CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES

MARCH 30, 2015

ADDENDUM NO. 2

To

REQUEST FOR PROPOSAL ("RFP")

FOR

PAYMENT PROCESSING FOR PAYMENTS TO THE CITY FOR VARIOUS ITEMS

SPECIFICATION NO: 121714

For which Proposals are scheduled to be received no later than 4:00 p.m., Central Time on April 03, 2015 (pursuant to the Request for Proposal advertised January 20, 2015) in the Department of Procurement Services, Bid & Bond Room (Room 103 of City Hall).

Respondent must acknowledge receipt of this Addendum No. 2 in the Cover Letter of its Proposal AND should complete and return the attached Acknowledgment by email to altha.riley@cityofchicago.org

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This document contains:

      I.   **Notice of Proposal Due Date Postponement**
      II.   **Notice of Revisions and Changes**
      III.   **Answers to 112 questions submitted for Clarification of the RFP; and**
      IV.   **Addendum Receipt Acknowledgment.**

The information contained in this Addendum No. 2 is incorporated by reference into the original Request for Proposal (RFP) issued on January 20, 2015.

CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES

MARCH 30, 2015

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REQUEST FOR PROPOSAL ("RFP")

FOR

PAYMENT PROCESSING FOR PAYMENTS TO THE CITY FOR VARIOUS ITEMS

SPECIFICATION NO: 121714

For which proposals are due in the Department of Procurement Services, Bid & Bond Room, Room 103, City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602, at 4:00 p.m., Central Time, April 03, 2015.

The following revisions/changes will be incorporated in the above-referenced RFP document. All other provisions and requirements as originally set forth remain in full force and are binding.

RESPONDENT SHOULD ACKNOWLEDGE RECEIPT OF THIS ADDENDUM IN THE COVER LETTER SUBMITTED WITH YOUR PROPOSAL.

SECTION I: NOTICE OF PROPOSAL DUE DATE POSTPONEMENT

The previously advertised proposed due date has been postponed. **PROPOSALS ARE NOW DUE NO LATER THAN 4:00 P.M. CENTRAL TIME ON APRIL 17, 2015, IN THE BID & BOND ROOM ROOM 103, CITY HALL, 121 NORTH LASALLE STREET, CHICAGO, ILLINOIS 60602.**

SECTION II: NOTICE OF REVISIONS/CHANGES

1.   The first paragraph of SECTION VII.B. Required Contents of Proposal has been deleted in its entirety and replaced as follows:

Respondents are advised to adhere to the submittal requirements of the RFP. Failure to comply with the instructions of this RFP may be cause for rejection of the non-compliant Proposal. Respondent must provide information in the appropriate areas throughout the RFP. By submitting a response to this RFP, you are acknowledging that if your Proposal is accepted by the City, your Proposal and related submittals may become part of the contract. While the City recognizes that Respondents provide costs in varying formats, compliance with the enclosed Itemized Cost Proposal in Exhibit 2 is required to facilitate equitable comparisons.

If Respondent is proposing more than one payment processing solution, Respondent must separate applicable information pertinent to the particular solution by a tabbed divider so the City can clearly distinguish which submittals apply to different solution. Item 1, 2, 9, 10, 11, and 12 will universally apply to each solution and only one submittal is necessary. Sections 3, 4, 5, 6, 7 and 8 are unique and specific to each payment processing solution and should be included for payment processing solution proposed. If the same information applies to one or payment processing solution, indicate this in the submittal.

CITY OF CHICAGO   **JAMIE L RHEE**
DEPARTMENT OF PROCUREMENT SERVICES   **CHIEF PROCUREMENT OFFICER**

SECTION III: Answers to 112 questions submitted for Clarification of the RFP

Question 1: In Section IV. Current City Operations, B. Current City Debt Types; can the City please identify which department/city debt type absorb the credit/debit/ACH fees and which departments have the consumer pay a convenience fee?

Answer: The City currently absorbs all credit, debit and ACH processing fees. Currently no convenience fees are charged. This is subject to change.

Question 2: Can the transactions listed in Exhibit 13 be broken out by Current City Debt Types identified in Section IV Current City Operations? e.g. how many credit card / ACH transactions/amounts were processed for Inspection Fees?

Answer: Exhibit 13 "Current Annual Payment Volumes" provides the number of transactions and related dollar amounts by payment type for each payment channel. The distinction for what type of item the payment was for is not relevant for a response to this RFP.

Question 3: Does the City accept American Express?

Answer: Yes.

Question 4: Please confirm that 24 hour settlement is a requirement or if 48 hour settlement would be acceptable.

Answer: The City requires any payment type received to be immediately and wholly deposited into a City Municipal Depository account. It is the Contractor's responsibility to provide all payments to our banking or processing partners. Using City merchant accounts, settlement will occur in City bank accounts and the timing of that settlement is managed by the City.

Question 5: To respond to this RFP does the financial institution need to be on the City's approved list of institutions?

Answer: No, there is no approved list of institutions. Respondents to this RFP, for payment processing services, do not need to be a City Municipal Depository. Payments received by the Contractor need to be deposited immediately and wholly into a City Municipal Depository.

Question 6: Does the fact that a financial institution received the RFP from the City mean that they are on the approved list?

Answer: See answer to Question #5. A list of City Municipal Depositories can be found by accessing the following link:

http://www.chicagocitytreasurer.com/investments/municipal-depositories/

Question 7: If there is a requirement that a financial institution be on the approved list and they are not, could you let me know how a financial institution would qualify to get on the approved list?

Answer: See answer to Question #5.

Question 8: The RFP states that the City is looking for multiple vendors that can provide various payment processing solutions. Please confirm if a respondent must be able to provide all services noted in the RFP in order to qualify or if a respondent may respond to only a select number of services included in this RFP.

Answer: A Respondent does not need to provide all payment services. A Respondent may respond to only select services.

Question 9: Exhibit 13 includes transaction volume and amounts for various payment methods. In an effort to provide the most competitive and accurate pricing, please confirm/clarify the following:

Question 9a: Total number of payment sites: 20

Question 9b: 5 walk-in payment sites: Yes

Question 9c: 15 satellite locations: Yes

Question 9d: 19 kiosks at 16 locations (are any of these locations satellite locations?)

Answer: Five kiosk locations are walk in payment sites, the remaining locations are neither payment sites nor satellite locations.

Question 10: Please confirm the total number of locations, including satellite locations that currently accept payments.

Answer: See answer to Question #9a.

Question 11: The City receives $111,932,567 in cash annually at walk-in sites and kiosks. Does the City currently accept both bills AND coin?

Answer: The City accepts both bills and coin at walk in locations, but not through Kiosks.

Question 12: If so, please estimate the percentage of total cash deposited that is coin.   For example, is less than 1% of $111,932,567 coin?

Answer: Although the City deposits coins, the amount of coins deposited is significantly immaterial. The majority of coin handled by the City is outgoing to the customer, and immaterial in our deposits. Approximately, one thousandth of a percentage of cash deposits are coin deposits.

Question 13: Exhibit 13 states that the City collects 360,782 check transactions at walk-in sites.   Please confirm, is this the total number of checks received annually?

Answer: Yes.

Question 14: Exhibit 13 also states that the City has 700,639 check transactions annually. Please confirm, is this the total number of checks received annually in a lockbox only?

Answer: Yes.

Question 15: Please provide the total number of unencoded and encoded checks deposited annually.

Answer: On Exhibit 13, all walk in checks are deposited unencoded. All mail in are encoded by the lockbox service provider.

Question 16: Please provide the total number of documents scanned/imaged annually at the lockbox.

Answer: The City currently does not maintain this information.

Question 17: What armored courier(s) does the City use to pick up payment from walk-in site and satellite locations?

Answer: The City uses Garda CL, Great Lakes, Inc. However, the Contractor is not required to use the same providers.

Question 18: Is the City currently under contract with an armored provider? If so, what are the contract terms (length)?

Answer: Yes, the City is currently under contract with Garda CL, Great Lakes, Inc., PO#18916. The contract start date was 1/1/2009 and is currently due to expire on 6/30/2015.

Question 19: How do the City walk-in locations and satellite offices hold cash payments?

Answer: Cash payments are kept in a safe until picked up by a carrier.

Question 20: Do the locations accepting cash prepare deposit slips and bags for armored car pickup? If so, please describe the deposit preparation procedures.

Answer: Yes. Individual cash drops from various cashiers are sealed in deposit bags throughout the day. The bags identify the cashier and amount of the drop.   Individual bags are then consolidated into a single deposit bag for the payment site, with a single overall deposit slip for that day.

Question 21: Please describe the City's check collection and clearing process from the time a check is presented at a walk-in site or kiosk all the way through the time the funds are credited to the City's account.

Answer: For walk-in sites, individual check drops from various cashiers are sealed in deposit bags. The bags identify the cashier and amount of the check drop.   Individual bags are then consolidated into a single deposit bag for the payment site, with a single overall deposit slip for that day. These deposit bags are picked up and taken to City banks on the following day.

Per Exhibit 13, Kiosks do not accept checks, but convert check info into ACH transactions. Those payments are submitted for deposit nightly.

Question 22: How does the City consolidate all checks from satellite offices?

Answer: Check collection and deposits for satellite offices are done as described in Question 21 above.

Question 23: Does the City contract with an armored courier provider for pick up only or does the armored courier also provide check processing services?

Answer: The courier provides transportation services for all cash and check collections. The City's banks process all deposits.

Question 24: Does the City currently own/lease or operate image cash letter equipment? If so, what equipment is currently being used and what is your image clearing process?

Answer: The City does not currently deposit using image cash letter equipment, although some City payment processing vendors take that approach.

Question 25: Does the City currently utilize a retail or wholesale lockbox? If a retail lockbox is used, will the City please provide a copy of the retail lockbox coupon?

Answer: The City currently utilizes wholesale lockboxes.

Question 26: How many separate lockboxes does the City currently have for various mail-in payments?

Answer: The City currently has seven traditional active lockboxes for various mail-in payments.

Question 27: Does the City accept cash, credit card or ACH payments at the lockbox?

Answer: Checks are accepted. The City will not be accepting mail-in credit card payments at lockboxes.

Question 28: Does the City currently utilize an electronic lockbox?

Answer: No.

Question 29: The RFP states that the City may require their bank partner to convert paper checks to EFT or ACH. Please clarify if the City would prefer checks be converted to ACH at point of collection or at a back office location (where checks are consolidated)?

Answer: The City expects the Respondent to recommend payment processing solutions they can provide.

Question 30: While we have reviewed the RFP online, I wanted to specifically ask you if you could share with us a copy of the current contract you have with Vantiv. The pricing and terms of the current contract will give us a good sense for where we can differentiate ourselves compared to Vantiv. I have tried to find the contract online on the city's procurement website and bid tabulation links but I was unable to find it.

Answer: *Current   contract   information   can   be   found   at*
www.cityofchicago.org/procurement.

1. Click on Contract Administration.
2. Click on [Awarded](#) Contracts
3. Click on City of Chicago.
4. Click on Contract and Awards.
5. Search by Vendor Name or PO# 29885

Question 31: I have a couple additional questions, regarding Section VII. B. d) Business License/Authority to do Business in Illinois. What are the required licenses or certifications for each service listed in this RFP? Would City of Chicago, County of Cook, or State of Illinois certifications be required to provide a service as outlined in this RFP if the provider is not in Illinois, and how do these requirements vary depending on the service being offered (such as Lockbox, IVR, or Web payments)?

Answer: Contact the City of Chicago Department of Business Affairs and Consumer Protection, Cook County and State of Illinois to determine what requirements apply to your company.

Question 32: is the City of Chicago willing to work with a payment processing company in Seattle? We would love to respond to this RFP, but it appears the RFP is geared toward businesses within Illinois.

Answer: The City of Chicago welcomes all Respondents.

Question 33: How do you anticipate payment plans for debtors to be established by the City and are they to be administered by the payment processor?

Answer: The payment plan requirement, identified in the RFP, is for the Contractor to properly identify debt in a payment plan to which to post payment(s). When available, the City will provide a payment plan indicator to the Contractor with the debt lookup information providing the ability to identify payment plan debt. The City currently creates payment plans and administers payment plans. Payment plans will not be administered by the Contractor.

Question 34: What processes do you anticipate will be in place to resolve payment errors; e.g. with respect to amounts, method of payment, corrected account numbers, etc.?

Answer: The Contractor will be responsible to identify payment errors, and work with City resources to resolve those errors. Extension of City systems to the Contractor or automation of error correction adjustments may be pursued.

Question 35: Will revenue department staff be available on an ongoing basis to assist the payment processor with error corrections?

Answer: Yes. Technically, the Department of Revenue no longer exists. More correctly, however, services will involve staff from the City of Chicago Department of Finance.

Question 36: Will dedicated phone lines be made available to the payment processor?

Answer: No. The City will provide access to debt information and provide training to the Contractor to properly process the payment transaction, perform reconciliation, error corrections and return payment processing. The City will provide access to management and other resources as needed.

Question 37: Will alternatives to using the city-supplied API for querying and communicating with the various city systems be entertained?

Answer: No.

Question 38: How do you anticipate reporting and auditing services to work for the new payment processors with respect to gaining access to the City's existing credit and debit card reporting interfaces?

Answer: The Contractor will interface directly with the City's existing credit and debit card processor. Access to transaction information from the City's processor will be made available to the Contractor.

Question 39: Will ACH files be created and directed through the City's existing payment processing network or will ACH-CTX files generated by the new processor's bank be acceptable?

Answer: All files of ACH payments are required to be deposited immediately and wholly into a City Municipal Depository. The Contractor is responsible for all payments until they are provided to the City's banking partner.

Question 40: As the specifications mention processing check images through the City's existing processor, how do you anticipate that processing to work?

Answer: The City requires any payment type received to be immediately and wholly deposited into a City bank account, to include check images. It is the Contractor's responsibility to provide all deposits to our banking or processing partners.

Question 41: If debtor's checks are to be deposited directly into City of Chicago bank accounts, who bears the risk of loss—the new payment processor or the City of Chicago?

Answer: The City has standing return payment policies and procedures. The Contractor is not expected to make the City whole. The City bears the risk of loss for returned check payments.

Question 42: As credit card payments sometime get disputed, who bears the risk of loss and which party needs to respond to such inquiries?

Answer: The City has standing return payment policies and procedures. Per the RFP the Contractor is required to monitor, manage and respond to any payment challenges. The Contractor is not expected to make the City whole. The City bears the loss for returned credit card payments.

Question 43: What methods are the City contemplating for securing the incoming network connections?

Answer: The City anticipates using E2EE approach. TLS and IPSEC are being contemplated, but please include other PCI compliant solution(s).

Question 44: Can an existing and current EDS on file be used for responding to the RFP? If not, what are the steps for either amending it or creating a new EDS?

Answer: No. A new EDS needs to be created for each project. Click on "Create New" after logging in. Then select "Contract" in response to "Is this EDS for a contract or an information update?". The Online EDS system will walk you through the EDS questions. Please see the User Manual for details.

Question 45: What is the correct email address for an entity to register as a Document Holder for future communications for the above mentioned RFP?

Answer: BidandBond@cityofchicago.org

Question 46: Which City department is responsible for determining applicable business rules for the new payment processor and the new processing system?

Answer: Department of Finance.

Question 47: Will that department be amenable to suggestions from the payment processor?

Answer: Yes, the City expects all Respondents to provide payment processing solutions.

Question 48: Are specifications in place or anticipated for specific information to be printed on receipts given to walk-in customers?

Answer: Yes, specifications will be defined and provided.

Question 49: What is the payment volume by channel (walk-in, kiosk, web, etc?)

Answer: See Exhibit 13 of the RFP.

Question 50: Do they bill monthly or quarterly?

Answer: The City issues various billings at multiple intervals throughout a calendar year.

Question 51: What is the name of the bank for funds to be deposited into?

Answer: A list of City Municipal Depositories can be found by accessing the following link:

http://www.chicagocitytreasurer.com/investments/municipal-depositories/

Question 52: Item 9, page 22 on returned items states contractor must enter, explain for we enter? Can we just send an electronic file daily?

Answer: Currently the City does not have the ability to accept and process a daily electronic file of returned payments. The City is willing to consider alternate processes recommended by Respondents.

Question 53: Item 11, page 23 on training, expand

Answer: The City has no further information at this time.

Question 54: At City locations, do you plan to use the new vendor provided bill payment system

Answer: The RFP requires the Contractor to provide front-end systems for their use to process City payments. The City may choose to use a Contractor-provided payment system at City locations.

Question 55: For kiosk are there special locations where wanted

Answer: The City requires Kiosks to be placed at all current 16 kiosk locations, and would further seek to expand the Kiosk coverage throughout the City.

Question 56: How many kiosks are needed?

Answer: See answer to Question #55.

Question 57: Does this RFP include lockbox operations?

Answer: Per the RFP, the City is seeking payment processing opportunities to supplement, update or replace existing payment channels.

Question 58: Payment Related Documents, Section 5 of the Scope of Services- Please describe how this is done now.

Answer: When the City processes a payment for a booted or towed vehicle, a vehicle release document is issued to the customer. When the City processes a payment for certain permits, a permit document may be issued. Those documents are immediately issued upon payment by the cashiering application. Additionally, certain documents provided by the customer are held by cashiering staff and forwarded to a centralized City unit for review or distribution. Also see answer to Question #33.

Question 59: Section 13 of the Scope of Services- Please elaborate

Answer: The Contractor's payment process must comply with HIPAA HITECH Act, PCI, or any other relevant rules if required. Currently, the City's emergency medical service billings (ambulance transportation) are the only HIPAA related payments processed.

Question 60: The proposal is asking the bidder to respond with a number of kiosks but does not limit the number of kiosk that can be proposed. How will the City compare the responses if the number of kiosk being proposed are different?

Answer: The City requires the Respondent to place a kiosk at all current 16 kiosk locations, and would further seek to expand the Kiosk coverage throughout the City. Additionally, cost information is required of the Contractor for this payment channel.

Question 61: What are the plans for the existing web based payment portals such as the red light parking ticket portal and the water bill payment portal?

Answer: Per the RFP, the City is seeking payment processing opportunities to supplement, update or replace existing payment channels. The City will not be in a position to make these decisions until responses to this RFP are received.

Question 62: The collection of cash for payments and its deposit next day to a city account is costly and very difficult in today's business environment. Will the City accept next day EFT in lieu of a cash deposit?

Answer: No.

Question 63: Can MBE/WBE commitment be met by one firm who is a certified M/WBE firm?

Answer: A company that is certified by the City of Chicago and/or Cook County as a MBE and WBE can only use the certification toward one of the goals. The MBE and WBE are two separate goals.

Question 64: Does the City of Chicago require minority and women owned businesses to meet the same $5 million general liability insurance requirements as the prime vendor?

Answer: Per the RFP, subcontractors performing Services for the Contractor must maintain Commercial General Liability (Primary and Umbrella) limits of not less than $1,000,000.00.

Question 65: Will payments be aggregated and submitted daily via batch ACH to the City account?

Answer: Yes, that is an acceptable approach.

Question 66: Page 25 Section 4. Walk-in Payment Option – The City states that the "Contractor must have multiple payment facilities located throughout the City of Chicago. More facilities and diverse locations throughout the city will be given preference." Does the City intend that the Contractor contract for and maintain the locations for kiosks and payment channels?

Answer: Per the RFP, the City is seeking payment processing opportunities to supplement, update or replace existing payment channels. The City intends that the Contractor will provide complete payment processing service solutions for each payment processing solution proposed, either directly by the Contractor or through subcontracting agreements. Also see answer to Question #8.

Question 67: Page 4 - 1. General Invitation - 182 Exhibit 13 – Does the City intend that the Contractor contract for and maintain the locations for lockbox operations?

Answer: Per the RFP, the City is seeking payment processing opportunities to supplement, update or replace existing payment channels. The City intends that the Contractor will provide complete payment processing service solutions for each payment processing solution proposed, either directly by the Contractor or through subcontracting agreements. The City does not currently anticipate replacement of any of its current lockbox operations. Also see answer to Question #8.

Question 68: Page 4 Section 1. General Invitation – The City states that it is looking for responses that supplement and update existing payment channels. On page 182 Exhibit 13 - Question 74: The City states the water payments are taken by IVR. Does the City intend to provide IVR cashiering support to other payments in addition to water payments?

Answer: See answer to Question #66.

Question 69: Page 7 - Section IV. Current City Operations – The City states "When applicable, certain payment source documents (e.g. parking ticket, water bill, payment coupon, etc.) are retained as part of the payment process." Does this refer to the payee retaining these payment source documents? Or, is the Contractor to retain these documents?

Answer: Contractor. See answer to Question # 92.

Question 70: Page 7 - Section IV. Current City Operations – A. Current Payment Types Accepted by City. Would the City complete/clarify the following: i. all paper checks are delivered, by a licensed armored car services to a designated……?

Answer: "City Municipal Depository."

Question 71: When does the contract with your current payment processor, Vantiv, end?

Answer: The City's contract with Vantiv (PO#29885) currently expires on 1/31/2020.

Question 72: When does the contract with your current ACH provider, Forte, end?

Answer: The City's contract with Forte Payment Systems (PO#17560) currently expires on 6/24/2016.

Question 73: Does this RFP's scope include payment processing currently done by Vantiv and Forte?

Answer: No. Vantiv and Forte are the City's processing partners. They do not provide any front-end payment processing services.

Question 74: What are the targeted implementation dates for a new Contractor and which phases are priority?

Answer: The City would prefer to implement these services as soon as possible. Target implementation dates will be established during the contracting process. Priorities have not yet been established.

Question 75: Would the City consider letting the Contractor utilize their preferred payment processor?

Answer: A Contractor's payment processing solution can be considered with the requirement that all payments to the City are wholly and immediately deposited, including settlement, into a City Municipal Depository Account.

Question 76: RFP states: "Contractor will use City obtained Merchant accounts…" is the City open to the Contractor being responsible for obtaining and setting up new Merchant accounts?

Answer: A Contractor's payment processing solution can be considered with the requirement that all payments to the City are wholly and immediately deposited, including settlement, into a City Municipal Depository Account.

Question 77: Is the City currently running all debit/credit card payments through one Merchant account with no breakdown between departments or products?

Answer: No, the City has an established hierarchy of merchant accounts between departments, products, and payment locations.

Question 78: In the walk in centers are payments being accepted through POS terminals for debit and credit transactions? If yes, how many terminals are currently being utilized? Are these centers also collecting cash payments?

Answer: Yes, the City currently utilizes approximately 10 terminals per payment site and 2 per satellite locations for a total of approximately 80 terminals. All payment and satellite sites accept cash payments as well.

Question 79: Payment Plans, how will the Contractor be able to distinguish between different payment plans and how they correspond to respective customers? Can they City expand on the definition of Payment Plans?

Answer: See answer to Question #33.

Question 80: For web payments, does the City wish the Contractor to offer e-checks? Guaranteed or non-guaranteed? (For clarification, if the answer is yes, will the Contractor process all checks through Forte?)

Answer: Yes, E-checks, or ACH payments, are expected to be accepted by the Contractor, without any guaranteed option. The City will consider having the Contractor deposit those items immediately and wholly into a City bank account, dependent on the Contractor's return payment processing abilities.

Question 81: Is the City currently utilizing the convenience fee model for collection of any of these fees and fines? If yes, who is the vendor and what is the current convenience fee charged to the consumer?

Answer: See answer to Question #1.

Question 82: What is the City's current annual cost for absorbing processing fees?

Answer: See Exhibit 2 – The City's current credit card processing cost is approximately 1.8% which includes processor, network, and communication costs, with an approximate annual cost of $12 million.

Question 83: Which fees/fines or departments will the City consider moving to the convenience fee model?

Answer: Those decisions have not been made at this time.

Question 84: When do you anticipate responding to proposer questions and in what format?

Answer: In this addendum.

Question 85: pg. 1 – Section A Paragraph 1-   Does the City have a preferred number of kiosks? More, fewer or none?

Answer: See answer to Question #55.

Question 86: pg. 4 Section B - Is the supplier going to do an API interface to only C2 and not to other source systems?

Answer: Yes.

Question 87:pg. 4 Section B - Is the Supplier going to do direct API interface to Water?

Answer: No.

Question 88: pg. 4 Section B - Is the supplier going to do direct API interface to Tax systems?

Answer: No.

Question 89:pg. 4 Section B - Is the Supplier going to be doing interfaces to all Source systems?

Answer: No.

Question 90: pg. 4 - Section IV.A.b.ii - Please complete the sentence. It seems to be unfinished.

Answer: See answer to Question #70.

Question 91:pg. 5 - Section IV.C - Please provide more details about payment plan(s) and how payment plan information will be communicated to us. Will the API inform us that the customer is using a payment plan? If, so, how?   Will the API inform us of the options the customer has for payments? If so, how?

Answer: See answer to Question #33.

Question 92: pg. 22 - Exhibit 1.5 - For documents we must provide the customer, will the API inform us of the documents to be handed to the customer? Does the API provide the complete, formatted document? If not, how do we access the document?

Answer: If a Contractor is providing documents to the customer, the City will provide rules and processes for doing so. The logistics of providing the documents will be determined.

Question 93: pg. 22 - Exhibit 1.5 - For documents we receive from a customer and are expected to forward to the City, please explain how we will know a document is to be received from the customer, how we will know what content must be shown on the document (such as signature or other specific information), and how we are to forward the document (scan it, mail it, store it, do data entry from it, etc.).

Answer: The City will define all documents to be retained and forwarded. There is no expectation of review or approval of these documents. The logistics of providing the documents will be determined.

Question 94: pg. 23 - Exhibit 1.13 - For compliance with HIPAA and HITECH, please identify which health information will we be processing and for which payment types.

Answer: See answer to Question #59.

Question 95: pg. 24 - Exhibit 1.18 - Please provide estimated volumes and descriptions of the various materials we would be required to sell or dispense.

Answer: Per the RFP, selling or dispensing of City material may be required. The specific items and the related processes are yet to be determined.

Question 96: pg. 24 - Exhibit 1.19 - If there are multiple contractors each with their own customer service operations, how does the City envision explaining to the customers which one should be contacted?

Answer: The coordination of customer services will be determined and defined dependent on the contract(s) with Respondent(s).

Question 97: pg. 25 - Other Optional Services.1 - Please provide more details on what you have in mind for scheduled payments, such as the rules for which customer may make scheduled payments and which debts may qualify for scheduled payments.

Answer: A scheduled payment solution would involve the Contractor maintaining customer payment information, to be reused on some recurring basis, to submit a payment to the City. Qualifying debt could be estimated taxes, payment plans and water account payments.

Question 98: pg. 27 - Exhibit 2 - Schedule of Compensation - Please confirm whether we are required to fill in all columns of the price proposal templates. Please confirm that we are not required to bid on all channels. Please confirm that, if we are not going to offer a channel, we will leave that column blank.

Answer: The Respondent is required to complete the price proposal templates. The Respondent should explicitly state their intent whether services are to be, or not to be provided for a particular payment channel and put N/A in the columns.

Question 99: Please provide additional detail around the requirements for paper lockbox. Should a quote be provided to replace existing vendors?

Answer: See Answer to Question #67.

Question 100: Page 22 #5. states a need for the vendor to "issue or provide various items from the City to customers as part of the payment transaction, such as letters or other documents." Please clarify what payment types would be involved and what documentation would need to be provided and the timing for providing the documentation.

Answer: See answer to Question #58.

Question 101: For each application/department (e.g., Parking Tickets, Water, Administrative, etc.), please provided projected annual transaction volumes (by # of transactions and by $ amount), distributing the transaction volume across the

• **payment methods (credit/debit card or e-check/ACH)**

• **payment channels (POS, Web, IVR, etc)**

that are desired for each application.

Answer: Exhibit 13 "Current Annual Payment Volumes" provides the number of transactions and related dollar amounts by payment type for each payment channel. The distinction for what type of item the payment was for is not relevant for a response. Any proposed payment method and channel is desired for any City debt type.

Question 102: p. 3 Please elaborate on the requirement for the payments provider to provide front end software

Answer: It is the Contractor's responsibility to provide whatever front end cashiering application is needed by the Contractor to perform these payment processing services.

Question 103: p.24 Is it required that the vendor supply an armored car?

Answer: The Contractor is responsible for all payments until they are provided to the City's processing and banking partner. Also see answer to question # 17.

Question 104: Please verify that all Echeck and Credit cards are required to deposit next day. At what time?

Answer: The City requires any payment type received to be immediately and wholly deposited into a City municipal depository account. It is the Contractors' responsibility to provide all payments to our banking or processing partners. Using City merchant accounts, settlement will occur in City bank accounts and the timing of that settlement is managed by the City. The Contractor will be responsible to submit payments by defined cutoff times, which are currently calendar based.

Question 105: If a company already has a current 2015 EDS on file with the City, do they have to fill out a new separate EDS for this RFP?

Answer: Yes.

Question 106: What Credit Card Processor does the City use?

Answer: See Answer to Question #30.

Question 107: What bank(s) will we be required to submit ICL/Check21 files to?

Answer: See answer to Question #51.

Question 108: What are your transaction volume trends throughout the year? This is to determine maximum throughput.

Answer: Although the City has various operational activities that result in payment processing spikes, the overall volumes for payments processed throughout the year are, for the most part, constant.

Question 109: Will you be using P2PE (point to point encryption) or E2EE (end to end encryption) via your Processor for processing credit/debit payments?

Answer: Please assume that the City will be using E2EE. Responses should include statement as to whether Respondent can or cannot be supported through either solution(s) and the reason why.

Question 110: If the City currently uses a Remittance processor, who is it? If so, do they currently submit your ICL/Check21 file in the X9.37 format to the bank(s)?

Answer: Today the City does not deposit any payments via an image.

Question 111: Please elaborate or explain what is meant by Payment Related Documents Referenced in Exhibit 1, item 5 "Payment Related Documents" on page 22 of the RFP

Answer: See answer to Question #58.

Question 112: Please provide current estimated number of Cashiering workstations throughout the City, and what peripherals (brand, model) are currently in use? I.E. Check Scanner, Receipt Printer, PinPad/Card Swipe

Answer: There are 20 cashiering locations throughout the City. The equipment utilized is not relevant to the development of a response to this RFP.

CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES

MARCH 30, 2015

ADDENDUM NO. 2

To

REQUEST FOR PROPOSAL ("RFP")

FOR

PAYMENT PROCESSING FOR PAYMENTS TO THE CITY FOR VARIOUS ITEMS

SPECIFICATION NO: 121714

Consisting of Sections I – IV including this Acknowledgment.

IV.   ADDENDUM RECEIPT ACKNOWLEDGMENT

I hereby acknowledge receipt of Addendum No.2 to the RFP named above and further state that I am authorized to execute this Acknowledgment on behalf of the company listed below.

_____   _____
Signature of Authorized Individual   Title

_____   _____
Name of Authorized Individual (Type or Print)   Company Name

                                                   _____
                                                   Business Telephone Number

Complete and Return this Acknowledgment by email to **Altha.riley@cityofchicago.org**