ADDENDUM NO. 1

Kansas City Area Transportation Authority
1350 E. 17th Street
Kansas City, Missouri 64108

Banking Services and Purchasing Card Services
Project #16-8014-25

Issue Date: November 21, 2016

This Addendum is hereby made a part of the Bidding Documents and Project Documents to the same extent as if it was originally included therein and is intended to modify and/or interpret the bidding documents by additions, deletions, clarifications or corrections. The Contractor shall acknowledge in the proposal the receipt of this Addendum.

GENERAL INFORMATION
Proposer Questions, Comments & Requests

1. Can the RFP be sent in Word format so that answers can be included after the corresponding questions?

   A Word format of the RFP is attached.

2. Is the 8.5% DBE participation goal referenced on page 23 a requirement for this RFP? Please explain.

   No, the referenced 8.5% DBE participation goal is the overall annual goal for the KCATA as a whole. There is no DBE goal set for this RFP.

3. Section D on page 24 says "section 6 forms and/or waivers must be completed…" Where is Section 6? Is this referring to Section 5? If so, where are the forms and waivers.

   Section 6 was not included as there is no goal set for this RFP. There is no forms or waivers required.

4. Section 2 paragraph 2.2 bullet point 8 references Attachment I for standard terms and conditions. Where is this?

   The terms and conditions are part of the sample contract located in Attachment H of the RFP. Attachment I is the Cost/Price Proposal form.

5. Section 2.3 paragraph F under Online Treasury Management Administration on page 11 talks about entering into a Wire Transfer/ACH agreement for all incoming and outgoing transfers. Can you explain what would be required for incoming transfers?

    The agreement would address the timing of notifications from the bank for incoming transfers to KCATA, i.e. monthly versus daily notifications.

6. Are the deadlines for reporting requirements on page 11 calendar or business days after month end?

    Business days.

7. Can you provide more detail regarding what is required for your Change Order Process, which is the last item in Section 2.3 Paragraph F.

    a. What are your needs?
        Primarily cashing petty cash checks for cash boxes.
    b. Frequency?
        Checks are issued and cashed on a weekly basis.
    c. Average dollar amount?
        Checks are typically $1,500-$1,700 however they can be as low as $200 and as large as $20,000.
    d. Do you currently use a bonded courier service, like Brinks, to pick up and drop off from the bank?
        Bonded courier is provided for deposits, but not for change orders. KCATA will be moving this duty to the courier service provider in the new contract which begins in 2017.

8. Page 25, Section 4.2.c, says cost proposal forms are attached as Attachment I. Is this supposed to be K?

    Please use the attached revised Cost/Price Proposal Attachment I.

9. What is your annual MasterCard/Visa/Discover Volume?

KCATA:		
Discover	**27 transactions**	**$2,126**
MasterCard	**1,058 transactions**	**$56,464**
Visa Debit	**1,123 transactions**	**$50,701**
Visa Credit	**11,331 transactions**	**$764,984**
JCT:		
Discover	**291 transactions**	**$13,223**
MasterCard	**581 transactions**	**$42,830**
Visa	**2,500 transactions**	**$190,343**

10. What is your annual American Express Volume?

KCATA:	**Am Ex**	**55 transactions**	**$2,418**
JCT:	**Am Ex**	**58 transactions**	**$4,351**

11. How do you currently manage your interchange levels?

Interchange levels are through the third party providers used for all credit card transactions. All KCATA and JCT credit card transactions occur through a third-party who are responsible for securing card information and processing card settlements.

12. How many locations will accept credit card payments?

Currently cards are only accepted at one location, but there is a possibility of a second location in Olathe in the near future.

13. What percentage of your Merchant needs are Retail/POS?

KCATA:	**14.4% of transactions**	**12.1% of the dollar value**
JCT:	**0% for both**	

14. What is the brand and model number of your existing hardware?

KCATA: POSX model: EVO Green
JCT: No equipment; online only

15. What percentage of your Merchant needs are through online processing?

KCATA:	**85.6% transactions**	**87.9% of the dollar value**
JCT:	**100% for both**	

16. In regards to the potential of future mobile processing needs, would this be to process new merchant volume or existing?

Both

17. Will a convenience fee/service charge be placed on all transactions or will it just be for online processing?

KCATA: Service charge is only passed on to consumer in POS transactions.

JCT: Service charge passed on for all online transactions (No JCT POS).

18. How many locations will need to electronic check payment solutions?

KCATA does not currently provide this service, but it is a solution that is a priority to develop in 2017. Currently one site will need the solution but there may a need at the Olathe site in the near future.

19. Do you currently have hardware for electronic check payment solutions or will new equipment need to be purchased? If existing, what is the make and model?

KCATA does not have the hardware for this solution currently.

20. Are you currently PCI compliant?

Yes

21. Can you please confirm that the estimated annual spend for the purchasing card program is $1MM?

That is the expected annuals spend based on the volume of cards that will be incorporated into the program and the anticipated usage.

22. Can you please provide either a) the average ticket for your current program, or b) the number of transactions that were processed through your p-card program in 2015?

KCATA does not currently have a purchasing card program but development of the program is an organizational priority for 2017.

23. What type of cycle (i.e. monthly/25. Bi-weekly/7, etc.) are you currently setup with?

Monthly

24. Would you like us to provide you with an AP Card (vendor payments) proposal as well? If so, can you please send an updated spend file (in excel) that includes:
    a. Vendor Name
    b. Annual Spend (12 month period)
    c. Payment method (check, ACH, wire, card), if available
    d. Number of payments per vendor, if available

KCATA is not currently looking at this program.

25. Is KCATA open to other suggestions of receiving your BAI2 files?

KCATA is always willing to discuss alternative solutions provided they fulfill the organizational requirements.

26. Can KCATA advise of the format of your positive pay files?

A sample copy of the KCATA positive pay is being provided.

27. Can KCATA provide locations of KCATA and all affiliates to determine location needs for over the counter deposits? Also how often does the KCATA and all affiliates deposit over the counter?

    KCATA will not be performing over the counter deposits as the organization has contracts with armored courier services to pick-up and transport deposits to the current financial institutions.

28. Would KCATA be open to alternatives regarding over the counter deposits such as Smart Safe/armored car services? If so can KCATA provide the locations where pick-ups would be required and how often?

    KCATA has contracts with armored courier services to pick-up and transport deposits to the current financial institutions.

29. If we no longer offer safekeeping services would that eliminate us from the RFP process?

    Yes as collateralization of deposits is required for the JCT funds per Kansas statute.

30. If we provide an analysis billing statement in 10 days versus 7 days would that be acceptable to KCATA?

    Yes this is acceptable.

31. Could KCATA provide a copy of their bank analysis statement for review?

    A copy of the October KCATA and JCT bank analyses are attached.

32. Could KCATA provide a copy of their merchant processing statement for review?

    Copies of the October KCATA merchant processing statements are attached. JCT statement is not available as those fees are still paid by Johnson County.

33. Could KCATA provide average ledger and collected balances for all accounts for review?

    A copy of the October statements for KCATA and JCT are attached.

34. Could KCATA provide their current interest rate they are receiving today?

Annual percentage yield on most recent KCATA bank statement is 0.20% and JCT 0.30%.

35. Could KCATA provide their monthly service charge history to date?

    KCATA and JCT's monthly service charges have been consistent month-to-month. Please see the account analysis statements provided in Response 31.

36. Could KCATA clarify on Attachment K under account maintenance for Salary Payroll Account, for example, the quantity 12 indicates 12 accounts are used for Salary Payroll or is it 1 account and that number is an annualized number?

    This represents 1 account for 12 months.

37. Could multiple accounts be combined on 1 CD Rom or does KCATA require those to be separate?

    Yes, this is acceptable.

38. Are the below descriptions on Attachment K referring to an E-lockbox solution?
    ACH Consumer On US Credits
    No; this is for Payroll Direct Deposit

    ACH Consumer Off US Credits
    No; this if for Payroll Direct Deposit

39. Please confirm volumes on Attachment K are annual volumes.

    Yes, the volumes are annualized.

    A. Please refer to the revised Cost/Price Proposal attached as Attachment I.

40. Item b. Minimum Primary Depository Criteria
    3rd Bullet point
    - Receive and process Positive Pay files of void and issued checks in the format the KCATA provides. Such files shall be PGP encrypted and sent by FTP to the KCATA Bank for processing. FTP timing may vary depending on account.
    Clarifying Question: *Is KCATA willing to provide a sample of existing positive pay uploads for testing/ format compatibility verification?*

    Yes, the successful bidder will be provided with samples during the transition period.

41. 5th Bullet point
    - Send daily statements of account activity in BAI2 file format that will be used for bank account reconciliation with the KCATA financial system, Lawson Version 9.0.1, for all accounts maintained by the KCATA.

    Clarifying Question: *Is KCATA willing to provide a a sample file for EDI and BAI2 that meets the requirements for Lawson Version 9.0.1?*

    Yes, the successful bidder will be provided with samples during the transition period.

42. Item f. Banking Services Required
    2nd bullet point **Disbursement Services:** See Attachment K for prior disbursement types and volumes.
    - The KCATA requires a positive pay and fully automated reconciliation service on all disbursement accounts by electronic transmission for all cleared checks in a format compatible with the KCATA financial system. Any bank needing additional information regarding the KCATA financial system should contact the KCATA prior to submitting a response.

    Clarifying Question: *Is KCATA willing to provide a sample of existing automated reconciliation service uploads for testing/ format compatibility verification?*

    KCATA does not currently have this capability but this solution is a high priority for implementation in 2017.

43. 6th bullet point **Reporting**
    o 4th sub bullet point mentions Safekeeping

    Clarifying Question: *What are KCATA's anticipated safe keeping needs?*

    Pledged securities for JCT and KCATA deposits in excess of FDIC coverage to ensure all funds in the financial institution are collateralized.

44. 7th bullet point **Operation of Direct Deposit Payroll System**
    - … KCATA will electronically transmit multiple pay data files to the KCATA Bank for editing…

    Clarifying Question: *Are edits anticipated? If so, please provide an example.*

    Only if the file needs revisions to the format to accommodate the vendor or federal systems requirements.

45. 8th bullet point **Operation of ACH for Accounts Payable System**
    - … KCATA would electronically transmit disbursement data on a daily file to the awarded bank for editing…

    <u>Clarifying Question</u>: *Are edits anticipated? If so, please provide an example.*

    Only if the file needs revisions to the format to accommodate the vendor or federal systems requirements.

46. 9th bullet point **Investment of Collected/ Available Funds**
    - The collected/available balance plus incoming wires and immediate credit deposits will be the basis for determining funds available for KCATA-directed investments should the KCATA deem it appropriate…

    <u>Clarifying Question</u>: *What are the KCATA's current and anticipated investment needs, if any?*

    Currently the KCATA holds funds in three trust accounts for sales tax, self-insurance and capital funding. Transfer of these accounts is not part of this project.

47. Item i. Compensation
    3rd paragraph
    - Compensation to the Bank for services performed shall be on a fee basis. The KCATA and JCT expect to receive their respective account analysis invoice within seven (7) business days after the cutoff of each calendar month

    <u>Clarifying Question</u>:   *How will KCATA remit payment for banking services once invoiced by the bank, check or auto-debit?*

    KCATA can remit payment by check or by an authorized monthly debit from the operating account after review of the invoice. KCATA would prefer not to do an auto-debit.

48. Item j. Progress Reports and Strategic Planning
    - The KCATA Bank must submit quarterly progress reports or hold meetings with the KCATA. The Bank shall provide a strategic roadmap of current and upcoming projects at each meeting to be included in the progress report.

    <u>Clarifying Question</u>: *In addition to the pieces listed, what is the expected content of the quarterly progress reports? Is there a list of existing line items KCATA would consider a necessity for future reporting.*

    Status reports of ongoing projects along with recommending alternative solutions to consider that could be beneficial to the KCATA in terms of expediting process, improving efficiency or eliminating redundancies.

49. Item 1. Merchant Services
    Clarifying Questions:

    A. *Would KCATA be willing to provide some specifics regarding their current merchant processing program? (e.g. Average ticket, monthly volume, current machines/ pos systems, mobile solutions.)*

    KCATA: 13,594 transactions $876,692 total dollar value
    JCT: 3,430 transactions $250,747 total dollar value
    POS System: EVO Green

    B. *IS KCATA currently working over analog phone lines or Ethernet?*

    Ethernet

    C. *How many mobile stations do you anticipate utilizing in 2017?*

    KCATA is currently developing mobile solutions but does not know the number of stations at this time.

    D. *Are you willing to change Gateway providers?*

    Possibly if there is a demonstrated benefit to KCATA for changing to a different provider and the new system meets all of the KCATA requirements.

    E. *What percentage of tickets are retail/ moto vs e-commerce*

    RETAIL:
    KCATA: 14.4% of transactions   12.1% of the dollar value
    JCT: 0% transactions and dollar value

    E-COMMERCE:
    KCATA: 85.6% transactions   87.9% of the dollar value
    JCT: 100% transactions and dollar value

50. 6th bullet point **Service/ Convenience Fees**
    The KCATA Bank or contracted merchant services vendor shall provide a competitive service fee and/ or convenience fee rate model for merchant accounts that utilize a customer funded model...
    Clarifying Question: *Are you requesting a surcharge or convenience fee to be added at the time the customer is charged or will your software provider build in these fees?*

    Software provider has fees built into their software.

51. Item e. Card Format Design
    Number 1
    - The phrase "TAX EXEMPT" and the KCATA tax exempt number shall be printed on the face of the card

    <u>Clarifying Question:</u>   *How many digits are in KCATA's tax exempt number?*

    8 digits

52. Item a. - KCATA anticipates awarding a fixed price contract
    <u>Clarifying Question:</u>   *Transactional volumes will change each month, which will change the monthly analysis charge. Does KCATA expect the same total monthly analysis charge at a fixed price each month?*

    No.

53. Site Visit
    <u>Clarifying Question:</u> *Will KCATA organize site visits with each of the proposing banks or should we reach out to schedule?*

    There will not be any site visits conducted at this time.

54. Item 45. Commercial Deps - Cash Vault -- Mail Notification DCN VLT
    <u>Clarifying Question:</u> *Please define Mail Notification DCN VLT*

    Notification of deposit corrections for cash vault deposits.

55. Item 46. Commercial Deps – Cash Vault – Mail Notification Receipt VLT
    <u>Clarifying Question:</u> *Please define Mail Notification Receipt VLT*

    Notification of cash vault deposits.

56. Item 55. Wire Transfer – CPO GP Monthly Maint Basic
    <u>Clarifying Question:</u> *Please define "CPO"*

    Cash Pro Online which is the online site for reporting and payment processing for Bank of America, the KCATA's current financial institution.

JCT Banking Services

57. Item 23. General Account Services – Supervision and Assessment
    <u>Clarifying Question:</u> *Please define Supervision and Assessment*

   The fee is assessed on the Average Ledger balance and includes regulatory costs, deposit assessments and supervision fees from the Federal Reserve Bank.

RECEIPT OF ADDENDA

ADDENDUM NO. 1

Kansas City Area Transportation Authority
1350 E. 17th Street
Kansas City, Missouri 64108

Banking Services and Purchasing Card Services
Project #16-8014-25

Proposers shall return this **RECEIPT OF ADDENDA** form when submitting their bid. The form shall be signed and dated by an authorized representative of the firm. Failure to submit this form may deem the Bidder non-responsive.

_____

We hereby acknowledge that the Addenda noted below have been received and all information has been incorporated into the Invitation for Bid as required.

Addendum #1 Dated _____   Date Received _____

Addendum #2 Dated _____   Date Received _____

Addendum #3 Dated _____   Date Received _____

Company Name _____   Date _____

Address/City/State/Zip _____

Authorized Signature _____ Printed Name _____

Telephone _____ Fax _____ Email _____