



CITY OF DULUTH

REQUEST FOR PROPOSALS FOR

**GENERAL BANKING SERVICES, RETAIL LOCKBOX SERVICES, MERCHANT
CARD PROCESSING SERVICES, AND PURCHASE CARD SERVICES**

RFP NUMBER 18-15AA

ISSUED AUGUST 9, 2018

PROPOSALS DUE SEPTEMBER 28, 2018

SUBMIT TO

**CITY OF DULUTH
ATTN: PURCHASING DIVISION
CITY HALL, ROOM 120
411 WEST 1ST STREET
DULUTH, MN 55802**

PART I - GENERAL INFORMATION

I-1. Project Overview. The City of Duluth, in conjunction with its Authorities (Duluth Airport Authority, Duluth Transit Authority, Duluth Entertainment and Convention Center Authority, and Spirit Mountain Recreation Area Authority) is requesting proposals for general banking services for all organizations, retail lockbox and bill-pay consolidation services for the City's utility operations, merchant card processing services for all organizations, and purchase card services for the City of Duluth. Additional detail is provided in **Part IV** of this RFP.

I-2. Calendar of Events. The City will make every effort to adhere to the following schedule:

Activity	Date
Deadline to submit Questions via email to purchasing@duluthmn.gov	August 31, 2018
Answers to questions will be posted to the City website no later than this date.	September 14, 2018
Proposals must be received in the Purchasing Office by 5:00 PM on this date.	September 28, 2018

I-3. Rejection of Proposals. The City reserves the right, in its sole and complete discretion, to reject any and all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in its best interests. The City is not liable for any costs the Bidder incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-4. Pre-proposal Conference. The City will not hold a pre-proposal conference for this RFP. Proposers should submit any questions in accordance with Section I-5.

I-5. Questions & Answers. Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov **no later than** the date indicated on the Calendar of Events. Answers to the questions will be posted as an Addendum to the RFP.

I-6. Addenda to the RFP. If the City deems it necessary to revise any part of this RFP before the proposal response date, the City will post an addendum to its website <http://www.duluthmn.gov/purchasing/bids-request-for-proposals/>. Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for any new information

I-7. Proposals. To be considered, hard copies of proposals must arrive at the City on or before the time and date specified in the RFP Calendar of Events. The City will not accept proposals via email or facsimile transmission. The City reserves the right to reject or to deduct evaluation points for late proposals.

Proposals must be signed by an authorized official. If the official signs the Proposal Cover Sheet attached as Appendix A, this requirement will be met. Proposals must remain valid for 60 days or until a contract is fully executed.

All materials submitted in response to this RFP will become property of the City and will become public record after the evaluation process is completed and an award decision made.

I-8.Small Diverse Business Information. The City encourages participation by minority, women, and veteran-owned businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use minority, women, veteran-owned and other disadvantaged business entities as subcontractors and suppliers. A list of certified Disadvantaged Business Enterprises is maintained by the Minnesota Unified Certification Program at <http://mnucp.metc.state.mn.us/> .

I-9. Term of Contract. The City intends to award a five (5) year contract with five (5) one-year renewal options.

I-10. Mandatory Disclosures. By submitting a proposal, each Bidder understands, represents, and acknowledges that:

- A. Their proposal has been developed by the Bidder independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Bidder or its employees or agents to any person not an employee or agent of the Bidder.
- B. There is no conflict of interest. A conflict of interest exists if a Bidder has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or have been, employed and which may be affected.
- C. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.
- D. The company is either organized under Minnesota law or has a Certificate of Authority from the Minnesota Secretary of State to do business in Minnesota, in accordance with the requirements in M.S. 303.03.

I-11. Notification of Selection. Bidders whose proposals are not selected will be notified in writing.

I-12. Split Award. As part of its review process, the City will determine if one financial institution is able to meet all of the service needs as described in Part IV. However, the City reserves the right to split the award; i.e. to award individual scopes of services to different financial institutions; if, in the City's sole determination, it is in its best interests.

I-13. Local Presence. Proposers interested in competing for the City's General Banking Services must have a brick and mortar location within Duluth city limits capable of providing all of its General Banking Services, as it is necessary for the City and its Authorities to make physical deposits at a banking location. The City also reserves the right to consider local banking presence in the evaluation of other service areas. This may include the location of the bank's relationship management and support staff and whether any services are performed locally on-site by bank staff or performed remotely.

PART II - PROPOSAL REQUIREMENTS

Each proposal shall directly address all the specific questions outlined in Part IV of this RFP. Questions are organized by subject matter. Each question group has a number and there are sub-letters for the specific individual questions in that grouping. Responses to each question should directly reference the specific question number and sub-letter. The City expects a concise response without unnecessary attachments, enclosures, or exhibits. Failure to directly respond to each question and sub-letter of each question may cause disqualification. **If a financial institution chooses not to respond to all scopes of services identified in Part IV, it must specifically state this decision as part of its proposal.**

In addition, each Proposer must complete the pricing worksheet attached as Appendix B to this RFP. Volume figures in the worksheet have been pre-populated with the City's actual 2017 transaction volumes by AFP Service Code to give the most accurate information possible regarding the City's banking needs. The City is aware that financial institutions may define the AFP codes differently. Each Proposer may add and/or delete AFP service codes in a manner that allows the financial institution to provide its best estimate of cost. The City is not responsible for mathematical errors on the pricing worksheet. Failure to complete the pricing worksheet may cause disqualification.

PART III - CRITERIA FOR SELECTION

The proposals will be reviewed by City Staff. The intent of the selection process is to review proposals and make an award based upon qualifications as described therein. A 100-point scale will be used to create the final evaluation recommendations. The factors and weighting on which proposals will be judged are:

Qualifications of the Bidder and Ability to Meet Service Needs	50%
Corporate Mission and Community Lending Practices	10%
Financial Stability	10%
Cost	30%

The City reserves the right to conduct a formal interview with a Proposer to discuss their proposal as part of the evaluation process.

PART IV – PROJECT DETAIL

Project Detail includes the following four sections: General Banking Services, Retail Lockbox Services, Merchant Card Processing Services, and Purchase Card Services. The following abbreviations will be used throughout the project detail in reference to the City's Authorities:

Duluth Airport Authority – DAA
Duluth Entertainment and Convention Center Authority – DECC
Duluth Transit Authority – DTA
Spirit Mountain Recreation Area Authority – SPMT

IV-1. General Proposer Information

A. Please provide the following information as part of your proposal.

1. Provide a general overview and brief history of your organization, including customer service philosophy, parent and/or subsidiary companies, and the number of employees.
2. Please provide a copy of your overall corporate mission statement and/or other document that details your firm's business philosophy.
3. Describe the bank's organizational structure as it relates to both retail and commercial banking operations. Describe the procedures that the bank has in place to ensure banking operations are in compliance with any internal bank-imposed policies and any external regulatory requirements.
4. Provide a listing of enforcement actions against your organization in the past five years by federal, state or local regulatory agencies.
5. Provide the bank's most recent audited financial statements.
6. Provide the bank's current credit rating.
7. Provide FDIC Insurance Risk Category
8. Describe the banks involvement in the local community and CRA score.
9. Provide two references from two comparable public entities.

IV-2. General Banking Services

- A. Overview.** The City and its Authorities currently maintain 15 accounts. The majority of the City's banking activity occurs in the City's operating account. Each Authority of the City has an operating account from which Authority disbursements are made. These Authority bank accounts are funded by transfers from the City's operating account.

In addition, the City maintains a payroll account, merchant card processing account, utility operations account, and several other miscellaneous accounts used for making smaller departmental purchases. The accounts for the City and its Authorities are as follows:

1. City Operating Account – Accounts for daily deposit activity of the City and City Authorities. This is the account that all City check and ACH payments (other than payroll) are issued from and the account from which the City issues all outgoing wires. Positive pay and ARP services are used on this account.
2. Comfort Systems Account – Accounts for daily deposit activity related to the City's utility operations (Comfort Systems). This includes lock box deposits, bank draft ACH debit transactions, and bill-pay consolidator deposits. This account is currently in existence because Comfort System's deposit activity is handled at a separate financial institution from the City's general banking operations. Funds are accumulated in this account and then transferred to the City's general operating account. This account could potentially be consolidated with City's General Operating Account.
3. City Payroll Account - Accounts for all payroll activity including ACH direct deposit, payroll checks, and payroll associated deductions (federal taxes, state taxes, PERA pension contributions, deferred compensation plan contributions, etc.). In theory this is a zero-dollar account as it is only funded to the level of payroll cash needs. Funding is from a transfer from the City's Operating Account. Positive pay and ARP services are used on this account.
4. DAA Operating Account – Accounts for the issuance of DAA vendor checks. This account is funded by a transfer from the City's Operating Account in an amount equal to vendor checks being issued. Any balance remaining in this account is associated with uncashed checks. Positive pay and ARP services are used on this account.
5. SPMT Operating Account - Accounts for the issuance of SPMT vendor checks and payroll. This account is funded by a transfer from the City's Operating Account in an amount equal to vendor checks being issued and payroll totals. Any balance remaining in the account is associated with uncashed checks. This account is ACH debited by a 3rd party payroll processor to fund payroll cash needs. Positive pay and ARP services are used on this account.
6. DECC Operating Account - Accounts for the issuance of DECC vendor checks and payroll. This account is funded by a transfer from the City's Operating Account in an amount equal to vendor checks issued and

payroll totals. Any balance remaining in the account is associated with uncashed checks. This account is ACH debited by a 3rd party payroll processor to fund payroll cash needs. Positive pay and ARP services are used on this account.

7. DTA ATE Management Account – Accounts for the issuance of DTA vendor checks (managed by a 3rd party processor). This account is funded by transfers from the City's Operating Account.
8. Duluth Transit Authority Payroll Account – Funded by transfer from Duluth Transit Authority ATE Management Account. This account is debited by a 3rd party payroll processor to fund payroll cash needs.
9. Duluth Merchant Card Account – Accounts for credit card deposit activity for the City of Duluth and its Authorities. This account is used to keep credit card activity separate from other banking activity. This assists in streamlining the reconciliation process. Funds are accumulated in this account and then transferred to the City's general operating account. This account is debited each month to pay interchange and service charges for the various merchant locations that the City and its Authorities maintain.
10. DECC Ticket Office Account – Accounts for ticket sale proceeds, including a weekly deposit from Ticketmaster on-line sales. Disbursements are made from the account to pay promoter and other production costs.
11. Lake Superior Zoo – Accounts for daily cash deposit and credit card activity associated with the Duluth Zoological Society's operation of the zoo. Funds are accumulated in this account and then transferred to the City's general operating account.
12. Mayor's Contingent Account – Used to issue small disbursement items outside of the City's regular accounts payable cycle. Immaterial volume of activity.
13. City Auditor's Contingent Account – Used to issue small check disbursements outside of the City's regular accounts payable cycle. Positive Pay and ARP services are used on this account.
14. Fire Escrow Account – Interest bearing account in which insurance proceeds are deposited with City until required site remediation has occurred. Checks are issued to property owner upon City Building official approval. Immaterial volume of activity.
15. Traffic Violations Bureau – Accounts for deposit activity related to parking tickets processed by a 3rd party in New York. Immaterial activity as most payment activity is processed by the City of Duluth locally.

B. General Banking Questions

Question 1 – Relationship Management

- a) Describe the relationship management structure that you would propose for your banking relationship with the City of Duluth and its Authorities.
- b) Where would the primary relationship manager and support staff be located?
- c) What services would each individual in the banking relationship provide?

Question 2 – Primary Banking Location

- a) List the primary physical branch and hours of operation at which the City of Duluth would conduct over-the-counter business for cash and check deposits.
- b) List any other physical locations within the City limits and hours of operation.

Question 3 – Remote Deposit. The City of Duluth currently uses remote deposit for depositing its daily check payments received at City Hall and for payments received directly (non-lockbox) at the City's Comfort Systems utility operations location.

- a) Please describe the hardware/software needs and cost associated with this service.
- b) Does the bank provide a web-based program for performing this service?
- c) How long would the City have access to viewing check images online after they have been processed?
- d) Once deposited remotely how long must the City hold deposited checks?

Question 4 – On-line Capabilities. The City of Duluth requires and currently uses an on-line platform for viewing bank statements, viewing historical and current banking data, transmitting ACH files, transmitting wires, transferring money between City and Authority bank accounts, dealing with positive pay and ACH fraud control issues/exceptions, transmitting positive pay files, and searching for/reviewing historical transactions.

- a) Fully describe the bank's on-line capabilities. Does the bank own its on-line platform or is it a 3rd party product?
- b) Describe the ability to search for historical transactions, reports, and images.

- c) Detail the availability of prior day and intra-day detail and summary reporting. When is prior day information available? Is intra-day information real-time or delayed?
- d) Describe the security measures in place for on-line services. Is administration of new users and security rights managed by the bank or is it self-administered?
- e) Are account analysis statements available on-line? Does the statement detail individual accounts and provide a consolidated report?
- f) Can custom reports be generated and saved for future use?
- g) The DTA, DECC, and SPMT all have separate tax IDs from the City. Can the banks on-line platform still allow access under one login for multiple organizations?
- h) Describe the technical support that is available for the on-line platform.
- i) How quickly are bank statements and account analysis statements available after the cut-off date?

Question 5 – Coin Deposit. The City of Duluth deposits coin from its parking meter collections every two weeks. These collection periods can be in the range of \$25,000 to \$35,000 each cycle. Deposits are made by City collection staff and are currently made directly to the bank's vault

- a) Please describe in detail the banks process for handling large coin deposits. Would the City be given provisional credit based on initial deposit and then debit/credited upon final validation of deposit?

Question 6 – Fraud Control & ACH Services. The City use positive pay on the majority of its check writing accounts. In addition, the City has ACH fraud filter controls in place to monitor ACH debits being initiated against the City's accounts.

- a) Describe the banks process for uploading positive pay files. Can the City manually upload positive pay registers if necessary for manual checks issued outside of the City's normal accounts payable process?
- b) Describe the banks positive pay exception and decision making on-line reporting functions?
- c) How are positive pay exceptions communicated to the City? Is this communication automatic or does the City need to check for exceptions?
- d) What is the cut-off time for responding to positive pay exceptions?
- e) What are the available default options for positive pay exceptions (pay, hold, do not pay, etc.)?
- f) Can ACH fraud filters be established on-line?
- g) How are ACH fraud filter exceptions communicated to the City? Is this communication automatic or does the City need to check for exceptions?

- h) Does the City have the ability to set both company ID and dollar amount limits for ACH fraud filters?
- i) Describe the bank's methods for uploading ACH debit and credit files.
- j) What method does the bank provide for the City to modify and/or delete a specific transaction after it has been uploaded to the bank?
- k) Describe how the City would delete and/or reverse an ACH transaction file.
- l) How is the City notified of ACH returns and Notifications of Change?

Question 7 – Wire Services and Internal Transfer Services. The City currently uses an on-line platform for processing outgoing wires. The vast majority of wires are domestic, but occasionally there is the need for an international wire.

- a) Does the bank's on-line platform allow for the storage of wire templates?
- b) Describe the bank's process for setting up wire templates and authorizing wires. Is dual approval required for both template set-up and wire-initiation?
- c) Can the City future date wires? If so, how far in advance?
- d) Can transfers between City and Authority accounts be processed online? The City currently uses an on-line wire transfer function, but is charged at a book transfer rate rather than an incoming/outgoing wire rate.
- e) What is the cut-off time in Central Standard Time for executing outgoing wires? What is the cut-off time for receiving same day credit for incoming wires?

Question 8 – Collection and Deposit Services. For smaller deposits and in cases where remote deposit is not in place, the City and its Authorities make physical deposits at the bank. Often numerous, and sometimes small, physical deposits are made on the same day. The City currently has the ability to identify whom the deposits are associated with (City vs Authority) based on a separate "code" or "reference" number on the deposit slip.

- a) Does the bank have any internal policy regarding large cash and coin deposit?
- b) What is the bank's cut-off time to assure same-day ledger and pending availability?
- c) Would all deposits be made in the general public teller line?
- d) Does the bank require strapping of currency or rolling of coin?
- e) When and how are credit/debit advices/adjustments (deposit adjustments, NSF's, encoding error, etc.) sent to the City? Are these advices sent electronically? What delivery options are available?
- f) Are deposit bags required in any instances? Are these available from the bank?

- g) How much advance notice is required on coin and currency orders? Can orders be placed on-line? What is the turn-around time on orders?
- h) Can the bank separately identify deposits by depositing entity (City, Authority, or even a specific City department such as parking) if the deposits are being made into the same account? Can these deposits be identified on-line?

Question 9 – Daylight Overdraft. The City of Duluth makes large purchases of natural gas and has a bi-weekly payroll of approximately \$3,500,000. The natural gas payments can be upwards of \$3,000,000 to \$4,000,000 in the winter heating season. The City attempts to maximize investment earnings by having investments mature on the day that gas payments are due and the day that payroll needs to be funded. The City often has daylight overdrafts of upwards of \$3,000,000 when the gas purchase wires are released in the morning and when the payroll ACH direct deposit file is transmitted. The City always resolves the daylight overdraft later in the day by having funds transferred in from investments that are maturing.

- a) Is the bank willing to offer the City a daylight overdraft limit of at least \$5,000,000 without disrupting other banking activity?
- b) Would the bank hold outgoing wires until incoming funds are received?

Question 10 – Pledged Collateral. The City of Duluth is required to maintain pledged collateral on its accounts for amounts not covered by FDIC insurance. Collateral must be pledged in an amount equal to 110% of deposits in excess of FDIC insurance. Collateral pledged must meet the requirements of Minnesota State Statute 118A. The City typically does not attempt to keep large deposits on hand, however in advance of debt service payments, the City may have as much as \$18,000,000 to \$20,000,000 on deposit in order to fund a next day wire for debt service. On average, balances are maintained at \$2.0 to \$2.5 million during the typical month. In addition, the City may have other high-deposit amounts on-hand to fund large construction related disbursements. The DECC, SPMT and DTA each have their own unique tax ID numbers and currently have their own separately pledged collateral.

- a) Describe the bank's ability and experience with meeting these collateral needs for the City?
- b) Describe the bank's experience working with governmental clients that fall under the requirements of Minnesota State Statute 118A.
- c) Where would the collateral be held for safekeeping?
- d) How does the bank review and manage whether collateral on-hand is sufficient to meet deposit needs? Is this review done daily? Does the bank pro-actively pledge additional collateral same-day if a shortfall is noted? Does the bank rely on the City to inform the bank about large deposits that may need additional collateral?

- e) Describe the bank's ability to separately pledge collateral for the DECC, SPMT and DTA.

Question 11 – Earnings Credit

- a) Describe the bank's earnings credit rate that it will provide the City.
- b) Is this rate based on any benchmark?
- c) What determines any increase and/or decrease in the earnings credit rate.
- d) Is the City allowed to carry over any earnings credit balance from one year to another?
- e) What has been the bank's ECR for the past 24 months for similar accounts? Please provide the ECR for each month.

Question 12 – Investment Sweep

- a) What short-term investment vehicle(s) or interest bearing account(s) does the bank have available for the overnight sweep of demand deposit accounts?
- b) If a sweep is available, what time of day is the sweep deadline? Is it end-of day or next-day sweep?
- c) Are balances in the sweep product shown and associated with previous day and current day reports?
- d) If the bank is proposing a money market mutual fund, provide a copy of the current prospectus and identify the class of shares by providing the ticker symbol or CUSIP?

Question 13 – Tyler Technologies New World ERP Software. The City uses New World for its general ledger accounting software. This software generates ACH debit and credit files, accepts files of "paid/cleared" checks in order to assist staff in identifying payments that have been cashed, handles uploads of purchase card transactions, and handles uploads of utility lockbox transactions.

- a) Describe the banks experience working with customers who use the New World ERP software.
- b) What resources can the bank provide in assisting with file compatibility between the bank and the City's New World software?

Question 14 – General Banking Implementation

- a) If your financial institution does not currently provide these services to the City, please describe a detailed timeframe for implementing the general banking services listed above. Describe the responsibilities of each party involved. Note any potential items and/or areas that could cause a delay in implementing the services. Identify any one-time implementation fees.

IV-3. Retail Lockbox Services

- A. Overview.** The City's utility division (dba Comfort Systems) operates a water, gas, sewer, and storm water utility operation. There are approximately 35,000 accounts that are billed on a monthly basis. The City currently allows customers to pay their utility bills in variety of ways. Traditional check payments are processed through a retail lockbox service. The City is provided with a daily file from the lockbox operation that is used to post payments to the City's utility billing subsidiary ledger (A New World module).

Customers are also able to pay their monthly utility bill through bank drafting. New World software generates an ACH debit file for each billing cycle. The City uses its banks on-line portal to upload the ACH file for bank drafting purposes.

In addition, customers are able to use their banks bill pay function to pay their City utility bill. The City receives a daily "bill-pay consolidation file" to post the payments to the City's utility billing subsidiary ledger.

B. Retail Lockbox Services Questions

Question 15 – Lockbox Location

- a) Identify the bank's proposed retail lockbox processing location.
- b) Does the bank own this operation or is it a 3rd party operation?

Question 16 – Lockbox Operations

- a) Describe the banks lockbox services and operations.
- b) When is mail delivered to the lockbox location?
- c) When and how is the information made available to the City on a daily basis?
- d) What daily cut-off time restrictions and/or flexibility is offered?
- e) Is there a web-based program for image capturing?
- f) Describe the customer service in place for responding to errors and/or problems.
- g) What assistance does the bank provide in integrating the lockbox file with the City's utility billing software?

Question 17 – Receivable Automation/Consolidation and Bank Drafting

- a) Describe the banks receivable/bill-pay consolidation product.
- b) When and how is the information made available to the City on a daily basis?

- c) What assistance does the bank provide in integrating the consolidation file with the City's utility billing software?
- d) Describe the process for transmitting ACH files to the bank for the debiting of customer accounts.

Question 18 – Utility Lockbox, Payment Consolidation, and Bank Drafting Implementation

- a) If your financial institution does not currently provide these services to the City, please describe a detailed timeframe for implementing the utility lockbox, payment consolidation services, and bank drafting services listed above. Describe the responsibilities of each party involved. Note any potential items and/or areas that could cause a delay in implementing the services. Identify any one-time implementation fees.

IV-4. Merchant Card Processing Services

A. Overview of Merchant Card Processing Services. The City and its Authorities currently have thirteen separate merchant ID numbers under which credit card activity is processed. Some of these locations include integrated point-of-sale systems in which the credit card activity is run through a 3rd party gateway. Some locations include non-integrated (payments are manually keyed into the accounting system) stand-alone terminals in which the card processing goes directly to the City's merchant card processor.

Total credit card volume in 2017 was approximately \$9,000,000 across all merchant locations. Total volume was approximately 179,000 transactions. Breakdown by location is as follows:

Location	Approximate 2017 Sales	Number of Transactions
Airport	\$63,000	171
Building Safety	\$300,000	846
Building Safety Online (Authorize.net)	\$625,000	4,074
DECC	\$1,880,000	66,189
DECC 2 (Fusebox)	\$220,000	12,176
DECC Ticket Office	\$546,000	7,103
DTA	\$180,000	3,920
SPMT Moosehead Saloon (Fusebox)	\$173,000	9,145
Parking Kiosks (T2 Systems)	\$21,000	26,867
Parking Tickets	\$68,000	681
SPMT (Fusebox)	\$2,675,000	37,488
SPMT 2 (Authorize.net)	\$615,000	2,456
Comfort Systems Utility Operations	\$1,635,000	7,663

Note: Names in parentheses are the gateways associated with the various locations.

B. Merchant Card Processing Services Questions

Question 19 – Merchant Card Processing Capabilities and Process

- a) Describe the bank's credit card processing abilities. Is the bank an acquirer, processor, or other?
- b) Can the bank accept payments across all card networks (Visa, Mastercard, AMEX, and Discover)?
- c) Do you rely on third parties to process your merchant card transactions? If so, explain your relationship with your third party processor.
- d) Describe in detail how your services are integrated to/with third party software, websites, and gateways.
- e) Describe any limitation the bank may have with working with the various gateways that the City currently uses.
- f) Can the bank provide next day settlement for Visa, Mastercard, AMEX, and Discover Card network transactions?
- g) What is the latest time that sales transactions can be transmitted to meet these settlement times?
- h) How is settlement made by your organization? Is settlement by direct account credit, ACH, or other?
- i) Describe how settlement amounts will be listed on the bank statement. Will they appear as one lump sum or separate amounts for each card type (Visa, Mastercard, etc.)?
- j) What process does the bank use to ensure that transactions qualify for the lowest interchange category?
- k) Describe your process to correct duplicate transactions.
- l) Are card charge backs or other debit adjustments netted for daily proceeds or are they debited separately? Please describe the bank's chargeback process in detail. Please provide the name and/or position title of the individual who would assist the City in managing chargebacks.

Question 20 – Merchant Card Reporting

- a) Describe all reports available and the interface used to receive and view reports.
- b) Are the reports available online? If so, is the bank's online reporting system owned and operated internally or is the system outsourced through a third party?

- c) How many business days of transaction data can be stored on the reporting system? What historical data is available?
- d) Describe how multiple merchant numbers are reported and the flexibility afforded the City for customizing the reports. Can the City “roll-up” specific numbers for reporting purposes?
- e) What level of detail is available for each merchant ID? What level of detail is available for each batch submitted?

Question 21 – Merchant Card Monthly Statements

- a) Provide an example monthly statement that shows how sales, chargebacks, daily transactions, and all fees, including interchange, will be presented to the City.

Question 22 – Payment Card Industry Data Security Standards

- a) Describe the bank’s PCI-DSS compliance status and program.
- b) Is the bank and all of its third-party processors in compliance with all applicable PCI-DSS standards?
- c) What is the bank’s role in supporting the City’s PCI compliance and how would the bank help the City maintain its compliance?

Question 23 – Merchant Card Equipment

- a) Does the bank provide equipment on a lease or purchase basis?
- b) The City currently uses a First Data FD130 Terminal at many of its locations. This terminal is chip enabled. Would the bank be able to support continued use of this terminal? If not, what is the bank’s proposed equivalent equipment and price for that equipment?

Question 24 – Pricing and Fees

- a) Provide a detailed fee schedule assuming the implementation of 14 merchant accounts. Please include any initial implementation fees and any on-going monthly fees that the bank would directly charge for each merchant account (excluding interchange).
- b) Can fees and interchange settlement be handled the subsequent month with a separate ACH debit to the City’s merchant account to pay for these charges?
- c) The City currently receives interchange plus pricing. Based on an annual volume of approximately \$9,000,000, what is the bank’s proposed interchange plus pricing?

Question 25 – Merchant Card Relationship Management and Implementation

- a) Who at the bank would be responsible for handling day-to-day credit card processing issues?
- b) Who at the bank would assist the City in opening new merchant card accounts?
- c) Is install of new hardware done with support onsite or is installation done onsite by City staff with remote assistance.
- d) If the bank does not currently provide these services to the City, describe the implementation process. Is the bank onsite to assist in implementation? Describe the responsibility of each party and any issues that could potentially delay implementation.

IV-5. Purchase Card Services

A. Overview. The City currently operates a purchase card program with approximately 85 cards. In the past twelve months there has been approximately \$1,350,000 in spend with an average transaction size of approximately \$235.00. The City uses an online portal for the cardholders to manage and code their expenditures, for managers to review and electronically approve cardholder statements, and for accounting staff to upload a file to post the transactions to the City's general ledger accounting system.

B. Purchase Card Services Questions

Question 26 – Purchase Card Services

- a) Describe the bank's purchase card program? What brand of card is used?
- b) Does the bank provide an online portal for cardholders to electronically view, reconcile, code, and approve their monthly transactions?
- c) Can the online portal provide a file to upload to the City's New World accounting software in order that the purchases can be recorded in the City's general ledger?
- d) What type of rebate would the bank provide the City based on its current spend amount? If the City's program grows, are higher rates available?
- e) Describe what settlement terms are available to the City.
- f) Does the program provide the option of adding a City logo to the card?
- g) Describe the card controls and usage restrictions supported by your program. How would the City administer these controls?

- h) Does the bank have a system in place that analyzes P-Card activity for fraud patterns?
- i) Does the City have the ability to see what transactions have been declined and the reason for the decline?
- j) Is historical information available? If so, how far back is the information available?

**APPENDIX A - PROPOSAL COVER SHEET
CITY OF DULUTH
RFP# 18-15AA**

Bidder Information:	
Bidder Name	
Mailing Address	
Website	
Contact Person	
Contact Person's Phone Number	
Contact Person's Fax Number	
Contact Person's E-Mail Address	
Federal ID Number	
Authorized Signature	
Title	