



**City of Rochester**



Department of Finance  
City Hall Room 111A, 30 Church Street  
Rochester, New York 14614-1294  
[www.cityofrochester.gov](http://www.cityofrochester.gov)

## ***REQUEST FOR PROPOSALS***

### ***ONLINE HOME BANK RECEIPT PROCESSING and ELECTRONIC FUND TRANSFER (EFT) VENDOR PAYMENT PROCESSING***

**AUGUST 3, 2009**

## **1.0 General Information:**

The City of Rochester is seeking proposals from qualified financial institutions to provide two services – the electronic receipt and processing of online bank payments made from a customer's home online bank service; and the automated, electronic disbursement of City payments.

- 1) **Online Home Bank Receipts:** Enable a seamless, electronic acceptance of payments for City receivables made by customers on their online home bank service. Currently customer initiated online payments are converted to paper checks and mailed to the City. The City currently processes over 195,000 tax bills and over 175,000 water bills annually, in addition to other incoming payment streams. Approximately 20,000 checks annually are currently generated by our customers' online home bank service.

The selected financial institution would work closely with the city's Department of Information Technology to establish said capability. Selected proponent must install all necessary equipment and software and make all necessary arrangements so that the City of Rochester will be operational for accepting and disbursing payments.

- 2) **Electronic Fund Transfer (EFT) Vendor Payments:** Enable the conversion of vendor check payments (generated by City vouchers) to direct electronic disbursements to City vendors thereby reducing paper check issuance. The City of Rochester issues approximately 47,000 voucher generated checks per year.

## **2.0 Invitation**

- 2.1 To accomplish what is described in Section 1.0., the City of Rochester invites interested financial institutions to submit a proposal for systems which will enable (1) the electronic receipt of payments from customers' home bank services and, (2) the disbursement of payments electronically to vendors.

- 2.2 Five copies of the proposal shall be submitted in a sealed envelope to:

Charles A. Benincasa  
City Treasurer  
City Hall, Room 111A  
30 Church Street  
Rochester, New York, 14614

Proposals must be submitted no later than **5:00 P.M., August 31, 2009**. Faxed proposals shall not be accepted. Late proposals will be returned un-opened to the sender. Each system proposal – **(1) Online Home Bank Receipt Processing** and **(2) Electronic Fund Transfer (EFT) Vendor Payment Processing** - must be written and labeled as separate documents with respect to the technical proposal and pricing – Sections (3.0) and (4.0) below. Corporate References – Section (5.0) below - may be singular.

All questions should be directed to Charles A. Benincasa, City Treasurer via e-mail at [benincc@cityofrochester.gov](mailto:benincc@cityofrochester.gov) . Questions from any one proponent will be shared with all proponents along with the answer.

- 2.4 The City reserves the right to reject any or all proposals and to advertise for new proposals if, in its opinion, the best interest of the City is not represented.
- 2.7 The City reserves the right to amend the specifications in this request for proposal, following its release, by issuing appropriate addenda to all potential candidates.
- 2.8 The City shall not be required solely to award based on lowest price. Other factors may be taken into consideration.
- 2.9 The City reserves the right to award both services to be provided (online bank receipts and electronic payments) to one financial institution or, separately, to two financial institutions.
- 2.10 Payment for services and systems will be in the form of compensating balances.

### **3.0 Overview of Current System**

- 3.1 **Receipts:** Payments are made to the City Treasurer in the form of cash, check and credit/debit card in-person, via the mail, or voice telephonically. Online tax payments at the City's website can be made as a debit transaction (one-time or recurring on the due date) to the customer's bank account. Water bill payments may be made online with a credit card on the City's website.

An annual tax bill is issued with payments due on an installment basis in July, September, January and March. In addition the City bills residential water payments (billed quarterly), commercial water payments (billed monthly), and commercial refuse payments (billed monthly). The most recent tax bill (2009-10) had an aggregate value of \$228,943,733.91 and 62,976 bills were issued. Due to the requirement of the City Charter to not allow the amounts billed for the September, January and March installments to exceed \$1,550 each, the greatest payment volume and dollar value is in July. Partial payments can be made throughout the year; however penalties are applied on all late amounts at the rate of 1.5% per month.

For 2008-09 metered water revenue is estimated at \$29,775,200. Approximately, 257,000 bills are issued, of which approximately 178,600 are processed (delinquent water bills are added to the following year's tax bill). The 2008-09 estimate for commercial refuse revenue is \$3,436,700. Approximately 11,000 bills are issued, of which approximately 7,000 are processed in the City Treasurer's office (delinquent refuse bills are added to the following year's tax bill).

Each year the City receives approximately 20,000 paper checks generated and mailed by customer's home banking services for payment of city charges.

**Vendor Payments:** With respect to disbursements, the City has approximately 80,000 vendor records of which approximately 20,000 are active. Annually, the City issues approximately 47,000 check payments having a value of approximately \$260 million.

- 3.2 All funds due the City must be transferred to the designated City account on the same day

that the electronic check is received. Deposit of City of Rochester electronic check transactions will only be made with a City of Rochester designated depository. The selected proponent must be able to facilitate all City of Rochester electronic check transactions with a designated depository. Following are said depositories: JP Morgan Chase, N.A.; HSBC Bank, USA; Bank of America; Manufacturers & Traders Trust Company; Key Bank; Citizens Bank.

- 3.3 The successful proponent(s) must provide operating guides, instructions, procedural documentation, and employee training to enable electronic receipt and disbursement check processing.
- 3.4 The successful proponent(s) must make all necessary arrangements so that the City of Rochester will be operational for electronic receipt and disbursement check processing.
- 3.5 The City of Rochester reserves the right to audit the records of the successful proponent(s) during the duration of the contract as they relate to the contract terms.
- 3.6 The City of Rochester reserves the right to inspect the facilities of the successful proponent(s) during the term of the contract as they relate to the contract terms.

#### **4.0 Proposal Requirements**

- 4.1 **For each system – Online Home Bank Receipts and EFT Vendor Payments - provide a detailed description of the proposed processing and technology, including:**

- Describe how transmission methodology works (e.g., dial, batch, real-time, Internet, FTP). Provide information on how transmitted files interface and post transactions.

- Provide information on security measures in place for the protection of data transmitted for processing. Describe the security measures used to prevent unauthorized user access to either the system or the data. Describe security measures used to protect Internet transactions. Explain data encryption methods utilized

- Describe the daily and/or monthly reconciliation reports available. Are reports or other information available via the Internet, PC access, or other online method? Provide information on other available reports. How long is reporting data stored? Describe the flexibility in reporting and how customized reports can be generated. Can reports be tailored to specific financial accounting time schedules and what are the ad hoc reporting capabilities?

- Describe your customer service organizational structure. Is customer service performed in-house and what are the hours of operation? Describe the responsibilities of your customer service personnel, including the chain of command for problem resolution.

- Provide information regarding the implementation methodology normally utilized and an estimate regarding time required for becoming operational.

-Provide plan for business continuity and disaster recovery as it relates to local back up and/or redundant systems, including back up capabilities in case of complete site failure. Provide statistical information on your downtime experience over the last two years with similarly installed systems. What is the average duration of your downtime? What procedures will City employees have to follow to access the backup system?

-Describe the settlement process, including a funds availability schedule and settlement transmission time frames. How is settlement made, ACH or Fed wire? Provide information on how settlement is handled for multiple accounts.

-Describe your experience with providing the requested services/systems; client/customer experience; governmental service delivery experience; experience history with respect to both services/systems.

- 4.2 Describe your proposed time-frame for implementation.
- 4.3 Describe the system capabilities with respect to speed and accuracy.
- 4.4 Training - The vendor will provide appropriate numbers of employee training manuals to the Bureau of Treasury. Describe your standard training package for new corporate customers. Provide samples of training and operating manuals. Give a detailed description of how training and operating manuals will be prepared for the City of Rochester.
- 4.5 Reports - Describe the types of reports you will offer, and provide a sample of each. Will you be able to modify or add reports to meet specific needs? How soon will reports be available?
- 4.6 Provide the names, titles and background of the two most senior personnel in the customer relations and operations areas of your organization who will have responsibility for administering the City's account. Delineate the responsibilities of each of these individuals. Provide the addresses and phone numbers of the individuals. Describe your "help line" and customer support services and indicate their availability.
- 4.7 Equipment and software- Describe the types and physical dimension of all the equipment you will install in City offices. How much work space will your equipment require? Describe your service and repair system. What is the maximum amount of time it will take you to respond to a repair call and the maximum amount of time it will take to get the office or workstation back online?
- 4.8 Describe in details the capabilities and controls to safeguard our customers banking information.
- 4.9 Describe your system of controls to prevent payment errors. Describe your systems to correct such errors should they occur. Will errors be corrected within 24 hours?
- 4.10 Provide a detailed analysis of your compensating bank balance requirement for each of the services described. Provide the unit price of each service provided and its

compensating balance equivalent. Provide the compensating balance methodology used by your bank and show the actual calculation of the balance requirement based on the unit prices shown. Pricing must be exclusive of federal, state and local taxes.

**4.11 For the Online Home Bank Receipt Processing proposal, in addition to the above:**

- Describe your existing relationship with various bill paying enterprises (e.g., Checkfree, Metavante).
- NSF Transactions - Describe the method for handling NSF transactions. How will the City locate the transaction in our batch file? What information will you provide for this purpose?

**5.0 Corporate References and Financial Condition**

- 4.1 All proponents are required to provide the names of at least three major organizations with which you have conducted the services described in this RFP for at least three years. Also include the name of an appropriate contact person in each organization.
- 4.2 All proponents must provide their most recent "Consolidated Reports of Condition and Income" for the bank. In addition, please submit audited financial statements for the last three years, as well as any interim statements issued since the date of the last annual audited statement.

**6.0 Proposal Selection**

Proposals that meet all of the requirements of section 2.0 will be evaluated on the following factors: (1) Quality of the proposal; (2) Corporate qualifications and product experience; (3) Technical merit of the proposal; and (4) Cost – direct costs as reflected by the price of the services provided and the internal costs to the City with respect to implementation and operation of the systems.

**7.0 Ownership Rights**

1. Ownership of all data, material and documentation prepared in answer to this request for proposal will belong to the City of Rochester and will be subject to public inspection and use as specified in New York State law. (Except as provided in paragraph 2 below.)
2. Trade secrets or proprietary information submitted by a vendor will not be subject to public disclosure under New York State law. However, a vendor must identify the material which it considers proprietary to be protected from public disclosure when submitting the material, and state the reasons why protection from disclosure is necessary.