Attachment A
Scope of Work

Combined Lockbox and Imaging Services

Scope of Work
The City of Redmond is requesting proposals for combined lockbox and imaging services for utility bills.

Lockbox and Imaging Services
The City issues an average of 11,000 utility invoices per month of which approximately 60% are paid through a lockbox. The City desires to contract for the imaging, collection and deposit of those payments to the City's bank account at KeyBank. The City also desires consolidation services for online bill pay checks with an image and ACH deposit of those payments to the same bank account at KeyBank.

The selected supplier will collect mail each bank business day from PO Box 3745 located at the US Post Office Terminal, 2420 4th Avenue South, Seattle, WA 98134-1981 (or to a postal facility located within the Puget Sound Region).

The following requirements must be met to be considered in this process:

1. Payments will be picked up daily.
2. Items will be imaged and payments deposited to the City's account at KeyBank the same day as picked up.
3. Be able to provide both daily data files and transaction reports no later than 1:00 p.m. each day that include the required information as noted elsewhere in this scope of work.
4. Provide the daily deposit report in both a summary and detailed format.
5. Payment of service fees no more frequently than monthly. No netting of fees against revenues or deposits.

<u>Processing Details</u>
Payments will be keyed and deposited daily. Payments with an account number noted will be listed as such; payments without an account number will be keyed as an exception. Additional details for keying payments is noted below:

Payment processing may include the following types of payments and documentation:

- Singles: One coupon/one check
- Multiples: Multiple coupons/one check
  One coupon/multiple checks
  Multiple coupons/multiple checks
- Check Only: w/ Account number(s) on face of check
- Check & Skirt: w/ Account number(s) on check skirt
- Check & List: w/ Account number(s) on enclosed list

The City's account number format is xxxxxx-xxx. All account numbers begin with a 0. The full account number will need to be included in the data files so that the information imports to the City's system correctly.

An account number should be keyed only if it appears to be an accurate number. Partial or missing numbers will be keyed as exceptions.

Exception items
Exception items made payable to the City of Redmond are required to be deposited and imaged. Items that are clearly payable to an entity other than Redmond should be forwarded to the City for further handling.

In place of an account number, exception items are required to be noted in the daily data file with an account number of 999999999 for easy identification. Exception items include:

- Check only without a noted account number
- Check & skirt with no noted account number
- Check & list with no noted account number
- Out-of-balance multiples where coupons do not balance to the amount received
- Payments with only a partial account number referenced
- Any payments received attempting to apply a negative amount to an account number

Data Files
Two fixed width data files of all transactions are required each day. One file will provide the information for physical check payments; the second file will include payments from the consolidated service for online bill payers.

The daily files will be made available to the City no later than 1:00 p.m. PST each business day.

<u>Check Payment File</u>
The data file for check payments is required to have the nine digit account number noted first, with no dash included. All account numbers begin with a 0.

Sample Check Payment file layout:
01234567800007928 The data denotes account # 012345-678 and a $79.28 payment

The fixed width formatting for this file is:

STANDARD	
Field	Position, Length
CUST-NO	1,6
CUST-SEQUENCE	7,3
AMOUNT (Divided by 100 to get decimal)	10,11
DATE	21,6

The final line of the Check Payment File will be formatted as follows:

T08011600241005044273	The T is required in the first field followed by the date, # of items in the file and total dollar amount.

Consolidated Payment File

The fixed width data file for the consolidated online bill payer payments is different than the check payment file and includes additional required information.

Sample Consolidated Payment File

D 0000000######### 24048080116LASTNAME FNAME 16211012518046

The fixed width formatting for this file is:

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'ONLY PROCESS THESE RECORDS IF SUBSTRING(INPUT-RECORD,1,1) = "D" THEN' + '|' +
                                'CUST-NO = INTEGER(SUBSTRING(INPUT-RECORD,10,13))' + '|' +
                                'CUST-SEQUENCE = INTEGER(SUBSTRING(INPUT-RECORD,23,3))' + '|' +
                                'AMOUNT = DECIMAL(SUBSTRING(INPUT-RECORD,26,10)) / 100' + '|' +
                                'TRAN-DATE = MONTH(SUBSTRING(INPUT-RECORD,36,2))' + '|' +
                                'TRAN-DATE = DAY(SUBSTRING(INPUT-RECORD,38,2))' + '|' +
                                'TRAN-DATE = YEAR(SUBSTRING(INPUT-RECORD,40,2))' + '|' +
                                'FULLNAME = SUBSTRING(INPUT-RECORD,42,14)' + '|' +
                                'TRANSACTION# = SUBSTRING(INPUT-RECORD,56,15)' + '|' +
```

The final line of the Consolidated Payment File will be formatted as follows:

T08011600241005044273	The T is required in the first field followed by the date, # of items in the file and total dollar amount.

Utility Billing Lockbox Imaging

A daily image file will be prepared for processed checks, payment coupons, exception items and correspondence received on the same day as processed. In addition, the City requires:

- Secure online access to image files
- Images available within two hours of data file becoming available
- The back side of documents will be scanned where applicable
- Files must be searchable for basic information including; account numbers, addresses, names on checks or stub; and names on the payment coupon.
- Notification that correspondence or notes are attached to a payment image either by providing a separate image file of just those items, or in the manner of an electronic flag or note to the image.
- Files and reports must be able to be downloaded in both Excel and pdf formats
- Envelopes received with an exception item will be imaged. No other envelopes need to be imaged and/or retained by the bank.

- Any correspondence received without a payment, must be imaged with the envelope and saved to a separate image file or somehow flagged in the primary file for easy identification.
- Access to images online for a minimum of 90 days.