June 30, 2016

RFP Questions from Heritage Oaks Bank

Page 2, Item E – Please confirm that the image cash letter files are in x9 file format as well as the normal transmission time and method.

Files are in .x937 PGP encrypted format. Transmissions can happen any time after we receive our mail at 10 am, depending on the amount of payments we receive, but typically around 2 pm using Globalscape Cute FTP 9.0

Page 2, Item G – Please provide file spec of payment file for posting as well as the expected transmission time and method. Please elaborate on your use of Pay mode: is this the official vendor name, or software package offered by a vendor. What are the peak days in each month that account for the majority of the volume (if there are peak days).

Every morning, B of A provides us a transmission file that we save as a CSV. Paymode-X is the vendor that B of A contracts with. We receive payments every day, but peak times are at the beginning and end of the month and the 15th when bills are due.

Page 2, Item I – Please elaborate on expectations for electronic disbursements.

For payroll purpose we send the direct deposit file on Tuesday and employees get pay on Thursday morning. Wires transfers are recognized the same day if they are sent before 2 00 PM. For ACH payments if they are sent before 8.00 PM. If there is any room for improvement it will be good

Page 6, Item 21 – Please clarify the reference to Echeck payments to ensure we are of the same understanding of services required (for example, are these physical remotely created checks generated by the website vendor and cleared through the item processing stream or truncated check converted to ACH transactions and cleared through the ACH network?).

ECheck refers to payment from customer's checking accounts based on them entering their account and routing number on our website.

Cash Vault Deposits questions

What is the total number of deposits per month? Monthly Average 1,050

How much currency/coin is deposited per month? $122,000

How many checks are deposit per month? Monthly Average 600

How many deposits are a mix of currency and checks (comingled in one bag) per month?

About 200 per month

How man unverified bags of coin are deposited per month? What is an estimate of the dollar value of a typical bag? From $5,600 to $1,100,000

Do your cash vault deposits need a customer reference identified number to show on your statement/online banking history to indicate what section or location the deposit was from? If so, what is the total number of sections/locations?

We have approx. 10 locations or vault depositors and they would each need their own identifier

Credit Card Merchant Services questions

Are there specific pain points or issues with your current processor you are trying to resolve? There are not issues; we need to have a new Bank. Bank of America is not renewing the contract.

How long have you been with your current processor for each line of business?

I believe since 1998.

What type of customer support do you receive for each line of business? Please describe the existing structure? Is there anything you would change about the level of service you are currently receiving?

We get an annual visit from our main rep. and we have different people for different services. We get quick responses when any need arrives.

What type of reporting tools are being received today? Are there any special reporting needs?

Thru the website, we are able to setup any time of reporting we need. Our most common reports are the daily and monthly reports. We will take of any reporting available in order to make our bank reconciliation easer.

How soon is City of San Luis Obispo receiving funds today? What time is the current batch transmitted?

V/MC transactions typically settle w/in 1-2 days, AMEX 2-3 days. I think settlement times vary, but most are after 10 pm

Does City of San Luis Obispo plan on supporting Apple Pay and or other NFC payment solutions?

We may in near future. The city is in the process to implement an ERP system.

Please provide a list of terminals and/or software. If terminals listed do not meet EMV compliance, what is the City of San Luis Obispo's strategy to support Euro MasterCard Visa (EMV)? Please describe. If software, please provide a technical support number.

MID	Merchant Service	Terminal Type	Location	AMEX
345583142889	B of A	FD Duo	Police	104 510 916 2

Account	Bank	Machine	Department	MID	Notes
345583138887	B of A	2-FD130, FD Duo	Finance	104 510 918 8	
345583136881	B of A	FD Duo, FD130	Parking	104 510 921 2	
345583141881	B of A	FD200	CDD	104 510 920 4	
345583137889	B of A	FD130	Golf	104 510 925 3	(Inactive, Replaced with ETS)
372386059888	Authorize.Net	online	Business License	3046151858	
6326329394750530000	ETS	unknown	Golf		
984209111884	First Bank	unknown	Parking		
356211804881	EMPS	IPS Parking Meter	various	1049370133	
273000240658	BlueFin	online	Utilities	1049527138	

All machines are PCI compliant. Golf Now-ETS Money terminal (Equinox L5300 I think),

What gateway solution/s are you using for your website transactions? Can you please describe in detail integration? Do you use a plug-n-play solution or was an API integrated? Any special requirements for websites transaction? Is software listed part of your website solution?

Authorize.Net, Active Network, Merchant Transact. I believe is API integrated. They run thru individual software's.

How are telephone order/MOTO transactions conducted today? Is this done through an IVR solution? If so, what is the name of the product? Working in implementing an IVR system- It will be provided by Springbrooks Utility software

Miscellaneous questions:

According to the City of SLO's May bank statement, balances ranged from $6,780.000.00 to $26,209,000.00. Are these large dollar swings normal monthly activity or was this seasonal? This question is being asked for collateralization purposes.

Balances used to be high to reduce fees, but won't be necessary if the fee /return are affordable.

In the RFP, it is indicated that you have *image items*. Does the City of SLO currently use Remote Deposit capture Scanners or Lock Box Services?

Currently using remote deposit and looking for Lock Box services in a near future.

Is the City of SLO utilizing Positive Pay and if so, what is it called on your analysis statement?

We believe the charges are just for notifications, but this is what they call it.

CPO ARP POSITIVE PAY NOTIFICATION

The City of SLO utilizes armored truck services. Does the City also utilize a courier service? Are deposits brought to the banking center (branch), brought by armored trucks, a private courier or a city employee?

 There are a few deposits at the local branch, mostly high dollar checks no able to be run it thru the scanner, and they are brought by a city employee.

Weekly, how often do your order currency and what is the average amount ordered?

Doesn't happen very often, we normally use the local branch to cash pretty cash checks for the departments, some payroll checks and some change for our registers, normally small amounts.

In reference to page 2, item m. and page 4, item 18, both refer to the parking meter coin. Can you explain the process in more detail?

Page 4, item 14. What amounts are you asking for, for the guarantee if there is a temporary overdraft?

The city doesn't run overdraft. You can provide some information about fee ranges in case needs it.

In reviewing the statements, it appears deposits are made in-branch, as well as through the cash vault. Are the in-branch deposits currency and checks? Monthly, how much currency and how many checks.

There are a few deposits at the local branch, for high dollar checks no able to be run it thru the scanner.

Note that Section D – Form of Agreement – Section 6. Complete Agreement states in part: *"This written Agreement, including all writings specifically incorporated herein by reference, shall constitute the complete agreement between the parties . . . . "*

 It is assumed that the various agreements pertaining to the particular services being provided to City by Vendor (e.g., online banking, merchant services, remote deposit capture . . .) would be incorporated by reference into the Form of Agreement.   Please confirm this assumption.

No necessarily, there individual agreements like for ACH, armored services, or any other additional services agreement that the bank can provide after signing contract. The language is in reference to major agreement as treasurer services. I hope I'm making sense. Let me know.

Questions from Union Bank

Does the city pay the armored services directly or Bank of America bill you for?

The City has two armored providers, one is paid directly and one is thru Bank of America.

The RFP says the new Bank will start the contract in October; this look like very tie date to start since implementations normally takes couple month to be in place.

Bank of America contract was renewal thru September 30, but they are open to work with us, if they see we are in the process of getting a new Bank and is just a time issue.

- Bid Sheet page 26, shows IDS STATEMENT ITEM SUBTOTALING 1059- What service is this?

The per item price charged to sort the debit and/or credit information on a DDA statement in a nonstandard order.

- Does the City expect to utilize the local branch often? IS there a need to go into the branch for banking services?

Yes, we normally cash out pretty cash checks and some employees checks. Once in a while high amount checks need to be deposit.

Questions from Chase Bank

From the statements provided, Can we verify:

- 7 MIDs (Merchant IDs) for Visa/MC
    - The RFP states 6 MIDs are needed. We have five with Bank of America, and may add one in Parking.
    - 2 MIDs above are not active or have zero transactions? Are these still needed or will they be closed out? Thru the process we may closed then out or consolidate, we are open to ideas o suggestions.
- 5 MIDs are shown on AMEX recap statement instead of the 7 shown on the Visa/MC statements. Is this correct? Correct, they are thru B. of A. Yes, they are
- Annual Visa/MC/Disc volume - $ 2.8MM . The Credit Card volume is about 4 million annual
- Average ticket - $8.65 The average, varies , we also have average on the hundreds.
- Annual Amex items estimate 25,536 . Sounds right.
- Annual Amex volume estimate $120K Amex volume can reach the $150K.
- PIN Debit – 3024 annual items Sounds right.

Questions still unanswered:

- Can we have each MID defined with connection methods? Examples:
    - MID #1 - Utility, using 3 FD 130 terminals
    - MID #2 - Permits, using 2 FD 130 terminals
    - MID #3 - eCommerce (Utility) using Authorize.net as gateway
    - MID #4 - eCommerce Permits, using Authorize.net as gateway
    - Etc. For each MID