



SUBJECT: Amendment to RFP #26988: ePayment Processing Services and Solution Provider

DATE OF AMENDMENT: October 17, 2014

DATE OF RFP RELEASE: September 25, 2014

DATE AND TIME OF OPENING: October 24, 2014 @ 2:00 pm (Central)

CONTACT: Eric Mayes, Purchasing Manager

The following shall be a part of RFP # 26988: ePayment Processing Services and Solution Provider. Any data provided in the RFP is unaudited; however, it is believed to be accurate.

CORRECTION

Exhibit C, E-Payment Collection History contained an error on page 25. The average transaction dollar amount for Alarms for the month of May 2014 is \$28 instead of \$328.

RESPONSES TO QUESTIONS

1. *The City received several questions regarding the identity of the current provider, the status of the City's contract with such provider, and the City's ability to continue receiving service from such provider in the event the selected Proposer is not able to meet the schedule as provided in the RFP.*

The City is currently working with two firms, Paymentus and Elavon. Elavon provides service to Golf, Parking, and Library while Paymentus provides service to Treasury, City Court Clerk's Office, Metro Alarms, and the Animal Shelter. The contracts with Elavon have no expiration dates and the contract with Paymentus expires on December 31, 2014.

In the event the selected Proposer does not expect to complete a full implementation by December 31, 2014, the City will work with such Proposer and complete the implementation in phases with the service centers that are currently serviced by Paymentus going first. The expiration date of the contract with Paymentus should not be viewed as golden handcuffs for Paymentus nor should the City's willingness to work with the selected Proposer be viewed as an opportunity for such proposer to delay the implementation process. The City will work with the selected Proposer to revise the schedule.

2. ***The City received several requests for a breakdown of historical transaction and amounts as provided in Exhibit C.***

- a. ACH payments are received by the Treasury Office only. No other service center receives payments through that channel. For calendar year 2013 a total of **15,517** transactions with a dollar volume of **\$19,922,606.14** were paid via ACH. The number of transactions and dollar volume for the period beginning January 1, 2014, and ending June 30, 2014, are **5,003** and **\$4,153,127.12**, respectively.

There was a request for the current fee for ACH payments. The City is asking all proposers to submit their best rate for ACH payments without prior knowledge of the current rate structure.

- b. All other payments were made via credit card or debit card. The City's reports currently do not distinguish between credit card payments and debit card payments. Debit card payments currently do not require the user to enter a PIN and, from the City's perspective, are processed as if they were credit card payments.

Although the City is currently not able to provide a breakdown of all credit card/debit card payments, we can provide more detailed information for a sample of 46,504 payments made via credit card/debit card.

- i. AMEX accounted for 5% of the payments;
- ii. Visa accounted for 67% of the payments;
- iii. Master Card accounted for 26% of the payments; and
- iv. Discover Card accounted for 2% of the credit card/debit card payments in the sample.

3. ***There was a question regarding the transfer of the Treasurer's Office collection responsibilities to the Shelby County Trustee Office in July 2016.***

The Treasurer's Office received 23,531 e-Payments in 2013 and 6,935 e-Payments from January 2014 and through June 2014. You should assume that the Treasurer's Office will not receive any e-Payments after June 2016.

4. ***There were a couple of questions submitted regarding convenience fees.***

Certain service centers such as the Treasurer's Office pass all transaction fees charged by the ePayment service provider to the end user. Those fees are presented as convenience fees and represent compensation to the service provider. The convenience fees are determined by the service provider and are not charged, received nor managed by the City. The service provider does not receive compensation from the City for any transaction that has a convenience fee.

There was a request for current convenience fees. The structure of convenience fees currently vary by payment type and Service Center as certain Service Centers have higher average transaction and dollar amounts than others. The City is asking all proposers to submit their best rate(s) for convenience fees without prior knowledge of the current rate structure.

5. ***Is there a requirement to have key staff in the Memphis vicinity?***

No.

6. ***Are you seeking a customized IVR solution or does the City of Memphis have an IVR that can be integrated into the vendor's solution?***

The IVR solution will be provided by the vendor and the City will use a phone number provided by the vendor.

7. ***Please clarify if the sample check image to be displayed is on the City's web page or the expectation it will be displayed on the vendor's payment page?***

The expectation is that the sample check will be provided on the vendor's page. The purpose of the sample check is to provide the user with the general location of routing numbers and account numbers.

8. ***Please clarify, does the city manage the current IVR in place or is that done through a third party?***

The IVR solution is currently managed by the vendor.

9. ***Please clarify for successful and unsuccessful payments, is the requirements for the City to receive an email notification for every transaction that is initiated through an Administrative Site utilized by an authorized employee and for all payments initiated by the consumer in a Consumer Payments web page?***

No, the City does not receive email notifications. The individual making the payment is notified in the event of an unsuccessful payment attempt.

10. ***Which City of Memphis agency/department is directly responsible for the ongoing day to day management of Electronic Payments?***

The Finance Division will be responsible for the ongoing management of ePayments.

11. ***Will the City's existing provider support the current services throughout the transition to the selected provider should the transition process extend into 2015?***

If necessary the City will speak with the current vendor regarding extending their contract. The City has had preliminary conversations with Paymentus regarding this.

12. ***Please clarify vendor responsibilities related to delivery of transaction information (reference number, transaction amount, result of the transaction). Is the expectation that for Web and IVR transactions both a web service for real-time data exchange and a daily file transmission will be required?***

Transaction information should include confirmation number, parcel account number (when applicable), transaction date and time, transaction amount, payment type and transaction result. Real-time data exchange is not desired, only daily file transmissions.

13. ***Does the City of Memphis have flexibility in the utilization/investment of funds following settlement? Is collateralization of balances required?***

No. All payments must be transferred to the City as soon as possible; however, the transfer should occur no later than the second business day after settlement.

14. ***Please clarify the genesis of the collections volumes labeled “Parking Meters”. Please confirm that these volumes are related to payment for parking within the City, separate from parking citations. Please elaborate on the point of interaction with the Payer for these Parking Meter volumes including expectations for integration between existing hardware and the vendor’s role as the Electronic Payments service provider.***

Parking Meters represents payments for on-street parking within the City. The City recently purchased and installed Parkeon multi-space and single-space parking meters throughout the downtown and medical district areas in the city. Patrons are able to pay for parking using cash or credit/debit cards. Each parking meter has the ability to swipe credit/debit card then transmit the information wirelessly to a server. The City and Parkeon will work with the selected Proposer to ensure a seamless integration.

15. ***Do you have indicative or expected volumes for the two additional programs which would use the E-Payments Processing service? If so, please elaborate on expected volumes and start dates for the Adopt-a-Block and Vacant Property Registry programs.***

The Vacant Property Program currently exists. Last year approx. 330 property owners paid a \$200 fee using cash or check. The City will begin accepting electronic payments as soon as practical.

The Adopt-A-Block program is new. The City is currently in the process of developing a website to promote the program. The City is considering setting minimum donation amounts. No information regarding expected volumes is available.

16. ***How does the City intend to utilize the equipment specified in Section 4.3.2 – 6 Over-the-Counter Devices, 5 Mobile Shuttle Devices, and 2 Tablet Devices? Please elaborate on the specific requirements for this request.***

The City’s community centers currently accept payment via money orders only. Most of the equipment will be made available to community centers. Other service centers such as the Treasury Office and City Court may have use for the equipment as well.

17. Per the RFP, the City of Memphis is interested in a vendor-provided Electronic Bill Presentment solution. Please provide the anticipated volume of monthly bills to be presented through the vendor's website online? Please verify that citizen access to full bill images, consistent with the look and feel of the paper version, is required.

The City wants to consider any technology within reason that would offer value or convenience to tax and fee payers. Electronic Billing Presentment is something the City would like to explore and has asked that Proposers present information regarding the solution's potential use and benefit.

18. Is the City of Memphis leveraging a consolidated remittance and settlement solution for payments originated at banking websites, walk-in locations, and other third-party acceptors via our Connect and Pay solution today?

No, the City is not currently using this; however, the City is interested in receiving suggestions that will benefit either the City or its tax or fee payers.