



September 17, 2018

TO ALL PROSPECTIVE RESPONDENTS:

Subject: Request for Proposals (RFP):
18-PR-CFO-55

Addendum Number: 1
For: Merchant Credit/Debit Card Processing Services
Closing Date: September 26, 2018

The subject RFP 18-PR-CFO-55, Merchant Credit/Debit Card Processing Services, was issued August 27, 2018 with a closing date of September 26, 2018. This addendum is being issued on September 17, 2018 to answer questions submitted by the deadline of September 13, 2018 as follows:

Question 1. Do you have current merchant processing statements that you can send?

Answer 1. Statements are attached.

Question 2. Why is DC Water going out for RFP?

Answer 2. The current contract will expire March 31, 2019.

Question 3. How long has DC Water been with its current processor?

Answer 3. The current contract began June 1, 2011.

Question 4. Who is your current merchant services provider and when does your current contract expire?

Answer 4. Bank of America is the current provider and the contract expires March 31, 2019.

Question 5. Can you describe the technology you use on the following applications:

- a. Retail POS system
- b. Online payment system
- c. Phone payments

Answer 5. Retail POS system: not currently used, Online Payment System and Phone payment: through Kubra.

Question 6. How many point-of-sale (POS) devices do you currently use?

Answer 6. One POS (located at our walk-in Permit office for construction customers).

Question 7. Are debit transactions signature debit, PIN-based, or both?

Answer 7. DC Water accepts both signature and PIN-based transactions.

Question 8. Since the \$1-per-cardholder transaction is not considered a convenience fee, how does DC Water plan to collect this charge?

Answer 8. At the time of the transaction.

Question 9. Does DC Water have purchase/business card requirements (Level II or III)?

Answer 9. No.

Question 10. Will Kubra provide DC Water with first-level customer support?

Answer 10. Yes.

Question 11. Which IVR system processes payments for DC Water?

Answer 11. The vendor selected through this RFP must process merchant card transactions originated online via the mydcwater.com website or through IVR from Kubra. Currently, IVR transactions are being processed by PayPal; but DC Water intends to transition these services to Kubra in the intermediate future.

Question 12. Will a standalone point-of-sale device be sufficient to support DC Water's construction customers?

Answer 12. DC Water is not considering implementing point-of-sale devices through this RFP.

Question 13. Will Kubra provide all reporting?

Answer 13. No.

Question 14. Does DC Water need to process ACH transactions?

Answer 14. ACH transactions are not in the scope of this RFP.

Question 15. What other payments options are in scope for this RFP or in the future (e.g. electronic checks, digital wallets)?

Answer 15. The scope of this project consists of electronic authorization, data capture, and settlement services for all VISA, MasterCard, and Discover credit and/or debit transactions generated by DC Water for processing of monthly residential and commercial water, sewer billings and permits. No other payment options are in the scope of this RFP.

Question 16. When evaluating the proposal, will it be match to need, value added or pricing that takes precedence?

Answer 16. Prospective vendors are urged to submit its best proposal as stated in the RFP. DC Water has several criteria that may be used for the evaluation process.

Question 17. Please describe how the Card Processing RFP issued by DC Water & Sewer in April 2018 is materially different than the new RFP issued in August 2018? Were there any substantial changes to DC Water's Card Processing needs?

Answer 17. Material changes to DC Water's needs from the April 2018 RFP to the August 2018 RFP were capturing (1) unique IDs and (2) requiring SOC-1 reports.

Question 18. Previously, DC Water referenced utilizing Kubra as their online e-Billables platform. Is DC Water retaining their existing online e-Bill payment platform? If not, is DC Water interested in joining a new e-bill platform?

Answer 18. Currently, DC Water is maintaining the existing e-bill platform. The work currently being performed by Kubra is not part of the scope of services of this RFP and DC Water is only seeking proposals for the merchant card processing of the business at this time. No future plans have been discussed.

Question 19. Is DC Water PCI compliant? If no, please detail which divisions are not and what steps are being taken to become compliant.

Answer 19. Yes, DC Water is PCI compliant (Credit Card information is maintained by Kubra).

Question 20. Please describe DC Water's 3 main pain points with their current card processing platform/provider. What would DC Water like changed/added that we can assist with?

Answer 20. 1. DC Waters has been experiencing escalating interchange costs over the past several years and would like the selected vendor to be proactive in discussing ideas to potentially reduce merchant card fees. 2. DC Water is seeking a vendor to provide reporting and reconciliation of individual batch transactions on a daily basis. 3. DC Water would like the selected vendor to provide a consolidated view of merchant card sales.

Question 21. What is DC Water's implementation timeline?

Answer 21. The selected vendor will work with DC Water and Kubra to develop a detailed and realistic implementation timeline to ensure a smooth and timely transition will occur.

Question 22. Please describe how Vertex One integrates with Kubra and all other software/gateways.

Answer 22. At a high-level, there are both real-time and batch interfaces between both Vertex One and Kubra as well as between our customer self-service applications and Vertex One. A summary is provided below:

- Daily batch RCC draft file from Vertex One to Kubra (for recurring credit card payments).
- Daily batch RCC remit/reject file from Kubra to Vertex One (for recurring credit card payments).
- Real-Time interface between our customer self-service web application (Customer Advantage) and Kubra for one-time electronic check payments.
- Real-Time interface between our customer self-service web application (Customer Advantage) and Vertex One for one-time electronic check payments.
- Real-Time interface between our customer self-service IVR application and Kubra for one-time electronic check payments.
- Real-Time interface between our customer self-service IVR application and Vertex One for one-time electronic check payments.
- Real-Time interface between our customer self-service web application (Customer Advantage) and Kubra for one-time credit card payments.
- Real-Time interface between our customer self-service web application (Customer Advantage) and Vertex One for one-time credit card payments.
- Real-Time interface between our customer self-service IVR application and PayPal for one-time credit card payments.
- Real-Time interface between our customer self-service IVR application and Vertex One for one-time credit card payments.
- Daily Electronic Funds Transfer (EFT) batch interface between Vertex One and TD Bank.
- Daily Lockbox and Return batch interface between TD Bank and Vertex One. (including automated bank payments)
- Daily batch CASH payment file from vendor to Vertex One (planned in near future).

The work currently being provided by Vertex and Kubra is not part of the scope of services of this RFP and DC Water is only seeking proposals for the merchant card processing of the business at this time.

Question 23. If there are terms and conditions in this attachment that we would like to negotiate if selected as the successful offeror, may we include a list of exceptions in our proposal? (Attachment C, General Provisions)

Answer 23. Proposed exceptions should be included.

Question 24. Our Master Services Agreement and service addendums include terms and conditions that are required by the Card Organizations and NACHA rules. Is the Authority willing to agree that in the event of a conflict with the RFP's terms and conditions, the Card Organization rules and NACHA rules will take precedence? (Attachment C, 1.4)

Answer 24. DC Water will consult with its General Counsel.

Question 25. If there are terms and conditions in this attachment that we would like to negotiate if selected as the successful offeror, may we include a list of exceptions in our proposal? (Attachment D, Special Provisions)

Answer 25. Proposed exceptions should be included.

Question 26. In order to receive the proposed services, prospective clients must meet our credit underwriting criteria and may need to meet minimum volume requirements in order to qualify for the same pricing terms. Are we correct in understanding that the Contractor may agree to extend the resulting contract to qualifying jurisdictions, but it is under no obligation to do so? (Attachment L, Extension to Other Jurisdictions)

Answer 26. The Contractor may agree to extend the resulting contract to qualifying jurisdictions and is under no obligation to do so.

Question 27. Will the successful offeror have an opportunity to negotiate a form of participation agreement that is acceptable to the offeror to be used by prospective, qualifying jurisdictions for the purpose of extending the resulting contract to that jurisdiction? (Attachment L, Contract Agreement)

Answer 27. The qualifying jurisdiction will present its own agreement subject to your approval.

Question 28. Does the Authority agree that it is solely within the Contractor's discretion whether to accept any additional or supplemental terms and conditions (other than those of the resulting contract) requested by a jurisdiction wishing to participate under the resulting contract? (Attachment L, Contract Agreement)

Answer 28. Acceptance of any additional or supplemental terms and conditions are a matter of negotiations between your firm and the jurisdiction.

Question 29. Does the Authority require pricing for ACH? (Attachment B)

Answer 29. ACH transactions are not in the scope of this RFP.

Question 30. Does the Authority intend to accept payment by American Express? (Attachment B)

Answer 30. No.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

All offerors responding to solicitation RFP 18-PR-CFO-55, Merchant Credit/Debit Card Processing Services, must sign and complete the last page, attach copies to the electronic submission to the DC Water POC and return all documents to the email address listed in the RFP for submission of proposals. In the event your proposal had been previously emailed,

submit this addendum under a separate email by the deadline. This addendum, together with your proposal and any revisions or changes occasioned by this addendum, must be received prior to the deadline set for submission of proposals.


Hildred Pepper
Senior Sourcing Specialist

FAILURE TO ACKNOWLEDGE RECEIPT OF THIS ADDENDUM MAY BE CAUSE FOR REJECTION OF YOUR PROPOSAL.

This addendum is acknowledged and is considered a part of RFP Number 18-PR-CFO-55, Merchant Credit/Debit Card Processing Services.

Signature of Authorized Representative

Title

Name of Firm

Date