CITY OF STAUNTON MERCHANT SERVICES RFP

RFP SUBMISSION DEADLINE: October 10, 2019, 2:00 P.M.

ADDENDUM #1 - DATE: September 25, 2019

TO ALL POTENTIAL RESPONDENTS:

The following information is being provided for purposes of clarification or in response to questions received from potential respondents.

Evaluation Criteria:

The wording of **Section 1.5** of the RFP is revised as follows with the addition of weight/ranking of criteria:

The following criteria will be used to evaluate the proposals but not necessarily in the order given:

	Criteria	Weight
A.	The ability, capacity and skill of the offeror to perform the contract or provide the service required within the time specified;	20
B.	Features and functionality of the proposed solution	20
C.	Cost of the proposed systems and related maintenance contracts and payment terms, including terms and discounts	20
D.	The ability of the offeror to provide future maintenance, parts and services;	20
E.	Compliance with RFP terms and conditions	20
	Total	**100**

Please note that the **RFP Submission Deadline** remains
October 10, 2019 by 2:00 PM.

City of Staunton Merchant Services RFP
Q&A Summary
September 25, 2019

This is a summary of questions received as of September 25, 2019 to the City's Merchant Services RFP (dated September 3, 2019) and responses provided.

1. **Can the City confirm that RFP scope does not include interfaces to Tyler Munis or any other host system at this time?**
   That is correct. There are not interface requirements to Tyler Munis or any other host system at this time. However, we are interested in details in Section 2.3.5 on the process

of how the transaction amount and authorization codes can be transmitted between the POS workstation and the swipe machine.

2. **If there are interfaces for any department, can the City provide the system name, vendor name and brief description of its requirements (e.g. real-time, batch, etc).**
   There are no additional interfaces that will be necessary.

3. **Please provide an estimated project start and go-live date expectations.**
   While there are not fixed dates for go-live, it is anticipated that once an award is made, locations will be phased in over the next six months.

4. **Will the City be assigning a centralized project manager (of similar) as primary POC for all departments OR will the selected vendor be working with each department independently?**
   The City will have a project manager that will coordinate implementation for all departments.

5. **What credit card processors currently provide services for the acceptance point of sale credit cards to the City?**
   The City currently only has two locations for point of sale transactions at this time. Those are serviced by Suntrust and Automated Merchant Services.

6. **What are the current processing/convenience fee rates, by credit card processor, paid by the cardholder or absorbed by the County?**
   Currently the City absorbs processing/convenience fees for all transactions. Per section 2.8.3, the City is exploring options to potentially pass a convenience fee to the customer for some payment types.

7. **Can the County provide an annual estimate of annual chargeback payment amount and transaction totals?**
   Chargebacks are minimal - a couple of transactions for less than $1000 in the past year.

8. **Can the City share the questions and answers provided by other potential bidders of this RFP?**
   Yes. Answers to all submitted questions will be posted on the City's website by September 26.

9. **Section 1.2 - Offeror Eligibility - Authorization to Conduct Business in**
   Virginia. - As a foreign entity to the Commonwealth of Virginia, can the City please advise what authorization is necessary to conduct business with the City?
   Requirements for conducting business in Virginia are outlined in the Code of Virginia and the *Virginia Procurement Act*. Code of Virginia § 2.2-4311.2(b) indicates that an identification number issued by the State Corporation Commission shall be requested in solicitations.

10. **Section 1.5 - Evaluation Criteria - What is the scoring/split of the evaluation criteria? What are the weights of Technical to Financial? 70/30?**
    Evaluation criteria will be equally weighted.

11. **Section 1.5 - Evaluation Criteria - Is the criteria in descending order of importance?**
    RFP section 1.5 states "not necessarily in the order given."

12. **Section 2.6.2 - Transaction Volume - Online credit card payments and it is anticipated that those collections will continue with our current merchant services provider and are outside the scope of this RFP. Who are the current merchant service providers for both online and physical terminals?**
    It is anticipated that the City will continue with the current online merchant services providers. Current online providers are Automated Merchant Systems (AMS) and Official Payments. It is anticipated that the City's current physical terminals will be replaced with services being solicited with this RFP.

13. **Section 3.4.1 - Legality - Is there any business license requirements by City of Staunton?**
    Business licenses would not be required unless the firm awarded this contract has or would establish an office in the City.

14. **Section 3.4.1 - Legality - What is the strategy of the City on how to handle changing regulations within payment card industry? Unlike other industries, unforeseen regulation changes commonly occur which could have a substantial impact on the Offeror. Due to the term of the Agreement, this could have a substantial cost and performance impact on the Offeror and the City.**
    As with any other regulation changes that impact any facet of the City, they are assessed and addressed as needed.

15. **Section 3.6 - Insurance: Can you please advise how/why Vehicle Liability coverage is applicable to this effort?**
    General Liability, Vehicle Liability and Worker's Compensation insurance are a standard requirement for all City procurements.

16. **Section 3.8 - Offeror Requirements - This requirement is restrictive in nature. If an Offeror is looking to get into the government sector but does not have any government clients in VA then they are unable to participate in the competition based on not having clients similar in function. The Offeror may have a substantial client base similar in scope and size to the City in VA but only in the commercial sector. Will the City consider revising the requirement to make the solicitation more inclusive for potential Offerors eager to work with the City and government sector?**
    Section 3.8 does not require any of the references to be government clients.

17. **Pricing - Can the City please confirm that there is not a required pricing form to be completed in response to the RFP?**
    There is not a specific pricing form that needs to be completed.

18. ***Section 2.6.1 - Transaction Volume:*** **Given that the City anticipates online payments will remain with the current merchant service provider, can the City please update the table to advise which Payment Types are online or terminal based?**
    Online payments are currently received for Real Estate Taxes, Utility Billing, Personal Property and Recreation Department fees. It is unknown how much of the online transaction volume would become in-person, terminal-based transactions once that service is available.

19. **Of the $33,761,488 collected, what is the breakdown of online payments vs. in-person payments?**
    The City currently collects three payment types online and through IVR services. Summary information is below identifying payment type, tax type, and number of transactions, annual volume and average transaction.

WEB	PP	3172	$815,421.88	$257.07
WEB	RE	1423	$1,188,892.32	$835.48
WEB	UB	14702	$1,823,555.69	$124.03
IVR	PP	850	$157,613.36	$185.43
IVR	RE	208	$137,584.35	$661.46
IVR	UB	2990	$308,118.62	$103.05

20. **Which bank is the banking services provider? (i.e. where funds are deposited)**
    The City utilizes Suntrust for banking services.

21. **If known, please supply the number of debit/credit card chargebacks in the last 12 months.**
    Chargebacks are minimal - a couple of transactions for less than $1000 in the past year.

22. **Who is your current provider?**
    The City does not currently accept credit cards for in-person transactions, except at the City Golf Course and Parks and Recreation. In-person credit card transactions will be new services for a majority of the sites covered in this RFP. Official Payments currently provides online merchant services for Utility Billing, Real Estate and Personal Property taxes. Online services are outside the scope of this RFP.

23. **Is there a reason you're putting this out for RFP now?**
    The City desires to improve the customer experience and believes accepting payments by credit cards will benefit our customers.

24. **Could we obtain 3 months' current merchant statements to accurately gauge transaction volumes, average tickets, etc.?**
    Merchant services statements will likely not provide valuable information. As noted in section 2.2, the City does not accept credit cards in person at this time, so there are no

comparable metrics. Information provided in section 2.6 summarizes the total transaction volume potential that could be received through credit card transactions. We noted volume and transaction counts where we had reliable information.

25. What Equipment do you current use? Is it EMV compatible?
Section 2.3 identifies requirements for equipment including EMV requirements.

26. Do you charge Service/Convenience Fees?
Section 2.8 of the RFP, specifically 2.8.3 discusses the City's interest in compensation arrangements for convenience fees and city paid fees.

27. How do you receive your reporting today?
Reports are provided via daily emails as well as available via online portals.

28. Are you utilizing encryption and tokenization?
Yes.

<u>Inquiries Concerning the RFP</u>

Any questions or comments concerning this Request for Proposal should be directed in writing to:

Kurt Plowman, Chief Technology Officer
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Note: A signed acknowledgement of this addendum must be received by this office prior to the due date and time, or must be attached to your RFP. Signature on this addendum does not constitute signature on the original RFP document. The original RFP document must also be signed per RFP instructions.

Company Name: ______________________________

Signature: ______________________________

Type/Print Name: ______________________________

Title: ______________________________

Date: ______________________________