30. Custody Services

- a. P. 17, Section 3.2.2: What is the City's asset holding that includes market value?

**The City's investment portfolio is approximately \$700,000,000.**

b. P. 17, Section 3.2.2: What is the City's estimated number of transactions?

**Approximately three to five securities purchases and sales per month, plus a daily repurchase agreement purchase/redemption.**

c. P. 17, Section 3.2.2: Who is the City's current custodian?

**The current custodian for the City is Bank of America.**

**31. Remittance Processing- Lockbox**

a. P. 19, Section 3.2.5: Please specify what types of payments you currently receive in lockbox- is it exclusively checks, or do you receive some cash payments?

**The City's lockbox processes and receives only checks.**

32. P. 19, Section 3.2.5: If credit card is received, will the lockbox provider be required to key credit card numbers into a file to transmission to the city, or will the lockbox provider be required to key the credit card numbers and then settle and authorize the transaction?

**Not applicable at this time.**

33. P. 19, Section 3.2.5.1: Pickup locations "...will pick up City payments each day from the main post office located at 135 Broadway Blvd. NE, utilizing the existing mail bag 'call' service for the City".

**The City was unable to respond to this question. If other provided information in this addendum does not address your concern, please provide more details regarding your concern and re-submit prior to June 22, 2007.**

34. Will the city be receptive to utilizing a different postal location (potentially in Southern California) if it would accelerate funds availability for you?

**Yes.**

35. P. 20 3.2.5.5: Would the City be receptive to a processing turnaround of 24 hours from the time of receipt, as opposed to same day processing. Is this an acceptable alternative?

**The City would prefer same day processing & availability.**

36. P. 20 Section 3.2.4.3: Does the City have an estimate for the number of items that would require research in the City system?

**Approximately there are 1,800 to 2,000 items that require research per month.**

37. P. 19, Section 3.2.5.3: What are the current batching requirements? (Ex. out sorting address changes into unique batches? Checks not matching invoice amounts? Others?)

**Remittances which cannot be processed are sent back to the City for research and cleanup. In the future, the City desires to provide read-only access of the City's billing systems to the fiscal agent for on-site lockbox research for un-processable items.**

38. P. 21, Section 3.2.6.1: Documents "...include billing statements for utility services, business registration, animal control and health inspection fees, inspection permits, accounts receivable notices, and any other statements that are currently mailed or delivered to City customers".

**Please see Attachment 8 for the various types of billing statements processed through the City's lockbox.**

- a. What are the dimensions of the statements? **3-1/2" X 8-1/2"**
- b. Do the statements have a scannable OCR line, **YES**
- c. Are the statements mailed in a windowed envelope? **YES**
- d. Please provide a sample billing document. **See Attachment 8 for various types of billing statements processed through the City's lockbox.**
- e. What is the makeup of the other invoices, scannable vs. non-scannable, percents by program? **All are scannable – 95% are Water payments, the other 3 types make up 5% of the total.**
- f. What is the number of types of invoices to process? (Ex, the City indicated that there are water utility, special assessments, etc but it also states "other payments depending on the billing period for each application") **There 4 types: Water, Special Assessments, Business Registration and Alarm Permit Payments. Please see Attachment 8 for examples of various types of invoices. The information provided is a representation of historical data not a guarantee of future transactional activity.**

39. P. 21, Section 3.2.6: Please provide an example of current payment consolidation report.

**Please see Attachment 7 for an example of a current consolidation report.**

40. P. 21, Section 3.2.6.4: What are the City's requirements in terms of customer service support?

**The City requirement is assistance in identifying payment sources and types.**

41. Table 2: Please clarify what "on us" and "off us" items refer to.

**On Us – items debited from/credited to customer accounts held at the fiscal agent bank.  
Off Us – items debited from/credited to customer accounts held at institutions other than the fiscal agent bank.**

**42. Merchant (Credit Card) Services:**

**The City was unable to respond to this question. If other provided information in this addendum does not address your concern, please provide more details regarding your concern and re-submit prior to June 22, 2007.**

**43.P. 22, Section 3.2.7: Please provide volumes for EDC and number of sites requiring equipment**

**Currently the City is not utilizing electronic deposit, ARC, or ACH check conversion. We intend to implement these technologies in the near future.**

**44.P. 22 General questions:**

- a. What type of POS terminals does the City currently have, and are you interested in upgrading their existing equipment?

**PC's running SII Cashier for Windows POS software. No upgrades are planned to the PC's. The POS software is currently being researched for possible upgrade. SiriusWare uses a combination of off the PC-based sales points with their software.**

- b. What gateways is the City utilizing?

**The City utilizes Vital and Protobase gateways for POS.**

- c. What brands is the City currently using for electronic cash register and your custom communication software?

**The City utilizes System Innovators Cashier for Windows, using Oracle stored procedures to communicate with our Billing system, and SiriusWare POS software (using Southern Datacom Protobase for credit card payment).**

- d. How many departments and locations are we looking to provide service for?

**Please refer to Appendix D of the RFP.**

- e. Please provide current merchant statements, and if this is not possible, what is the City's volume and average ticket?

**Please see Attachment 5 for merchant service statement for one month.**

**45. Purchasing Card Questions: General questions:**

- a. Total P-card volume?

**Approximately \$250,000 per month (January 07 to April 07 average \$250,803.47).**

b. Average transaction size?

**Approximately \$211.73 (July06 to May07)**

c. Prompt Payment Act - do they have one?

**Payment is made by automatic debt to City common cash account.**

d. What are their average turn days? How quickly do they pay on current program?

**The City was unable to respond to this question. If other provided information in this addendum does not address your concern, please provide more details regarding your concern and re-submit prior to June 22, 2007.**

e. Number of transactions for calendar year 2006?

**14,023 transactions from July 06 to May 07 or approximately 1,274 transactions per month.**

f. What percentage of the Purchasing Card volume is large ticket transactions?

**The Purchasing Card Program is only for small dollar purchases, under \$1,000.00 per transaction, currently.**

g. What does the City consider to be large ticket items?

**The City considers Capital Items to be those that are \$1,000.00 and above in cost.**

h. Does the City allow ATM?

To use Purchasing Card for ATM cash withdrawals?

**No.**

i. Any preference for Visa vs. MasterCard?

**No**

j. Does the City anticipate your Purchasing Card volume to grow?

**Yes**

k. What is the single transaction limit?

**\$1,000 Purchasing Cards \$5,000 for Travel Cards**

1. What is the Monthly transaction limit?

**Varies by card holder. Citywide credit limit is \$1,000,000.**

**46. Document Storage/Check Safekeeping:**

a. P. 23, Section 3.2.8.1: Would the City accept a system availability guarantee from 5:00 am – 5:00 pm (Mountain Time), with additional availability after those hours probable but subject to maintenance?

**Yes.**

**47. Accounts Payable and Payroll Processing:**

a. P. 23, Section 3.2.9.3: What is the number of employees receiving paper checks vs. direct deposit?

**8,534 direct deposit and 543 paper checks per June 01, 2007 PPE**

c. P.23, Section 3.2.9.3: What is the average net pay?

**\$7,593,537 PPE 6/1/07**

c. P.23, Section 3.2.9.3: What is the frequency of payroll payments?  
**Bi-weekly**

d. P.23, Section 3.2.9.3: What is the average monthly or annual turnover?

**Fiscal year 2006 annual turnover was 1,205 employees**

e. P. 23, Section 3.2.9.1: Would the City consider a best-in-class payroll card solution as a value-add to deliver payroll payments to un-banked employees in a more cost effective and secure manner as well as to streamline remittance detail and reporting to all employees?

**The City would need to evaluate the benefits of this program and whether un-banked employees would want to participate.**

**48. Part 6 - Proposed Contract**

a. P. 33, Section B: Are the budgetary and fiscal guidelines of the City objective written criteria that could be shared with us?

**The City has a budget document that details the amounts appropriated for all City departments. All monies must be appropriated for all expenditures of the City. The Fiscal Year 2008 budget is being reviewed by Council. As soon as the budget is adopted**

**we can provide copies to the banks.**

b. P. 33, Section B: Can the City provide an example of what would be considered a “Properly documented requisition?”

**A “Properly documented requisition” is an invoice from the contractor detailing service performed and amounts charged for a certain period of time.**

**49. Additional Deposit Availability Information**

a. Please provide a Monthly Deposit Float Analysis report for the Common Fund Account and the Utility Clearing Lockbox Account.

b. The report should indicate total number and dollar amounts deposited and the actual float assigned in zero, one, two and three plus day categories. Your existing provider should be able to provide this information.

**For questions a & b above please see Attachment 4 Lock Box statements for Common Fund and Water clearing. -**

**50. All the questions below pertain to the Housing Authority.**

a. Family Self Sufficiency program. Albuquerque Housing Services sets up an escrow accounts for families under this program.

b. Questions:

- Does the Housing Authority acts as a fiduciary, Escrow agent while the incumbent bank acts as the depository agent?

**Yes, we maintain the Escrow accounts and the bank acts as the depository agent.**

- How does the Housing Authority maintain and track escrow customer funds?

**Through our FSS Software on our AS/400 System.**

- Is the Housing Authority required to pay your customers interest?

**Yes, we pay the FSS Clients interest. We have Family Self Sufficiency Software that maintains all the details for our clients which includes the distribution of interest earned.**

- Do you generate and mail 1099's to your customers?

**Yes, we generate and mail the 1099's**

- How does the Housing Authority open and maintain customer sub accounts? Are you able to open and close accounts online?

**We do not maintain separate accounts for each FSS client. The Treasury Division is the only entity allowed to open and close accounts.**

- What is the structure of the escrow accounts? Is there a master account that the Housing Authority uses that allows the Housing Authority to view details of sub accounts?

**We have Family Self Sufficiency Software that maintains all the details for our clients which includes the distribution of interest earned.**

c. Please describe the process in collecting rent payments. Does each property collect payments and then forward to a centralized office for deposit to the bank?

**The rent is collected only at our centralized office at 1840 University SE. Deposits are made daily.**

51. What is the current total combined limit for all of the existing 400 purchase cards?

**\$1,000,000.**

What limit would the City like to have going forward?

**This has not been decided.**

52. What is the total monthly spend (charge) under the purchase cards?

**Approximately \$250,000 per month (January 07 to April 07 average \$250,803.47).**

53. What is the historical average payment amount for the payments coming through the current lockbox?

**A five day average is \$120.00**

54. Under Part 6 (Proposed Contract), paragraph 1 makes reference to Exhibits A and B which list the banking services provided. Could that list include separate agreement for each of the different products provided by the Bank?

**No.**

55. Does the City hope to use the Proposed Contract as the only agreement between the City and the bank?

**Yes.**

56. How many individual merchant accounts does the City currently have?

**Please see Appendix D. There are 16 merchant IDs.**

57. What processing methods is the City currently utilizing? Ex: Touch tone phone, terminal, virtual terminal (web based), Internet payment, software etc.

**Internet payments only at this time, would like to utilize Payment Kiosks in the near future. SiriusWare uses touch screen PCs.**

58. If the City uses terminals what model?

**The City is not using terminals at this time. The City is investigating all pieces of IVR payment processing.**

59. If the City uses software who is the vendor?

**The City is not using any independent software by itself.**

60. If the City uses the internet, what gateway are you utilizing?

**Currently, the City uses the internet to take web payments. The City uses the B of A Partial Gateway system, but would like to investigate utilizing other technologies including debit, stored payment, etc., via full gateway, and also customer registration with vendor for recurring payments. The City is also interested in a Service Oriented Architecture (SOA) approach to allow integration with different applications requiring payment services.**

61. What categories are their departments? Ex: Utility, parks, court fees/fines.

**Please refer to Appendix D for categories of cash sites.**

62. Does the City currently have online reporting?

**Yes. We use Bank of America Direct.**

63. Does the City have merchant services statements available by department? We would like to see the volumes associated with the potential different rates you may qualify for.

**Please see Attachment 5 for merchant services information.**

Please incorporate any changes in this Addendum in the original RFP Document. Sign and return this addendum with your RFP response.

If I can be of further assistance regarding this process, please call me at (505)768-3333 or email [kdeangelis@cabq.gov](mailto:kdeangelis@cabq.gov)

Thank you for your interest in this project.

Sincerely,



Kelli De Angelis  
Senior Buyer  
DFAS Purchasing Division

**Addendum Acknowledged:**

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*(Company Name)*

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*(Printed Name and Title)*

Attachments:  
Attachments 1-8

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*Signature*

*Date*

Copy: John J. Vigil, Purchasing Manager  
Tanda L. Meadors, Director, DFAS  
City Clerk  
RFP2007-023-KD