

**CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES**

**JUNE 8, 2018**

**ADDENDUM NO. 5**

**To**

**REQUEST FOR PROPOSAL (“RFP”)**

**FOR**

**CHECK PROCESSING SERVICES**

**SPECIFICATION NO: 245583**

For which Proposals are scheduled to be received no later than 4:00 p.m., Central Time on June 8, 2018 (pursuant to the Request for Proposal Addendum #4 advertised May 21, 2018) in the Department of Procurement Services, Bid & Bond Room (Room 103 of City Hall).

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 must acknowledge receipt of this Addendum No. 5 in the Cover Letter of its Proposal AND should complete and return the attached Acknowledgment by email to [milton.leblanc@cityofchicago.org](mailto:milton.leblanc@cityofchicago.org)  
Attn: Milton E. Leblanc, Senior Procurement Specialist**

**This document contains:**

- I. Notice of Proposal Due Date Postponement**
- II. Revision to the Request for Proposal**
- III. Addendum Receipt Acknowledgment**

The information contained in this Addendum No. 5 is incorporated by reference into the original Request for Proposal (RFP) issued on March 8, 2018.

**CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES**

**JUNE 8, 2018**

**ADDENDUM NO. 5**

**To**

**REQUEST FOR PROPOSAL (“RFP”)**

**FOR**

**CHECK PROCESSING SERVICES**

**SPECIFICATION NO: 245583**

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, June 8, 2018.

The following revision/change 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 June 29, 2018, IN THE BID & BOND ROOM 103, CITY HALL, 121 NORTH LASALLE STREET, CHICAGO, ILLINOIS 60602.**

**SECTION II: REVISION TO THE REQUEST FOR PROPOSAL**

Revision #1: EXHIBIT 1, SCOPE OF SERVICES in the RFP is deleted in its entirety and replaced with the attached REVISED EXHIBIT 1, SCOPE OF SERVICES

**“PROPOSALS MUST BE RECEIVED NO LATER THAN 4:00 P.M., CENTRAL TIME, ON June 29, 2018”**

**CITY OF CHICAGO  
DEPARTMENT OF PROCUREMENT SERVICES**

**JAMIE L. RHEE  
CHIEF PROCUREMENT OFFICER**

CITY OF CHICAGO - DEPARTMENT OF PROCUREMENT SERVICES

JUNE 8, 2018

ADDENDUM NO. 5

To

REQUEST FOR PROPOSAL ("RFP")

FOR

CHECK PROCESSING SERVICES

SPECIFICATION NO: 245583

Consisting of Sections I-III including this Acknowledgment.

**III. ADDENDUM RECEIPT ACKNOWLEDGMENT**

I hereby acknowledge receipt of Addendum No.5 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  
[milton.leblanc@cityofchicago.org](mailto:milton.leblanc@cityofchicago.org)  
Attn: Milton E. Leblanc, Senior Procurement Specialist**

**REVISED**

**EXHIBIT 1**

**SCOPE OF SERVICES**

**CHECK PROCESSING SERVICES**

**Check Processing**

The Contractor must provide electronic check Gateway services such as, but not limited to ACH and Check21 for both paper checks and ACH transactions, in addition provide check verification services. Contractor's services must be able to integrate into the City's various payment channels, point-of-sale, web, mail-in, Interactive Voice Response (self-service phone) payments, and kiosk payments. The Contractor must process converted paper check and ACH transactions from the City and its payment processing partners and their various payment channels. The City has multiple partners that accept and process ACH payments through our current service provider. Those payments are accepted via the web, self-serve kiosks and over the phone. Check processing services are to be available 24 hours per day, 7 days per week, 365 days per year, including Holidays. The Services must capture, for each check, the dollar amount of the check, the date and time paid, the location paid at, the terminal/workstation paid at, and the verification information.

**System Support**

Contractor must furnish a system to provide check processing services ("System").

- 1) Contractor must provide verification services to determine whether to accept or deny a check or ACH payment, and provide the basis for denial.
  - a. City prefers Contractor to consider the City's negative check processing activity when performing their check verification process.
  - b. Contractor must provide check verification acceptance or decline reason codes to the City within 5 seconds of the request 98% of the time.
- 2) Contractor must provide ACH and check conversion gateway services.
- 3) Contractor must provide training, preferably on-site, to authorized City of Chicago personnel, on its System (e.g. navigation, report generation, etc.). The City of Chicago shall provide the training location, to be conducted during regular business hours, 8:00 – 5:00.
- 4) Contractor must interface with the City's Cashiering System and each of the City's third-party payment processing vendors as required. There are currently eight payment processing partner vendors.
- 5) Contractor must provide System software updates as needed.
- 6) Contractor must expand the System as needed (e.g., if the City adds new payment transaction locations; or if the City engages with a new third-party payment processing vendor) at no extra cost to the City.
- 7) Contractor must enable online check processing 24 hours a day, 7 days a week, 365 days per year including Holidays.

- 8) Contractor must be scalable to support multiple payment channel inputs to process check-verification transactions simultaneously.
- 9) Contractor must ensure that the System is not down for more than 0.2% of the time.
- 10) Contractor must provide and maintain a comprehensive Disaster Recovery Plan.

#### **Customer Service**

- 1) Contractor must provide customer service resources to support the City's customers who have received a denial response from the Contractor and must maintain a service response time based a service level to be negotiated and agreed upon by the City.
- 2) Contractor must provide Customer Service support and system support during business hours, Monday through Saturday, as applicable.
- 3) Contractor must resolve reported problems, depending on severity within 4 to 24 hours. Service levels to be negotiated and agreed upon by the City. Contractor will address issues based on severity service levels, and identified resolution timing for check processing services. Contractor will provide details of issue resolution based on service level agreements.

#### **Data and Reports**

Contractor must provide information for each payment processed such as, but not limited to:

- 1) daily, monthly, quarterly and yearly reporting with on-line access to payment information, detail and summary
- 2) the dollar amount
- 3) the date and time paid
- 4) the location paid at
- 5) the terminal/workstation paid at, and
- 6) the verification information.
- 7) performance reporting
- 8) ad hoc reporting as requested

The City prefers the above information be provided on demand/real-time but, at minimum, immediately after the settlement date.

In carrying out its services, Contractor must prepare to the City and its Designated ODFI various Deliverables, including reports, and NACHA files.

Contractor must maintain an audit trail of all payment transactions that have occurred during the life of contract term, and that audit trail must be available for review or audit upon request by the City, in accordance with the Audit provisions of the contract.

#### **Invoice Documentation Back-Up Support**

Contractor must invoice the City for Services providing transaction activity by location, providing details (as described in "Data and Reports" above) for all charges invoiced to the City.

#### **Returned Payment Re-Presentation**

In the event of returned payments, the Contractor must provide the ability to manage the re-presentation or re-depositing of qualifying returned payments. The Contractor's Service should provide the City the ability to schedule when those items are re-presented to optimize re-deposit success, such as end of week, end of month or other defined timing.

**Best Practice**

The Contractor must provide best practice recommendations regarding check processing such as, but not limited to: (i) What payment processing steps or measures can the City implement to reduce returned payments, to overcome any payment challenges? ; and (ii) when would be the best time to schedule re-presentments for the highest success of funding?

**Adoption of Other Parties' Processed Payments**

Processing services shall include the ability to re-present ACH or paper checks that were not previously or initially deposited through the Contractor's System. Re-presentation processing shall include the ability to manage the qualifying returned payment items, as described in the Returned Payment Re-Presentation Section above.

**Active Check Monitoring**

Contractor must provide monitoring services of City check payment activity to identify potential irregularities or high-risk activity. The City prefers the Contractor to allow the City to request the blocking or non-acceptance of certain bank accounts.

**Designated Depository Requirements**

Contractor must perform in accordance with the following:

- 1) Contractor must submit all electronic checks to an ODFI that is a Designated Depository.
- 2) Contractor must ensure all Collected Funds will be deposited directly into a City of Chicago account in a Designated Depository, by a City defined deposit cutoff time, ensuring the City meets the deposit deadline to earn interest for that business day.
- 3) Banking settlement deposit to the City-owned bank account is required no later than one business day after payment file is sent to the City's designated ODFI. Government holidays and weekends are not considered business days and settlement will need to occur no later than one business day after payment file is sent to the City's designated ODFI. Contractor will reimburse the City for any lost interest when payments to the City are not deposited as required to the City-owned bank account. The lost interest will be calculated using the federal funds rate plus one percent (1.0%) for each day deposits are not made as required.

Contractor is liable to the City for all Collected Funds until received by the City or delivered to the City's account in another Designated Depository. If any such Collected Funds, for any reason, are unaccounted for, lost, misdirected, or otherwise not delivered to the City as required hereunder or by law, Contractor must reimburse the City for any such loss.

- 4) Contractor must ensure that the City receives, through the Designated Depository, the gross amount paid pursuant to any payment type without discount, fee, service charge, or other charge to the City.

**Fees**

Contractor must not charge any service charge or fee, or the like, to the account of the person making payment to the City (“customer”) without explicit City approval. Contractor may not represent to the customer that the transaction is in any manner a cash-advance or as one subject to immediate interest charges.

If any Subcontractor, or settlement institution, bank, or other party withholds any fee or assessment from Collected Funds prior to transmitting such funds to the City, Contractor must replace such fee or assessment prior to depositing such funds into the City’s Designated Depository account.

