



REQUEST FOR PROPOSALS

**THREE YEAR CONTRACT FOR
MERCHANT SERVICES**

BID NO: 17-14107

ADDENDUM 2

BIDS DUE: June 29, 2017 @ 3:00 PM Central Time

**To report suspected ethics violations impacting the San Antonio Water System,
please call 1-800-687-1918.**

Addendum 2 is issued to provide the questions received and the responses to those questions.

1. Customer service centers (CSCs) – how are in person checks accepted? (Verification, guaranty, back office conversion, point-of-purchase? What percentage of payments for CSC is cash versus check?

Response: Check are processed through Remote Capture, transmitted as Check 21 at the end of the day.

2. Phone payments into call center and IVR – no card payments?

Response: Currently the SAWS call center and IVR only accept payments from a customer's checking or savings account. All credit/debit card payments are referred to the third party service provider.

3. (background viii) – Third party vendor to process credit/debit card payments – please describe this requirement is this referring to the service provider's call center? Or are you referring to processing for all of your payment channels

Response: A third party service provider processes all credit/debit card transactions through the various payment channel; online through website, IVR, third party service provider's call center, and POS terminal as SAWS Customer Care Centers.

4. SAWS customers may designate a separate donation amount as a contribution towards their Project Agua program – will this option be offered through all payment channels – in-person, CSCs, call center, POS, kiosk, web, and IVR?

Response: Yes.

5. Credit card payments website & in person volumes – what percentage is website versus in-person payments?

Response: See Attachment 4.

6. What is the billing system?

Response: Infor – IPS (Infor Public Sector) Billing and Cashiering Modules.

7. What is the volume split between Visa, MasterCard, and American Express for your credit card payments?

Response: See Attachment 5.

8. Please provide copies of three months of recent merchant monthly statements

Response: Not available.

9. Are convenience fees charged for in-person payments?

Response: Yes.

10. What merchant category code (MCC code) is SAWS currently processing under today?

Response: Not available.

11. Will SAWS be willing for the service provider to charge SAWS customers a percentage based service fee versus a flat rate utilizing a government services merchant category code?

Response: Yes.

12. Will SAWS consider an extension of this Bid until June 29?

Response: Due date has been extended until June 29th.

13. Will SAWS consider signing a Non-Disclosure Agreement (NDA) to allow the full completion of Attachment H?

Response: SAWS will consider a Non-Disclosure Agreement (NDA) as it pertains to the SaaS document only.

14. Requesting an extension for the RFP deliverable. YT

Response: See response to question 12.

15. Customers are currently paying different convenience fees for credit and debit payments. Additionally, the fees are tiered. Can you please confirm what Merchant Category Code these payments are processing under?

Response: Not available.

16. With the nature of the RFP, what type of services is SAWS looking for vendors to outsource to SMWVD organizations? YT

Response: Any outsourcing is up to the respondent to decide.

17. What payment processor are you currently using with your current card payment vendor? YT

Response: Worldpay US, Inc.

18. Who is SAWS depository bank? Is the same bank used for inhouse ACH payments?

Response: Frost Bank. Yes.

19. Does SAWS, or your current payment provider, support a 24 hour Call Center for customer inquiries and payments? If so, are customers charged fees for use of this outsourced call center?

Response: No.

20. How many locations currently have kiosks deployed? How many kiosks are at each location?

Response: Three. One at two locations, two at one location.

21. Can you please provide clarification for this question? What exactly are you looking for?

2.7 Please provide detail proposed solution which will be developed as a part of the implementation to support this project. (For example detailed solution architecture, secured data flow to support business processes, etc.).

Response: Please provide a solution architecture drawing detailing how the data transfer and payment processes will flow between processor and SAWS.

22. Do these questions relate to SAWS users or consumer/customer end-users?

6.1 What is the account provisioning/removal process?

6.2 What is the account deprovisioning /removal process? (Example: how are users accounts created and managed?)

Response: SAWS does not understand the question.

23. My question, then, is will there be additional time allotted to submit a proposal or does the June 22, 2017 @ 3:00 PM Central Time still represent the deadline? YT

Response: See response to question 12.

24. Regarding the fee proceeds from the customers (convenience fee / service fee) is SAWS okay if the (customer) fee proceeds are paid directly to SAWS versus being collected by the merchant service provider? This is a model where the customer fee proceeds are paid to SAWS and the fees for the merchants services and other payment services are also billed to SAWS directly.

Response: This is not the preference for SAWS, however, the Service Provider is free to propose this as their solution.

25. Related to 2E, can you provide estimate of how many donation payments are estimated for project Agua program. Would the customer have to be able to make a donation payment through all channels, or only specific channels?

Response: See the table below for Project Agua donations for January 1, 2016 through June 15, 2017. All payment channels should be able to accept Project Agua donations.

Project Agua Donations thorough Credit/Debit Cards							
Date	Amount		Date	Amount		Date	Amount
03/25/16	\$ 25.00		09/19/16	\$ 2.00		02/24/17	\$ 25.00
04/05/16	5.00		09/21/16	5.00		02/27/17	5.00
04/22/16	10.00		09/26/16	5.00		03/02/17	20.00
04/25/16	5.00		10/05/16	10.00		03/03/17	5.00
04/26/16	5.00		10/14/16	5.00		03/09/17	5.00
04/28/16	5.00		10/20/16	100.00		03/14/17	10.00
04/29/16	5.00		10/21/16	1.00		03/17/17	10.00
05/10/16	1.00		10/24/16	5.00		03/27/17	2.00
05/24/16	5.00		10/28/16	2.00		03/28/17	5.00
06/02/16	5.00		11/01/16	1.00		04/04/17	5.00
06/03/16	5.00		11/16/16	1.00		04/17/17	10.00
06/07/16	1.00		11/17/16	2.25		04/19/17	130.23
06/10/16	20.00		11/25/16	111.51		04/24/17	1.00
06/13/16	5.00		12/07/16	10.00		04/24/17	5.00
06/14/16	70.00		12/12/16	5.00		05/01/17	7.00
06/17/16	20.00		12/19/16	5.00		05/08/17	3.00
06/24/16	5.00		12/22/16	5.00		05/15/17	15.00
06/27/16	5.00		01/03/17	5.00		05/17/17	107.82
07/22/16	95.84		01/18/17	5.00		05/30/17	10.00
07/25/16	10.00		01/23/17	100.00		06/12/17	2.00
08/15/16	5.00		01/30/17	25.00		06/21/17	10.00
09/08/16	2.00		02/03/17	2.00			

26. What are the procedures for handling Chargebacks today?

Response: All chargeback will be handled through the Service Provider. Notice will only be sent to SAWS should a payment need to be reversed.

27. Are check/Check-21 payments going to be taken at the Kiosk/POS in Payment Centers?

Response: The Service Provider is to provide their solution for how check payments would be handled at the SAWS Customer Care Centers, should SAWS choose to outsource the processing of check payments.

28. Of the credit card volume you currently accept, what % of transactions were conducted with Visa/MasterCard/Discover/AMEX debit vs. Visa/MasterCard/Discover/AMEX credit?

Response: Breakout between credit and debit cards is not available.

29. Regarding the convenience fees that you currently charge today, who does the convenience fee go to? Do they go to SAWS or the vendor?

Response: The convenience fee is charged directly to the customer by the third party service provider.

30. Who is the merchant of record for current card processing today? Is SAWS the merchant of record or is the vendor?

Response: Value Payment Systems

31. How are EZ Pay payments processed today? Are the ACH instructions initiated by SAWS or the vendor?

Response: A customer submits an EZ Pay application providing their checking or savings account number and routing number, with SAWS initiating a monthly draft for the amount due on customer's water bill.

32. If POS payment equipment would be provided for card payments for SAWS Payment Centre Locations and the equipment would be located separate from cashier windows, who would be operating the POS? Would it be some staff member on behalf of customer, or the customer themselves?

Response: SAWS prefers little involvement in the payment processing process. Any proposed solution for payments at SAWS Customer Care Centers should be as self-serve as possible.

33. In case of multi-payments, can you please specify what payment type combinations would be allowed? For example, would all the payments be paid by one ACH/credit card transaction, or each payment would still be debited separately from customer account or card? Or could customer pay part in ACH and part in credit card?

Response: Multi-payments is where a customer makes one payment for multiple SAWS accounts. It is up to the Service Provider to propose how multi-payments will be offered.

34. Requirement 2.f asks for seamless integration with the SAWS website. Does the customer have to log in to SAWS website using their SAWS account credentials to access the payment site, or would customer be able to make a payment without logging in to SAWS account? If the customer has to log in, when moving into the payment web site, is it expected that customer would be authenticated automatically? If so, is there any other information besides the customer that would be expected to pre-populate on the payment screen, like account number, payment method details, amount or any other information?

Response: The SAWS Customer Portal does manage online identities (usernames and passwords), and customer can only access the Merchant Payment Portal via the SAWS Customer Portal. A seamless integration would land the customer on the Merchant Payment site automatically logged in and the screen will be pre-populated with the relevant payment information including: account number, amount due, and any saved payment information.

35. Requirement 2.o states that if Service Provider's website is offered as a standalone solution, the solution must include options for displaying pending payments and payment history and offer prior payment account recognition with the option to by-pass if the customer wants to use different payment method or a different account. Based on this, it is understood that it would be possible that customer would have separate login for the payment flow. Can you please confirm, if this is acceptable solution as well? If the solution would not be standalone, but seamless as described in the requirement 2.f, would SAWS own website provide the functionality to display pending payments and payment history and other functionality listed in requirement 2.o?

Response: SAWS preference is a seamless integration as described in 2.f. The SAWS Customer Portal does display pending payments and payment history.

36. It is understood that actual eBill presentment is not part of this RFP. Does SAWS have an eBill solution already existing with another vendor, or is SAWS not supporting paperless billing today? If not existing, is eBill presentment something SAWS is looking to add in future?

Response: SAWS currently provides e-bill presentment via the SAWS Customer Portal which is a custom developed application.

37. Is it possible to get 3 months of merchant processing statements?

- a. If you are unable to provide the merchant statements, can you provide the debt and credit card mix in terms of percentages?

Response: Not available.

38. Does the provider need to provide a Kiosk or POS or both. Does the Kiosk need to accept cash or will the ability to accept credit, debit, and E-check meet the requirement?

Response: It is up to the Service Provider to propose a solution for how credit/debit card payments, and possibly check payments, will be accepted at the SAWS Customer Care Centers.

39. Is SAWS interested in seeing additional pricing for optional services such as print and mail and lockbox?

Response: Those services are not part of this Scope of Service.

40. By Phone Call Center & IVR (ACH)
Handled by your financial institution?

Response: SAWS Call Center and IVR check payments (ACH) are sent to SAWS General Depository Bank.

41. Customer Service Centers

Checks: Will you be needing a check verification or guarantee product?

Response: Yes, SAWS would be interested.

42. Can a breakdown of Credit, Debit and ACH transactions be provided – for both residential and commercial?

- a. Within Credit can number of transactions by credit card type, visa, MasterCard, AMEX, Discover, etc

Response: See Attachment 2 and 3 provided with the original RFP for the breakdown of residential and commercial credit/debit card payments. See Attachment 5 for breakdown of payments by card type.

43. Can you provide addition description of the chart titled “ Direct Deposit Payments”

- i. Is this only commercial and only direct ACH Auto payments

Response: Direct Deposits Payments are ACH payments initiated by the customer to SAWS General Depository account. All Direct Deposit Payments are for commercial accounts. SAWS will continue to process Direct Deposit Payments.

44. Can you further describe payments represented by the chart titled “Authorized Pay agents”?
Response: Authorized Pay Agents are local businesses who collect payments on SAWS behalf where a customer can pay in person.
45. Is the Chart titled “SAWS EZ Pay” only credit/debit card payments... and only residential?
b. If so, can payment breakout of credit vs. debit be provided?
Response: SAWS EZ Pay payments are pre-authorized ACH payments initiated by SAWS from the customer’s checking or savings account. Both residential and commercial accounts can sign up for EZ Pay.
46. Is there a Max payment value? Or Frequency?
Response: It will be up to the Service Provider to propose if there should be a maximum payment amount and frequency of payment.
47. Does the selected vendor need to be SMWB certified by the South Central Texas Regional Certification Agency at the time of RFP submission, or can it be done once the RFP is awarded?
Response: Certification will need to be obtained prior to proposal submittal in order to be considered for points related to the evaluation criteria or respondent will need to subcontract to a certified business.
48. For payments collected at your payment centers, can you break out the over the counter credit card transaction number from over the Web?
Response: See Attachment 4.
49. What Point of Sale solution is used for over the counter transactions?
Response: It will be up to the Service Provider to propose how in person credit/debit card transactions will be handled.
50. Is point of sale part of the scope of this RFP?
Response: The Scope of Service does include a request for a solution for in person credit/debit card transactions.
51. What bank does SAWS use for deposits?
Response: Frost Bank.
52. How does SAWS process in person checks currently? Is there scanning capability?
Response: Check are processed through Remote Capture, transmitted as Check 21 at the end of the day.
53. Does SAWS use armored car service currently?
Response: Yes. An Armored Car Service picks up daily cash deposits and any checks which are not processed through Remote Capture from the SAWS Customer Care Centers.
54. What content management software does SAWS use for its website?
Response: SAWS does not currently utilize a CMS. SAWS has planned to redesign the www site in 2017-2018 timeframe this will include the selection and implementation of a CMS

55. What is the billing and CIS system that is used at SAWS?

Response: Infor – IPS (Infor Public Sector) Billing and Cashiering Modules.

56. What is the general ledger for SAWS?

Response: SAWS uses Infor Lawson Financials.

57. Is the payment call center required to be located in San Antonio? In Texas?

Response: No.

58. Does SAWS staff have a count for the number of dishonored transactions in 2016?

Response: See the table below for the number of chargebacks processed.

Number of Chargebacks Processed	
January 2016 - March 2017	
Month	Number of Chargebacks
Jan-16	10
Feb-16	15
Mar-16	10
Apr-16	11
May-16	11
Jun-16	14
Jul-16	7
Aug-16	17
Sep-16	15
Oct-16	16
Nov-16	13
Dec-16	6
Jan-17	9
Feb-17	10
Mar-17	4

59. Can SAWS provide the acquirer statements for the prior year in order to understand the mix of interchange categories?

Response: Not available.

60. What fees are paid by SAWS to the service provider for processing Cash and ACH transactions?

Response: SAWS currently processes all cash and ACH transactions in house.

61. Does SAWS pay a fee for the kiosk service? If so, can SAWS disclose the kiosk fee?

Response: \$360/month per kiosk

62. What is the reason for the kiosks to accept only cash payments? Is SAWS interested in a kiosk solution that accepts cash, credit and check payments?

Response: At the time of the solicitation for the kiosks, only the acceptance of cash payments

was requested. It is up to the Service Provider to propose a solution for how credit/debit card payments, and possibly, check payments will be processed at the SAWS Customer Care Centers.

63. What are the convenience fees for credit and debit payments over \$500?

Response: See SAWS website <http://www.saws.org/service/BillPay/> for summary of all payment channels available to SAWS customers and any fees.

64. Is the Convenience Fee charged for Online, IVR and In Person credit and debit payments?

Response: Yes, a convenience fee is charged for all credit/debit card transactions regardless of payment channel.

65. How many SAWS Cahier/Workstations require Point of Sale terminals equipment?

Response: Nineteen (19)

66. Would SAWS consider extending June 22nd Due Date?

Response: See response to question 12.

67. Will SAWS accept a proposal where we are partnering with a third party?

Response: You may partner, however, one of the companies will need to be the prime contractor responsible for the contract.

68. With reference to Kiosks - is SAWS requesting the processor be able to interface with existing hardware or is SAWS looking to the processor to provide hardware? If SAWS is requesting the processor to be able to interface with your existing hardware, please provide details of the hardware/software used today.

Response: It is up to the Service Provider to propose a solution of how credit/debit card payments are processed at the SAWS Customer Care Centers.

69. Who is your incumbent and when does your agreement expire?

Response: Current contract is with Value Payment System.

70. I don't see any credit card activity for commercial accounts.

On the SAWS website there's a debit card and a different credit card commercial convenience fee.

1) Can we get totals transaction and values with that same breakdown?

Response: See Attachment 2 and 3 provided with the original RFP for the breakdown of residential and commercial credit/debit card payments. Breakdown between credit and debit cards is not available.

2) Are commercial website transactions included in website credit card totals already received?

Response: Yes.

71. Within the totals provided there are two sections labeled as shown below.

Credit card payments website & In Person

Credit card payments IVR

Do these actually also include Debit card transactions?

Response: Yes, credit and debit card transactions combined.

Attachment 4

**San Antonio Water System Web and In Person Credit/Debit Card Transactions
October 2016 - March 2017**

<u>Month</u>	<u>Web Payments</u>	<u>%</u>	<u>In Person Payments</u>	<u>%</u>
Oct-16	33,486	93.94%	2,160	6.06%
Nov-16	32,734	94.07%	2,062	5.93%
Dec-16	30,348	95.52%	1,425	4.48%
Jan-17	34,353	94.31%	2,072	5.69%
Feb-17	32,833	94.44%	1,933	5.56%
Mar-17	37,087	94.71%	2,073	5.29%
Total	<u>200,841</u>	94.48%	<u>11,725</u>	5.52%

Attachment 5**San Antonio Water System Credit/Debit Card Transactions by Card Type
October 2016 - March 2017**

Month	Card Type							
	American Express	%	Discover	%	MasterCard	%	Visa	%
Oct-16	1,090	1.96%	331	0.59%	20,347	36.55%	33,906	60.90%
Nov-16	1,029	1.88%	314	0.58%	19,838	36.34%	33,408	61.20%
Dec-16	928	1.85%	289	0.58%	18,320	36.54%	30,598	61.03%
Jan-17	1,149	2.02%	304	0.53%	20,780	36.45%	34,784	61.01%
Feb-17	1,061	1.93%	295	0.54%	20,275	36.92%	33,287	60.61%
Mar-17	1,123	1.87%	294	0.49%	21,952	36.49%	36,787	61.15%
Total	6,380	1.92%	1,827	0.55%	121,512	36.55%	202,770	60.99%