

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: March 6, 2017

AGENDA ITEM: Substitute Professional Services Agreement with Billing Document Specialists (Subsidiary of Valli Information Systems) (“BDS”).	
PREPARED BY: John Nield, Financial Operations Manager	DIRECTOR APPROVAL:
DEPARTMENT: Utility Billing	
ATTACHMENTS:	
BUDGET CODE: 00143523.541000 100%	AMOUNT: 204,000 per year estimated. 1,020,000 total.

SUMMARY:

Staff is requesting authorization to enter into a SUBSTITUTE Sixty Month Professional Services Agreement with Valli Information Systems’ subsidiary Billing Document Specialists (BDS) to provide Online Bill Services and Customer Payment Services for the City of Marysville Utility Customers.

This Substitute PSA clarifies the relationship between Billing Document Specialists (Subsidiary of Valli Information Systems) (“BDS”), Gravity Payments and the City of Marysville. The Substitute PSA includes a modified scope of work that clarifies the scope of services to be provided by BDS and clarifies the division of labor between Gravity Payments and BDS in providing the City a fully functioning online bill presentation and payment portal. The Substitute PSA has also been updated to clarify that it replaces the previous agreement between the City and BDS (which was approved on December 12, 2016).

The term date has been changed by one month to April 1, 2017 through March 31, 2022. No other terms were altered in regards to fees, terms or customer service or any other portion of the PSA previously approved.

RECOMMENDED ACTION: Staff recommends that Council Authorize the Mayor to sign the SUBSTITUTE Professional Services Agreement between the City of Marysville and Valli Information Systems subsidiary Billing Documents Specialist.

**SUBSTITUTED PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF MARYSVILLE AND BILLING DOCUMENT SPECIALISTS FOR
ONLINE BILL PRESENTMENT AND FOR ONLINE AND PHONE
PAYMENT PROVIDER**

THIS SUBSTITUTED AGREEMENT (“Agreement”) is made and entered into this ____ day of March, 2017, by and between the City of Marysville, a Washington State municipal corporation (“City”), and Billing Document Specialists, a division of Valli Information Systems, an Idaho Privately Held Corporation, organized under the laws of the state of Idaho, located and doing business at 915 Main Street, Suite 1000 Caldwell, ID 83605 (“Consultant”).

In consideration of the terms, conditions, covenants, and performances contained herein, the parties hereto agree as follows:

- 1. SCOPE OF SERVICES.** The Consultant shall provide the work and services described in the attached Exhibit A, incorporated herein by this reference (the “Services”). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant’s profession.
- 2. TERM.** The term of this Agreement shall commence on April 1, 2017 and shall terminate at midnight on March 31, 2022. The parties may extend the term of this Agreement by executing a written supplemental amendment.
- 3. COMPENSATION.** The Consultant shall be paid by the City for Services rendered under this Agreement as described in Exhibit A and as provided in this section. In no event shall the compensation paid to Consultant under this Agreement exceed One Million Twenty Thousand Dollars (**\$1,020,000.00**) within the term of the Agreement, including extensions, without the written agreement of the Consultant and the City. Such payment shall be full compensation for the Services and for all labor, materials, supplies, equipment, incidentals, and any other expenses necessary for completion.

The Consultant shall submit a monthly invoice to the City for Services performed in the previous calendar month in a format acceptable to the City. The Consultant shall maintain time and expense records and provide them to the City upon request.

The City will pay timely submitted and approved invoices received before the 20th of each month within thirty (30) days of receipt.

4. CONSULTANT’S OBLIGATIONS.

4.1 MINOR CHANGES IN SCOPE. The Consultant agrees to accept minor changes, amendments, or revisions to the scope of the Services, as may be required by the City, when such

changes, amendments, or revisions will not have any impact on the cost of the Services or the proposed delivery schedule.

4.2 ADDITIONAL WORK. The City may desire to have the Consultant perform additional work or services which are not identified in the scope of the Services. If the parties agree to the performance of additional work or services, the parties will execute a written supplemental amendment detailing the additional work or services and compensation therefore. In no event will the Consultant be compensated for preparing proposals for additional work or services. In no event shall the Consultant begin work contemplated under a supplemental amendment until the supplemental amendment is fully executed by the parties.

4.3 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of the Services shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the Services, the work product, and all documents produced under this Agreement, even though the Services have been accepted by the City.

In the event that the Consultant defaults on this Agreement or in the event that this Agreement is terminated prior to the completion of the Services or the time for completion, all work product and all documents and other materials produced under this Agreement, along with a summary of work as of the date of default or termination, shall become the property of the City. The summary of Services provided shall be prepared at no additional cost to the City. Upon request, the Consultant shall tender the work product, all documents, and the summary to the City within five (5) business days. Tender of said work product shall be a prerequisite to final payment under this Agreement.

The Consultant will not be held liable for reuse of work product or documents produced under this Agreement or modification of the work product or documents for any purpose other than those identified in this Agreement without the written authorization of the Consultant.

4.4 PUBLIC RECORDS ACT. Consultant acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the "PRA"). All records owned, used, or retained by the City are public records subject to disclosure unless exempt under the PRA, whether or not the records are in the possession or control of the City or Consultant. All exemptions to the PRA are narrowly construed.

a. **Confidential Information.** Any records provided to the City by the Consultant which contain information that the Consultant in good faith believes is not subject to disclosure under the PRA shall be marked "Confidential" and shall identify the specific information that the Consultant in good faith believes is not subject to disclosure under the PRA and a citation to the statutory basis for non-disclosure.

b. **Responding to Public Records Requests.** The City shall exercise its sole legal judgment in responding to public records requests.

- (1) The City may rely upon the lack of notification from the Consultant in releasing any records that are not marked “Confidential.”
- (2) If records identified as “Confidential” by the Consultant are responsive to a PRA request, the City will seek to provide notice to Consultant at least ten (10) business days before the date on which the City anticipates releasing records. The City is under no obligation to assert any applicable exemption on behalf of the Consultant. The Consultant may seek, at its sole cost, an injunction preventing the release of information which it believes is protected. In no event will the City have any liability to Consultant for any failure of the City to provide notice prior to release.
- (3) If the City, in its sole legal judgment, believes that the Consultant possesses records that (1) are responsive to a PRA request and (2) were used by the City, the City will request the records from the Consultant. The Consultant will, within ten (10) business days:
 - i. Provide the records to the City in the manner requested by the City;
 - ii. Obtain a court injunction, in a lawsuit involving the requester, covering all, or any confidential portion of, the records and provide any records not subject to the court injunction; or
 - iii. Provide an affidavit, in a form acceptable to the City Attorney, specifying that the Consultant has made a diligent search and did not locate any requested documents.

c. **Indemnification.** In addition to its other indemnification and defense obligations under this Agreement, the Consultant shall indemnify and defend the City from and against any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorneys fees and litigation expenses), suits, judgments, or damages (collectively “Damages”) arising from or relating to any request for records related to this Agreement, to the extent such Damages are caused by action or inaction of the Consultant. This indemnification and defense obligation shall survive the expiration or termination of this Agreement.

4.5 MAINTENANCE/INSPECTION OF RECORDS. The Consultant shall maintain all books, records, documents, and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit.

Representatives of the City and/or the Washington State Auditor may copy such books, accounts, and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

4.6 INDEMNITY.

a. **Indemnification and Hold Harmless.** The Consultant shall defend, indemnify, and hold the City, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including attorney fees, arising out of or resulting from the acts, errors, or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

b. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

c. The provisions of this Section 4.6 shall survive the expiration or termination of this Agreement.

d. The Consultant hereby knowingly, intentionally, and voluntarily waives the immunity of the Industrial Insurance Act, Title 51 RCW, solely for the purposes of the indemnity contained in subpart "a" of this Section 4.6. This waiver has been mutually negotiated by the parties.

_____(initials) _____(initials)

4.7 INSURANCE.

a. **Insurance Term.** The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the Services hereunder by the Consultant, its agents, representatives, or employees.

b. **No Limitation.** Consultant's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

c. **Minimum Scope of Insurance.** Consultant shall obtain insurance of the types and coverage described below:

- (1) Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
- (2) Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the Services performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
- (3) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (4) Professional Liability insurance appropriate to the Consultant's profession.

d. **Minimum Amounts of Insurance.** Consultant shall maintain the following insurance limits:

- (1) Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
- (2) Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
- (3) Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

e. **Other Insurance Provision.** The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

f. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

g. **Verification of Coverage.** The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the Services.

h. **Notice of Cancellation.** The Consultant shall provide the City with written notice of any policy cancellation within two business days of the Consultant's receipt of such notice.

i. **Failure to Maintain Insurance.** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days notice to the Consultant to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

j. **Insurance to be Occurrence Basis.** Unless approved by the City all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

k. **City Full Availability of Consultant Limits.** If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

4.8 LEGAL RELATIONS. The Consultant shall comply with all federal, state, and local laws, regulations, and ordinances applicable to the Services to be performed under this Agreement. The Consultant represents that it and all employees assigned to perform any of the Services under this Agreement are in full compliance with the statutes of the State of Washington governing the Services and that all personnel to be assigned to the Services are fully qualified and properly licensed to perform the work to which they will be assigned.

4.9 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants, and agrees that the Consultant's status as an independent contractor in the performance of the Services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the Services required under this Agreement. The Consultant shall not make

a claim of City employment and shall not claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work to the Services that the Consultant performs under this Agreement.

d. Prior to commencement of Services, the Consultant shall obtain a business license from the City.

4.10 EMPLOYMENT.

a. The term “employee” or “employees” as used herein shall mean any officers, agents, or employee of the Consultant.

b. Any and all employees of the Consultant, while performing any Services under this Agreement, shall be considered employees of the Consultant only and not of the City. The Consultant shall be solely liable for: (1) and any and all claims that may or might arise under the Workman’s Compensation Act, Title 51 RCW, on behalf of any said employees while performing any Services under this Agreement, and (2) any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while performing any Services under this Agreement.

c. The Consultant represents, unless otherwise indicated below, that all employees of the Consultant that will perform any Services under this Agreement have never been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and fire fighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. *(Please use initials to indicate No or Yes below.)*

_____ No, employees performing the Services have never been retired from a Washington state retirement system.

_____ Yes, employees performing the Services have been retired from a Washington state retirement system.

In the event the Consultant checks “no”, but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the City is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, the Consultant hereby agrees to save, indemnify, defend and hold the City harmless from and against all expenses and costs, including reasonable attorney fees incurred in defending the claim of the Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event the Consultant checks “yes” and affirms that an employee providing work has ever retired from a Washington State retirement system, every said employee shall be identified by the Consultant and such retirees shall provide the City with all information required by the City to report the employment with Consultant to the Department of Retirement Services of the State of Washington.

4.11 NONASSIGNABLE. Except as provided in Exhibit B, the Services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

4.12 SUBCONTRACTORS AND SUBCONSULTANTS.

a. The Consultant is responsible for all work or services performed by subcontractors or subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors or subconsultants the Consultant directly hires meet the responsibility criteria for the Services. Verification that a subcontractor or subconsultant has proper license and bonding, if required by statute, must be included in the verification process. If the parties anticipate the use of subcontractors or subconsultants, the subcontractors or subconsultants are set forth in Exhibit B.

c. The Consultant may not substitute or add subcontractors or subconsultants without the written approval of the City.

d. All subcontractors or subconsultants shall have the same insurance coverage and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

4.13 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant’s client base and shall obtain written permission from the City prior to providing services to third parties when a conflict or potential conflict of interest exists. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

4.14 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate, or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or the Services provided to the City.

4.15 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against any client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age, or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training; or rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth its nondiscrimination obligations. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

4.16 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

5. CITY APPROVAL REQUIRED. Notwithstanding the Consultant's status as an independent contractor, the Services performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if the Services have been completed in compliance with the Scope of Services and City requirements.

6. GENERAL TERMS.

6.1 NOTICES. Receipt of any notice shall be deemed effective three (3) calendar days after deposit of written notice in the U.S. mail with proper postage and address.

Notices to the City shall be sent to the following address:

CITY OF MARYSVILLE

Jan Berg

City of Marysville

1049 State Avenue

Marysville, WA 98270

Notices to the Consultant shall be sent to the following address:

BILLING DOCUMENT SPECIALISTS

Patricia Azbill, Project Development
915 Main Street, Suite 1000
Caldwell, ID 83605

6.2 TERMINATION. The City may terminate this Agreement in whole or in part at any time by sending written notice to the Consultant. As per Section 6.1, the Consultant is deemed to have received the termination notice three (3) calendar days after deposit of the termination notice in the U.S. mail with proper postage and address. The termination notice is deemed effective seven (7) calendar days after it is deemed received by the Consultant.

If this Agreement is terminated by the City for its convenience, the City shall pay the Consultant for satisfactory Services performed through the date on which the termination is deemed effective in accordance with payment provisions of Section 3, unless otherwise specified in the termination notice. If the termination notice provides that the Consultant will not be compensated for Services performed after the termination notice is received, the City will have the discretion to reject payment for any Services performed after the date the termination notice is deemed received.

6.3 DISPUTES. The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

6.4 EXTENT OF AGREEMENT/MODIFICATION. This Agreement, together with exhibits, attachments, and addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This includes, specifically, that the prior contract entered into by the parties and dated December 13, 2016, which is hereby repudiated, dissolved, and superseded by this Agreement. This Agreement may be amended, modified, or added to only by a written supplemental amendment properly signed by both parties.

6.5 SEVERABILITY.

a. If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining parts, terms, or provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

b. If any part, term, or provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that part, term, or provision shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed

modified to conform to such statutory provision.

6.6 NONWAIVER. A waiver by either party of a breach by the other party of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay, or failure of either party to insist upon strict performance of any agreement, covenant, or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition, or right.

6.7 FAIR MEANING. The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

6.8 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

6.9 VENUE. The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington.

6.10 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

6.11 AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT. The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth herein.

DATED this _____ day of _____, 20_____.

CITY OF MARYSVILLE

Valli Information Systems

By: _____
Jon Nehring, Mayor

By: _____
Bob Jenkins
Its: President

Attested/Authenticated:

April O'Brien, Deputy City Clerk

Approved as to form:

Jon Walker, City Attorney

EXHIBIT A

Scope of Services

The Consultant will provide the Services requested by the City in conformance with the proposal it submitted to the City's request for proposals related to online bill presentation, bill payments, and bill notifications (the "Proposal"). The Consultant's Proposal is attached hereto and incorporated by this reference. The Consultant will invoice the City for Services provided, in conformance with the terms of its Proposal.

The Consultant's Proposal identified Gravity Payments, Inc. ("Gravity") as the payment processor and the Consultant coordinated with Gravity in submitting its Proposal. The City will contract directly with Gravity for payment processing services subject to certain Program Terms and Conditions that are a part of the City's agreement with Gravity. The Consultant agrees and acknowledges that it has received and reviewed the Program Terms and Conditions and agrees and acknowledges that the City is relying upon the Consultant to satisfy Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20, Appendix 1, Appendix 2, Appendix 3, and Appendix 4 of the Program Terms and Conditions, to the extent applicable. The Consultant warrants that it can satisfy the City's obligations to Gravity under these sections.

The Consultant represents and agrees that it has a working or contractual relationship with Gravity and that the Consultant and Gravity will collaborate to assure that the Consultant's payment portal effectively interfaces and operates with Gravity's payment processing services. The Consultant will take all actions possible and will make all efforts to assure that the Consultant's payment portal interfaces and operates with Gravity's payment processing services throughout the term of this Agreement.

The Consultant will bill the City for the Consultant's Services as detailed in its Proposal and agrees and acknowledges that Gravity will separately bill the City for Gravity's fees as detailed in the Consultant's Proposal. In no event will the Consultant invoice or request payment from the City for fees associated with Gravity's payment processing services.



915 Main Street, Suite 1000 Caldwell, Idaho 83605
800.627.3283 • f 208.459.3680 • www.billingdoc.com

City of Marysville

1049 State Avenue

Marysville, Washington 98270-4234

RE: RFP Online Bill Presentation, Online Bill Pay and Phone Payment Line plus Email, Text and Phone Call Notifications

Dear RFP Decision Committee,

Billing Document Specialists (BDS) would like to thank you for the opportunity to present our services and pricing for the above RFP. BDS has thoroughly read, and understands all aspects of the scope of work for this RFP. BDS further agrees to execute all terms of this contract if awarded.

With over 30 years of experience, BDS is always focused on providing better ways of reducing the cost of and improve services to City agencies. We encourage the City of Marysville to review our submission to see how BDS can provide an entire solution to ultimately save time and money. We are the true "One Stop Shop" to provide payment services. Because all of our services are "in house" you will have complete accountability with a level of service that is unsurpassed in the industry.

All of the pricing is attached and BDS will be happy to go through it and answer any questions you may have. We look forward to working with you.

Sincerely,

Patricia Agbill

Sales and Marketing

Billing Document Specialists, Inc.

To Whom It May Concern:

The following proposal is made for furnishing the materials and/or services for the City of Marysville, Office of the City Clerk.

The undersigned declares that the amount and nature of the materials/services to be furnished is understood and that the nature of this proposal is in strict accordance with the conditions set forth and is a part of this proposal, and that there will at no time be a misunderstanding as to the intent of the specifications or conditions to be overcome or pleaded after the proposals are received.

The undersigned, in submitting this proposal, represents that they are an equal opportunity employer, and will not discriminate with regard to race, religion, color, national origin, age and sex in the performance of this contract, if awarded.

The undersigned hereby proposes to furnish their goods and services F.O.B. City of Marysville, at the unit prices quoted herein after notice of proposal award.

Respectfully Submitted,


(Signature)

7-27-2016
(Date)

Patricia Azbill Corp Sect.
(Print Name) (Title)

Valli Information Systems Inc. DBA Billing Documents Specialists
(Company Name)

915 Main Street, suite 1000, Caldwell, ID 83605
(Mailing Address) (Street) (City) (State) (Zip)

208-459-3611 208-459-3680
(Phone Number) (Fax Number)

Category
UTILITY BILLING

Item # Description

VENDOR QUESTIONNAIRE

CATEGORY	ITEM #	QUESTIONS	ANSWERS
QUESTIONNAIRE			
General Company Info	1	Provide location of where business functions are located.	915 Main Street, Caldwell, ID
General Company Info	2	Describe your company--sole proprietorship, partnership, corporation, etc.	Corporation
General Company Info	3	Do you have any restrictions on the number of transactions made on a daily basis?	None unless the Clients request a limit or dollar amount
General Company Info	4	The Vendor will need to include a detailed description of the vendor's disaster recovery plan. The City will need to know what to expect and when in the event of a failure on the part of the vendor.	See Attached Disaster Recovery Plan
General Company Info	5	Can vendor power up and continue to run operations even with out power from the electric company grid.	No, but we can transfer our operations to one of two other physical locations, in New Mexico or Alaska, see disaster recovery plan for details
General Company Info	6	Vendor will provide total years experience using Munis UBCIS software if applicable and the number of customers currently using the software	BDS has printed & Mailed the bills and provided lockbox services for the City of Marysville since 2014. We provide similar services to other Cities using Munis UBCIS, other vendor software packages and custom software for over 25 years
General Company Info	7	Provide a minimum list of Five (5) companies or governmental agencies that currently utilize your services in a similar manner. Preferably governmental agencies.	See attached Reference list
General Company Info	8	Is the vendor's primary business function online and phone payment processing or is it online bill presentation services or both?	Both, BDS has been providing printing & Mailing services for cities for over 25 years, added payment and online bill presentation services in 2005
General Company Info	9	For payment processing, is that service subcontracted? And any fees associated with processing payments, are they billed by the Vendor or a 3rd party?	Merchant fees are billed by the Merchant processor, for this RFP, Gravity Payments would be the merchant processor, see attached Gravity proposal.
Implementation	10	Describe your implementation process and plan. Including mobile apps for Android, Apple and Windows applications.	Once the merchant gateway has been established, BDS will supply a url link to be "posted" to the City's web site. The web address can be accessed by any device that can access the web, the "page" is scaled to be user friendly See detailed Plan Implementation process
Implementation	11	Specify what would be a standard set up time for implementation.	4 to 6 weeks to complete customization of payment site to meet specifications, depending of response time from the city of approval including the 2 to 3 weeks to set API to merchant processor gateway and final testing to go live.
Performance	12	If a data file is provided by 11:59PM., provide a time when the updated customer balances and bill print presentation would be updated?	Upon receipt of update balance files the data file is automatically processed and new balances are available online within in a few minutes. BDS already has pdf images of all bills that we print & Mail, they would be available as soon as the print files have been approved, and archived for 24 months by account.
Performance	13	Detail the process and requirements for special inserts or selective insertions to be displayed online?	BDS already has special inserts pdf images attached to the selective or all pdf images of the bills printed & mailed.
Performance	14	Will vendor provide a dedicated staff member to Marysville's account that will be available when needed to discuss an issue?	BDS has a customer service Team, that will be available to discuss any issues, all communications are cc to the team so that they are aware of any existing problems and ready to respond to any questions either by phone or email.
Performance	15	The vendor must provide a link to the payment web site that will be posted and used on the City Website, any updates should not change the link, what is the process to ensure the web site link will remain the same?	BDS provides the URL link to the City, but retains the control of the screen pages, any changes must be approved by the city. The city can also request special messages or notices to be displayed on the log in screen by email to the Csteam.

Performance	16	Vendor will need to provide a Toll Free number, in which the City will forward it's own phone pay line to.	For the IVR service a dedicated toll free number is provided to the city, the city can forward its own phone pay line to.
Performance	17	Payment Cut Off is 3pm daily, including weekend and holidays. How will the vendor provide the payment posting filing and at what time? Does the vendor have a reporting web site in which the City can download the files at 3:01pm or anytime after that?	BDS can set the merchant processor gateway to "batch" at any specified time, BDS would program the reporting to match that time frame. All reports are generated in real time, including the import file back to the city cash receipting. This file and reports can be accessed either on our BDS Admin site or we can program it to automatically upload to a SFTP for the City to auto pull and post.
Performance	18	Regardless of circumstances, all deadlines, processes and 1 business day requirements can be met by the vendor (including but not limited to vacations, illnesses, etc.)	BDS has total cross trained personnel to cover any emergencies, vacations etc. Payment services funding, if batched before 7 PM deposits will funds to bank next business day
Performance	19	Can the vendor provide an website dedicated to City Staff to be an administrator to view payments, cancel payments for the current cutoff period only(3pm previous day to 3pm today), download reports, view customer accounts, help customers walk through setting up an account, have the ability to initiate text, email and call notification, plus any other administrative duties necessary to fully utilize the vendor's product.	BDS will provide the City access to the secure BDS Admin site for city supervisor, & provide separate users access if requested with limited access for other staff members if requested. BDS will also setup City supervisor access to the Merchant Gateway with username and password for voids, refunds and backup reporting. The BDS Admin site, will have import files and reports by day, date range searches, list of all accounts signed up for e statements or auto payments. Account number search with min. of 24 month archives of bill pdf images history of all payments successful and those declined or not completed.
Performance	20	Provide a process to schedule auto phone calls, text and emails at 5pm on Friday nights with a predetermined message to notify potential customers of disconnection, along with the options for payment and deadline to make the payment by. City will provide a format for customer information, including name, phone number, cell number and email.	BDS currently has a proven outgoing autophone system for shut off notices with the ability to make credit card payments. This service generates a report by account of the status of the call, received, hung up, went to VM etc. We can add the text and emails to this, but it will take some additional development time. BDS does have texting and emails for the e bills but not currently for the shut off notice programming.
Performance	21	For customer authentication, the City uses a 12 digit account number and 1-8 digit Customer Information Number (CID), this authentication will need to be entered prior to any payment processing, can the Vendor provide this for both one time payments and customer login accounts?	BDS has the data base with all three validation numbers from the Print & Mail files we receive, Bill number, Customer number and Account number, we can use any or a combination of numbers for validation
Performance	22	Deposits of City Funds must be done electronically and within 1 business day of receipt, does the vendor have any requirements that prevent this process from occurring?	No problem if the end of processing day is closed at any time before 5 PM Pacific Time, the merchant processor can fund to the bank next business day.
Performance	23	Does your product provide customers the ability to reset their own password via email? And does the login requirements include security questions?	Yes there is a forgot password option on the login screen, a temp password will be send to the email provided in the original username setup. There is a security question required for any additional information. The customers can do a one time payment without setting up a username, we require two validations, account number and one other of client's choice. Normally the first 4 of the name as it appears on the bill, that takes them to an express payment screen where they can add additional accounts to pay, an select the amount to pay on each account, enter credit card data and submit.
Performance	24	What does your company invoice for, access to web bills, emails, text and calls? What about merchant charges for credit cards, debit cards and ach transactions from checking and savings accounts? The City qualifies for a lower credit card rate for Utility Services, do your fees take that into account when processing payments?	BDS has a monthly maintenance charge for payment services that covers all reporting, customer service, payment screen message changes etc. There is a per e bill email, and separate fee for auto phone calls etc. see price sheet
Performance	25	Does your company provided automatic emails and texts to customers when a new bill is ready? When a payment is made?	If the customer has requested e bill notification, an automatic email is generated as soon as the print file has been approved, for Payment services auto emails if successfully signed up for auto payment, when auto payment has been processed, when debit / credit card is expiring etc. In addition the Merchant account can be set to email the city confirmation of all payment etc.
Performance	26	Describe your customer service philosophy.	Customer service is our number 1 priority. Our cs team is well cross trained to handle all questions, and if they have to reach to programing to resolve a problem, follow up with the client is immediate and again as soon as there is an explanation or resolution.



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Schedule of Fees

Online, Scheduled, Phone, and CSR made payments per month:

See attached merchant cost details.

	Estimated Monthly Count	Estimated Monthly Dollar Volume	Merchant Fee Percentage	Total Fees Charged to City
April Mastercard Debit	926	238,413	0.71%	1,689.97
April Mastercard Credit	331	85,221	0.71%	604.08
April Visa Debit	1,398	359,937	0.71%	2,551.38
April Visa Credit	1395	359,165	0.71%	2,545.91
April Discover	38	9,784	0.71%	69.35
April Savings Account	4	203	0.87%	1.76
April Checking Account	745	149,153	0.72%	1,073.83
				0.00
May Mastercard Debit	991	212,341	0.72%	1,521.78
May Mastercard Credit	314	67,281	0.72%	482.18
May Visa Debit	1492	319,691	0.72%	2,291.13
May Visa Credit	1165	249,624	0.72%	1,788.98
May Discover	34	7,285	0.72%	52.21
May Savings Account	2	397	0.72%	2.86
May Checking Account	583	115,348	0.72%	831.13

	Estimated Monthly Count	Fee Per Notification	Total Fees Charged to City
Cost of Email, Phone, and Text notification to warn of impending shut off (typically 100 - 200 per week)	700	0.10	70.00
Cost of new bill notification to send via email and text	13,000	0.15	1,950.00
Cost to send payment notification via email and text	5,000	0.05	250.00
If your company has the ability to allow email notification on demand, what is the cost for this service	2,300 to		
should the city want to send emails either City Wide or to a specific group of customers	22,000	0.03	
setup per email run	1	75.00	

Who is your merchant processing company for payments? Gravity Payments
 Does your company receive the lower Merchant fee costs for utility payments? Yes

Please list any other monthly recurring charges with a description of what the charge is for.

NMI Gateway Monthly Cost			10.00
NMI Gateway Transaction Fees (\$.10 per transaction)			458.10
NMI Return E CHECK Payment Fee	TBD	2.50	

Please list any annual charges with a description of what the charge is for.

Please list any recurring charges that may be charged to the city that occur randomly or infrequently and a description of what the charge is for.

BDS monthly maintenance fee, including payment portal message update import files & all reporting			None
BDS Per successful transaction	4837	0.05	241.85
BDS IVR per payment charge: This cost can be collected from the customer	tbd	1.00	

Cost to set up

Initial programming and set up without any major customization to standard payment portal		750.00	750.00
Over the Counter setup		250.00	250.00
IVR set up initial customization of recorded messages and toll free number		100.00	100.00
Optimal Card readers, MagTek HID credit / debit card readers per reader		75.00	75.00
Any other 1 time costs associated with start up - if required customization to payment portal per hour rate		125.00	
Training		no charge	

Estimated time from receipt of print file to online customer viewing
Upon approval of Print File to online customer viewing

30 minutes

Estimates time from receipt of print file to bill notification in customer's mailbox
Upon approval of Print File to online customer viewing

30 minutes

Estimated time from processing payments to deposit into city bank account
Credit / Debit transaction

next business day

E check / ACH transactions

2 to 3 business days

What is your deadline for providing the information necessary for making Email, text and phone notifications and do we have the ability to schedule the calls, typical 5 pm on Friday Evenings
BDS provided a portal on the BDS Admin site for the city to upload accounts for notifications by phone etc. normally the notifications will start within minutes of the file being upload, or we can program them to run on a specified time.

What are your customer service hours, do you have a phone number and email to contact your representatives?

8 AM to 5 PM Mountain time.

csteam@vall.com is a group email address to everyone in production and payment services. Management level personnel have emails automaticall forwarded to their cell phones for emergencies.

Any Additional Services or products that could benefit the City, please list here.



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MINIMUM QUALIFICATIONS

The following are minimum qualifications and licensing requirements that the Vendor must meet in order for their proposal submittal to be eligible for evaluation. The City requests a one-page or appropriate-length document as part of your proposal response, to clearly show compliance to these minimum qualifications. The RFP Coordinator may choose to determine minimum qualifications by reading that single document alone, so the submittal should be sufficiently detailed to clearly show how you meet the minimum qualifications without looking at any other material. Those that are not clearly responsive to these minimum qualifications shall be rejected by the City without further consideration:

Payments: The proposed solution must support electronic checks (ACH) payments from checking and saving accounts, Debit and Credit Cards Visa, MasterCard at a minimum and if possible Discover and American Express.

BDS with Gravity Payments as the merchant processor can support electronic check (ACH) payments from checking or savings, Debit and Credit Cards for all 4 major, VISA, MasterCard, Discover and AMEX, with the understanding the interchange rates for AMEX can increase the cost to the City.

BDS will build a URL for the city to post to their web site for online payments, using API communications with the gateway BDS will send payment transactions and receive back in real time either confirmation or denial of the transactions.

PCI Compliance: The Vendor must provide certification of compliance with all current Payment Card Industry (PCI) standards.

BDS has attached the last quarter certificate of PCI compliance from Secure Metrics, BDS has contracted Secure Metrics to test our servers / IP addresses for compliance every quarter. This service has been in place for over 10 years and BDS has always completed any changes or upgrade to be compliant.

PABP Compliance: The Vendor must provide certification of compliance with all current Payment Application Best Practices (PABP) standards

BDS has attached our latest compliance of the SSAE16 third party audit of our company practices which meet or exceed the PABP Standards. We are also in the final stages of our annual renewal of this audit which will be available in 30 days or less.

The SSAE audit covers everything from our physical structures, HR practices and servers security. BDS can provide the 50+ page document if requested.

Relevant Experience: Vendor must have a minimum of three (3) successful experience E-Payment business.

BDS has been offering E-payment services to our clients since 2005 with over 115 clients

currently using various or all options of our payment services. Many of which have been using the services for over 10 years.

Experienced Staff: The primary staff assigned to the project must have completed at least two (2) previous successful implementations of E-Payment software.

As marketing manager, myself, Patricia Azbill, will be primary in initial setup. With over 13 years at Valli Information Systems, parent company of BDS, I have been personally involved in all new accounts for payment services. Our supervisor of the Customer service Michelle Gandolfo has been with BDS since 2008, programmer Steve Nutting has been with BDS since 2005 and both has been primary staff involved in all E payment setup.

Certified Reseller (or Factory Authorized Reseller): The Vendor, if other than the manufacturer, shall submit with the proposal a current, dated, and signed authorization from the manufacturer that the Proposer is an authorized distributor, dealer or service representative and is authorized to sell the manufacturer's products. Failure to comply with this requirement may result in bid rejection. This includes the certification to license the product and offer in-house service, maintenance, technical training assistance, and warranty services, including availability of spare parts and replacement units if applicable.

All programming is developed by BDS and there is no Vendor Reseller involvement.

MANDATORY TECHNICAL REQUIREMENTS

The following are mandatory technical requirements that the Vendor must that must meet for the proposal to remain eligible for consideration. You must clearly show that your product or service meets these mandatory technical requirements, or your proposal will be rejected as non-responsive. The City requests a one-page or appropriate-length document as part of your proposal response, to clearly show compliance to these mandatory technical requirements. The RFP Coordinator may choose to determine mandatory technical requirements by reading that single document alone, so the submittal should be sufficiently detailed to clearly show how you meet the mandatory technical requirements without looking at any other material. Those that are not clearly responsive to these mandatory technical requirements shall be rejected by the City without further consideration:

The proposed solution must be able to accept Credit/Debit Card Payments using Web API / Web Service, hosted bill payments, and IVR.

BDS payment services use WEB API to process one-time credit / debit and ACH transactions for all payment solutions integrated with Gravity Payments for the Processor.

The proposed solution must be able to accept one-time ACH Payments using Web API / Web Service, hosted bill payments, and IVR.

Online services, if the consumer sets up a username and password will have access to pdf images of all accounts attached to that user for up to 24 months. Archives history will include all payments processed by BDS for successful and those declined for the same 24 months.

BDS already has pdf images of the bills archived from the Print & Mail service with history of payments made via the Lockbox service. New user setup will also have access to any check payments received and posted to attach accounts.

Currently for IVR and online reoccurring payments we currently do not accept ACH (Echecks). Processors can validate the routing number of ACH transactions but cannot validate account numbers entered for payment transactions. Due to the fact that over 90% of the online returned

ACH / Echeck are due to “unable to locate” account. To have a re-occurring payment established with invalid ACH transaction information would just create more accounting issues for our clients. If the City still wishes to have the ACH/ Echeck option for reoccurring and IVR BDS can make programming changes that will only be in effect after we have live data to run testing and validation.

The proposed solution must be able to establish recurring payments for credit cards, debit cards, and ACH.

Reoccurring payments are customer determined, the customer can select the month to start, the day of the payment to pull, they can detach accounts from the re occurring, change credit/ debit card information. BDS will notify the customer by email if the expiration date needs to be updated. The city staff will also have the ability to detach a user on any account if necessary which will also clear any reoccurring scheduled payment in the event that the customer did not delete the setup.

The proposed solution must allow customers to make payment without creating a user-id/login.

The customer can make an online payment using the “express pay” without setting up any user names or password. They just enter the customer number or account number and enter either the first 4 of the name or other additional validation as requested by the city.

The account / accounts will appear on the payment screen with the amounts due per account. The customer can edit the amount (if the city wishes) and proceed to enter their credit card information to process the payment. A confirmation screen will appear if the payment is successful with the transaction ID., or error message if declined or invalid data was entered.

The proposed solution must provide an expanded choice of payment options to select payment processing options for types of credit cards accepted, payment channel (Web, IVR, OBO, etc.), web payment integration (API, pass-through, hosted, etc.), and convenience Fees (percentage-based or flat fee). The City currently does not charge a fee for online, phone or CSR initiated payments, as well as qualifying for the lower utility rate on merchant fees. The City’s goal is to continue the no fee to the customer option, but the RFP must include all options.

BDS has a “Revenue Neutral” processor (Point & Pay) for those clients who want to have a fee that the consumer pays to cover the cost of credit / debit / ach transactions. The fees are collected and paid directly to the processor. The merchant (the city) receives no bills.

The fees range from 2.75% to 3.5 % or a min of \$2.00 for credit / debit card and a flat fee of \$2.50 for ACH / Echecks depending on volume. For the City of Marysville based on the estimated transactions on the pricing sheet, the % would be 2.75% with a min of \$2.00 and the flat fee of \$2.50

The other advantage of this processor is that they fund everything up front, it would be a second business day funding but it would include all transactions credit/debit/ACH in one deposit matching the import. There would be no separate deposit for ACH transactions. They accept all 4 major cards, VISA, MasterCard, Discover and AMEX. Again the city would receive no bills for the credit card / ACH merchant processing.

The proposed solution must be able to authorize credit/debit card transactions real-time.

All debit / credit cards transactions are validated as successful or declined in real time and posted to all search reports immediately. BDS can validate the routing numbers on any ACH / echeck transactions but not the account numbers. BDS posts the transaction to all search reports

immediately. All payment types are batched at the time requested by the city, by the processor and by BDS, so that the imported payments will match the deposits to the bank.

The proposed solution must be able to validate ABA routing and transit numbers for ACH payments real time.

BDS can validate the routing numbers on any ACH / echeck transactions but not the account numbers. BDS posts the transaction to all search reports immediately.

The proposed solution must be able to provide payment data files that includes user defined data.

BDS will build the import file and reports to meet the specification, account details, needed by the city. In addition we currently provide a date range search tool that will pull a csv report of all payment type including date paid, account number, transaction ID, and payment type.

In addition BDS provides a look up by account that the city can use, that has all pdf images of bills printed & Mailed, all payments successful and non-successful by type of payment.

The proposed solution must be able to transmit payments details to the bank.

We are not sure what this item on the RFP is asking for. Normally the deposits to the bank are in batch totals, but detailed reports are available both from the payment processor gateway and the BDS Admin site. If required to be forwarded to the bank this can be established

The Vendor must be able to provide an independent test report stating the application is free from known security defects.

BDS has attached our latest compliance of the SSAE16 third party audit of our company practices which meet or exceed the PABP Standards. We are also in the final stages of our annual renewal of this audit which will be available in 30 days or less.

The SSAE audit covers everything from our physical structures, HR practices and servers security. BDS can provide the 50+ page document if requested.

MINIMUM LICENSING AND BUSINESS TAX REQUIREMENTS

This solicitation and resultant contract may require additional licensing as listed below. The Vendor needs to meet all licensing requirements that apply to their business immediately after contract award or the City may reject the Vendor.

Companies must license, report and pay revenue taxes for the Washington State Business License (UBI#) and Marysville Business License, if they are required to hold such a license by the laws of those jurisdictions. The Vendor should carefully consider those costs prior to submitting their offer, as the City will not separately pay or reimburse those costs to the Vendor.

BDS is licensed with the State of Washington to collect taxes on taxable items and does report for the City of Marysville for the print & Mail services. The services outlined in this proposal are not, at this time, taxable. In the event that the State should change the regulations on taxable services in the future BDS would invoice the State for any tax required.



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BDS Background

2016 marks the 33rd year in business for Valli Information Systems, the parent company of Billing Document Specialists. In the last 3 decades our company has expanded to offer multiple solutions to the aid Government employees in their day to operations.

In 2005 at the request of some of our City clients, BDS started offering integrated payment services for online, over the counter and IVR automated phone payments. Working with various Merchant Payment Processors, BDS designed payment portals that interface with the processors via an API connection to accept credit / debit and E check payments and then provide the clients import files that can automatically post the payments to their customer accounts.

These services have been improved and customized over the years with additional features requested by our city government clients to make these services user friendly and targeted for these types of services.

We have earned and retained our customer's business over the years by providing service that exceeds expectations and as a result is an impeccable value. We currently provides services to more than 40 similar sized cites to Marysville who utilize various City Management Software including but not limited to Munis(UBCIS), Tyler/Edensoft, SpringBrook, Caselle, Black Mountain, True Point, etc.

In today's electronic environment, customers want a company that offers extensive experience in electronically integrated customized options in addition to their mailing needs. With decades of operations in the industry coupled with our staff's experience, we are truly experts in the field. We are large enough to provide these complex solutions, but not too large that projects get bogged down from commitments to larger customer's demands or a web of corporate hierarchies. Our operations are fully capable of processing your payment service needs with the programming we have in place and customizing to add the additional services you specifically request in the RFP.

Since all of our programs are developed in-house if there is a feature you would like added, just ask. Our systems are not limited to "canned" off the shelf software used by most BDS competitors.

We have reviewed your file specifications within the RFP and have concluded that there are no foreseen issues that would impede programming or production as we providing services with similar file structures. We have never turned down a project due to lack of skills or failed in the programming of it.

REQUIREMENTS AND SCOPE OF WORK

The selected Vendor/Contractor must have the ability to meet each of the requirements below. If a requirement cannot be met, please provide an alternative approach for consideration.

1. The selected Vendor/Contractor must have the ability to accept daily bill files and daily customer information files using an online upload or a standard secured FTP or SFTP transmission. The City must be able to log into the Vendor/Contractor's server and transmit the files daily, as needed.
2. The Vendor/Contractor must be able to accept the City's bill files in their current format, using the current transmission method. The City is unable to change the bill file format without manual intervention and/or a modification to the UBCIS system. Specific requirements are below:
 - A. The bill files will be presented in an XML format and Vendor/Contractor must be able to extract data from spool files generated through our billing system.
 - B. The City must be able to automatically connect to the Vendor/Contractor's secure FTP server to transfer the files.

BDS is currently receiving and processing the above mentioned files for print & mail and are generating pdf images of all bills presented and archived for up to 24 months. We have this process in place and no additional programming or cost would be required.

3. The City must be able to receive an electronic payment posting file daily (in the Munis Approved Format), with all payments from 3:00pm the previous day to 3:00pm the current day being considered the cut off time. The City must have online access to these files by 3:30pm to post the payments to customer accounts or if on a weekend or holiday be available for online access the following business day by 8am. (See Exhibit 4 Posting File)

BDS is currently providing import files to the city's Munis software for lockbox payment processing. We would set the processor batch time to the required 3 PM PT and generate the import file to the existing sftp directory to be automatically pulled to "post". This file would automatically be generated and posted within minutes of the "end of day" batch at 3 PM PT.

4. The City must approve a sample online bill and payment posting file, test the online bill pay process, phone pay line, customer service representative's ability to process a payment at

their own computer should a customer need assistance, and test the notification emails, text and phone calls before going into live production.

The city currently is approving all pdf images of bills posted at time of production. It is our standard practice to have the BDS CS team would work with the city staff during setup to insure that all services are tested, have the staff generate payments from their PC's phones etc before going to live production.

5. Vendor/Contractor must be able to notify a customer via email and text once a new bill is ready or a payment has been made.

Currently in place: All city customers who use the BDS portal to sign up for e bills and have confirmed their email address will automatically receive email notifications that their bills is available to view once the print file has been approved. Payment confirmations are automatically sent after a payment has been confirmed. Payment confirmations can also be sent to a city staff member if requested.

To be added: the ability for the customer to request and confirm text messaging numbers. BDS currently has this process for County Tax payers, we would just need to add it to the city payment portal.

The Vendor/Contractor must provide emails, text and phone calls to customers who are in danger of being shut off. The City will provide a list of customers, with phone numbers to call and text, along with email addresses in an excel file format at a time sufficient to have the notification go out on Fridays between 5pm and 6pm and occasionally at other times during the week. The City will provide the messaging that will need to be sent. The City may require a different message should the shut off date be changed for any reason (See Exhibit 5 Notifications).

Currently in place: Clients upload to our BDS admin site, sets a list of account numbers, amounts and phone numbers, sets the date and time to run.

BDS runs the shut off calls to all phone numbers on the list. For Red flag regulations, once calls start, a series of recordings and questions will begin on the call. This is to confirm that the call is being answered by the person it was intended. If it is not the person it is intended, there is a request to have that person call the city. If it is the person it is intended for, the message continues to notify of past due amounts to contact the city or "pay now".

A report is generated in real time of the results of the calls. The reported items include: if answered, hung up, completed went to voice message etc. and if the customer made a payment.

Currently this service is only using credit / debit card because those can be confirmed as valid transactions. E check options are not currently offered to avoid multiple returned items due to unable to locate accounts errors because the customer enters invalid data. BDS can validate the routing number but not the account number and have had issues in

the past where a customer entered a valid routing and account number, but it was not their account and money was withdrawn from an unknown person's bank account.

6. The Vendor/Contractor must be able to accommodate 4 types of bills; Regular, Past Due, Shut Off and Final. For Past Due and Shut Off notices, copies will be sent to the owner/property management company and will need to be available for display purposes only. The Customer Information File, sent daily, will provide the Account Number, Customer information, Customer ID, bill invoices, amount due and the due date.

BDS already has all of this data and pdf images available for all 4 types of bills, each account has an account number, a bill number and a customer number for reference.

7. The Vendor/Contractor must have the capability to present each bill independently of other bills so customers can view each bill in a PDF file that can be saved by the customer. Customers must be able to pay one bill or multiple bills at a time, and must be required to pay a bill that is beyond 30 days past due both online and over the phone pay line.

BDS currently saves each bill as separate pdf images including and inserts printed and mailed to the customers.

For the Online service:

The customer can add multiple bills or enter the customer number and our programming will display all accounts under that customer number for the customer to select for payment.

The customer can do an express payment for a one time transaction for single or multiple payments or set up a username and password to save all accounts attached to that user using credit / debit or E check from either savings or checking.

BDS would need to program to require min. payments for bills that are "past due" BDS would work with the city to set those specifications for both online and phone payments.

8. The Vendor/Contractor should have the capability to allow customers to automatically schedule payments on the due date of each bill using a credit or debit card, checking or savings account. The Vendor/Contractor should also have the capability to allow customers the options of making automatic payments in a set amount on a specified date, such as the 15th of each month.

BDS currently has for the online payment services the ability for the customer to pay all accounts attached to the user automatically, the customer can set the month to start and the day for the payment to be processed. The payments are made early morning of the date set for the amount in the most current "update" balance file received by the city. If the amount in the latest update file is zero or has a credit balance, no payment is processed.

Currently for the reasons stated above to avoid ongoing and multiple invalid transactions:

This service is only using credit / debit card because those can be confirmed as valid transactions. E check options are not currently offered to avoid multiple returned items due to unable to locate account errors because the customer enters invalid data. BDS can validate the routing number but not the account number and have had experiences where a customer entered a valid routing and account number, but it was not their account and money was withdrawn from an unknown person's bank account.

Currently BDS is only offering E checks for online payments to single transactions if requested by the city to reduce the issues of invalid entries. If the City wants to add these services we can program to add it, with the disclaimer that the city is aware of the possible problems.

9. The Vendor/Contractor should have the capability to:
- A. Update amount due daily from the Customer Information File and display that online and on the phone pay line.

BDS currently has this service in place for our clients who provide us with a daily update file of all active account open balances. Preferred procedure would be once the city has posted the payments from the BDS import data file that an update file is generated and uploaded to BDS either via the sftp directory or via the BDS Admin site. The balances are then automatically updated in the BDS database and the new balance is available for all payment services.

- B. Update Auto Pay amount to current amount from the Customer Information File so customers only get charged for the amount outstanding at the time of the auto pay.

The auto payments are made early morning on the date set for the amount in the most current "update" balance file received by the city. If the amount in the latest update file is zero or has a credit balance, no payment is processed.

- C. Provide clear direction when the auto pay will start for a customer so as they know if they have to make a manual payment or if the payment will be automatically made.

The customer sets the month and day of the month to start. This functionality is available to the customer on their profit screen on the payment services link and they can delete the auto payment, and set a new month / day or card.

The city staff can also pull a report of all accounts that has signed up for auto payments, the last day paid and the next scheduled date.

10. The Vendor/Contractor must provide an online resource in which the City's Customer Service Representatives have access so that they can log in to see real time up to date payments, customer account information, run reports if necessary, to see all payment history

Using the BDS admin site the city staff has access by account number search to see in real time 24 months pdf images of all bills printed, all payments successful or attempted payments and current account balance in the BDS database per most current payments or update files received.

- , to be able to take a payment, and be able to cancel a payment only within the 3pm to 3pm cutoff time of the current date. Access should restrict the ability to cancel a payment outside the cutoff time frame (such as on Thursday trying to cancel a payment made on Monday). Customer Service Representative should be able to reset customer passwords if necessary.

The city staff can use the over the counter process to take a payment that will update all balances in real time. The city staff will have direct access to the merchant processor gateway to void a payment prior to set batch time of 3 PM PT, it will not allow any payments to be voided after that batch time, but will allow a payment to be refunded if necessary.

Via the BDS online services the customer can request a "forgot" password, the city staff under the same account number search will have the ability to see the user name attached and the email address it is associated with. If the customer cannot remember either, the city staff can validate on the phone the username and the customer can use that to reset their password.

In the event that the user is no longer associated with this account and did not "detach" the account, the city staff can detach accounts from a user so that another person can attach that account to their username and history. When a new user attaches an account the "history" starts at the time the new user is established.

11. The Vendor/Contractor will provide requirements for customers to either establish a login to enable bill viewing, scheduling payments, making a payment, seeing bill history, the current balance and due date or to allow a customer to make a one-time payment without a login.

BDS currently has this ability in place

Based on the City's requirement to make a phone payment, an online one-time payment or to set up an account, the customer must be required to enter two pieces of information, their account number (12-digit number) and their customer ID number (CID) (which can be 1 or more digits).

BDS currently has this ability in place for online payments. For the phone payments currently the customer enters their account number and the system reads them back the service address for validation prior to the customer proceeding to make a payment.

This can be programmed to add the customer to enter a second validation if required.

For online customers, the Vendor/Contractor will need to provide 3 security questions and allow customers to reset their password on their own if they become locked out or forget their password.

BDS does not retain on our servers any credit card information nor is it available on the online portal. Currently the customer can only get a new temporary password sent to the email address they established at the time the user name was established. We do not currently lock the site for multiple attempts. There is one security question required at the time of setup in the event that our customer service staff needs to communicate direct with the customer for any reason.

If the city feels that it needs to require additional steps to reset passwords, this can be programmed.

12. Bill Inserts and Messages:

- A. The City will provide to the Vendor/Contractor a copy of bill inserts in which the Vendor/Contractor must provide an interface and user field so that customers can view and print online bill inserts
- B. Bill presentation must include any bill messaging and a notice that a bill insert is present and available to view.

BDS already has the printable PDF images archived and ready to move forward with the service including all inserted documents.

13. The City currently manually adjusts and re-prints bills for customers for various reasons, such as leaks and misread meters, the balance either online or over the phone must reflect this new amount the next day.

The daily update balance file the city would submit would update all balance adjustments.

14. Please provide details about the following:

- A. Quality control procedures to ensure bills are presented and balances are correct.

The city reviews and approves all pdf images of bills prior to approval to “posting” and printing to mail. The balances are updated from the files generated by the city uploaded either via our BDS Admin site or the SFTP directory. The city staff can visually check any account balance to insure that the amount posted is correct.

- B. Ability to provide customer support during the hours of 8am to 5pm Pacific Time

BDS normal business hours are 8am to 6pm MTD, or 7am to 5 pm Pacific Time. Key personnel are available by email after hours.

- D. Procedures for ensuring that the file transmissions are completed successfully and procedures for correcting issues.

As part of the quality control, for every file received, an automatic email is generated to the client. First that we received the file and the second that we processed X number of records. If for any reason these totals do not agree with what the city intended to send, BDS will clear out the area and be ready to accept a replacement file.

15. The vendor must accept at a minimum Debit cards and payments from Checking or Savings accounts, Visa and MasterCard credit cards, and if possible, Discover and American Express credit cards. Payments online or over the phone, to the extent possible, need to be approved or rejected right away. Credit and Debit Cards should be immediately verified, checking and savings account may be only verified by routing number.

BDS has in place the ability to accept all 4 of the major credit card providers. Credit / debit card payments are confirmed in real time either as successful or declined. Those funds will be deposited. E check for checking or savings accounts can be validated only to the routing number, and can be declined after the transaction. This typically occurs within in 2 business days, however it can take longer.

16. Returned payments would need to be processed and available as soon as possible. Notification to both the customer and the City would need to be made advising of a returned payment. The Vendor's system should be able to allow the City to block payment types individually on each customer's account. For example, the City would be able to block checking and savings account payments but leave credit and debit card payments available.

Returned payment notification is sent to the city and BDS by the processor as soon as the issuing financial company has rejected the transaction and funds are normally pulled next day from the city account.

BDS has in place a procedure for our clients to block payment for all or just e check transactions. The city would generate a list of account numbers and the method that they want blocked. BDS would in real time flag those account so that error messages would be displaced or heard in the event that an attempted payment was made. Those settings would be in place until such time as the city sends a new file. At that time all existing flags would be cleared and only those in the new file would be blocked.

TECHNICAL REQUIREMENTS

1. **Online**
 - A. Online Access must be available through computer, tablet and smartphone.
Any device that can access the internet can access the BDS payment site,

- B. The vendor has the ability to notify City Customers via email, text and phone calls.
Yes, with additional programming for text messages
- C. And the vendor has the ability to let customers set up auto payments via credit or debit cards, checking or savings account. Once a customer has finished setting up the auto pay, the confirmation will be displayed and, at minimum, an email will be sent stating when the autopay will start.
BDS has in place all of the above and automatic email confirmation and notifications. See previous notes on checking / savings for automated payment disclaimer
- D. Ability to provide email and text notifications of new bills.
Yes, with additional programming for text messages
- E. Vendor provides automatic calling for impending Disconnection Notice.
BDS has this service in place.
- F. The City should be able to verify online population of customer bills, have the ability to view real time payments and be able to make payments on customer's behalf from an authorized web site for City employees only.
BDS has this service in place.

2. **Reporting**

- A. File Confirmation Report – Confirm receipt of bill print files and loading of bills online.
BDS has this service in place.
- B. Report showing payments made for the time frame of 3:00pm to 3:00pm known as the customer activity report, along with the posting file which is compatible with our Munis system to be able to upload the payments to each customer's account.
BDS has this service in place.
- C. Online report that shows all the customers texted, emailed and called on Friday's for shut off calls and if the call was successfully connected and duration of the call. Online report show email and text notifications were sent out for new bills and impending disconnection messaging.
Yes, with additional programming for text messages

3. **Security**

- A. The Vendor/Contractor must provide necessary security to protect the City's (and utility customers') data from unauthorized access. Please provide details about the security measures that are in place. Include procedures for ensuring that only authorized persons are able to access any data involving customer accounts,

payment information, email addresses, phone numbers and any other red flag data.

BDS provides a secure web site for the city staff to log in with username and passwords. Separate users can be set with selective access to data as directed by the city.

Any consumer can log in to the express pay side with the customer account and second validation, but the only information available would be the amount due on the account, no billing information, service address etc. is available.

- B. Describe in detail how security is handled for information shared between the Vendor/Contractor and the City via email or online and compliance with Red Flag procedures. (Red Flag procedures must comply with Federal and State law as well as City policy.)

All data files, reports and customer information is only available to city staff by access to the secure BDS Admin site which requires a BDS customer code identifying the city, and password and security key displayed on the screen.

All emails between the city and BDS that contain any customer details can be sent encrypted via our via our email server and would require a user name and password established by the city staff to open, read or reply.

- C. The Vendor/Contractor must allow site visits by City personnel.

BDS would welcome visits by City personnel to any of our locations.

- D. The Vendor/Contractor shall provide insurance coverages as set forth in the proposed contract.

BDS would provide all insurance coverage requested that applies. Since BDS has no location or employees in the state of Washington, we would not be able to provide proof of coverage for Workmans Comp for that State.

- E. Vendor/Contractor will be required to submit proof of a biannual independent financial audit throughout the life of the agreement.

BDS will be happy to provide copies of our annual financial reports. We do not have independent audits of the financials, but do have a certified CPA provide all tax returns and assurances that we comply with accepted practices.

BDS does have independent audits for SSAE16 certifications for all of our locations, which covers, everything from HR to building security to all of the

servers meeting all security requirements. In addition we have independent vendors check our servers for PCI compliance for credit card security procedures.

4. Customer Support and Disaster Recovery

- A. Customer Support to City – Vendor/Contractor shall provide:
1. Unlimited customer support during the hours of 8:00 am – 5:00 pm, Pacific Time - during normal business days.

Yes CS team support is available from 8am to 5pm Pacific time.

2. Procedures for after-hours support.

City will have cell phone and email contact with key staff members.

3. A list of company holidays.

New Years Day, Memorial Day, 4th of July, Labor Day, Thanksgiving, Christmas Day

4. Contact points for customer service.

B. Disaster Recovery

1. The Vendor/Contractor must have a backup and disaster recovery facility to process the City's online bills and payments if the main facility becomes inoperable. Facilities must be geographically diverse to protect against regional events. Please list your facility locations.
2. Provide a detailed summary of the Vendor/Contractor's disaster recovery plan.

SEE ATTACHED Disaster Recovery

6. Exception Processing

- A. The system should allow the ability for the City to cancel customer payments only made during the 3pm to 3pm time frame. This system should be web based through a secure log in and be integrated between the City and the Vendor/Contractor. The system should be business rules based.
- B. If any errors in processing occur, such as duplicate payments, wrong amounts displayed (online or over the phone), erroneous email communication, the Vendor will take immediate action to remedy the issue, including resending emails, canceling duplicate payments and ensuring customers will have money returned to their bank accounts or credit cards within 1 business day, if not sooner.

The City will have a direct log in to the payment gateway to void any payments processed before the 3pm batch time, or they can notify the CS team and our staff will complete the Void and remove the payment from the import data. Because the Voids are not automatically sent back via the API,

if the City completes a void they must email the CS team so that the payment can be removed from the import data.

BDS has a duplicate payment error message that comes directly to our CS team if a payment is made via the same payment process to the same account for the same amount same day. The CS team will alert the City of the possible duplicate payment, once the City confirms that in fact it is a duplicate, the CS Team will void any duplicate payments and cc the city.

In the event that a refund is required or requested, depending on the time of day that the CS team is advised or if the City logs on directly to the gateway processor, the refund will be processed next business day. Neither BDS nor the gateway can guarantee that the bank / financial institution will fund it back to the customer account as soon as it is processed.

PAYMENT PROCESSING

The City requires the following services to be performed:

- A. Process customer payments via the web or phone daily and provide a posting report of all payments as soon as possible after 3pm, but no later than 3:30.

BDS will process the batch at 3pm Pacific time, within minutes the import file with the payment details will be available via the SFTP site and on the BDS Admin Website.

- B. Balance and deposit payments electronically into the City banking account and provide a copy of the deposit. Must be done within one (1) business day. This schedule must be contractually guaranteed.

BDS has confirmed with the Merchant processor that all batches will be deposited next business day.

- C. Ensure all payments are processed and either accepted or rejected when the customer submits their payment. Any rejected payments are noted as to why rejected and available for the City to view on a daily basis.

All successful or declined payments are available for the City to view on the BDS Admin site, either by customer accounts or by payment type summary.

The reason for the declined will be what the gateway receives back from the customer's bank or financial institution, or with an error code designating that the data entered did not match the card on file, such as an incorrect zip or CVV code for the credit card entered.

- D. Keep bill images and payment information accessible online for customers and the City for 24 months and then available through other means of retrieval, both for the Customer and the City.

BDS currently archives all bill images, including inserts printed and mailed with bill, all payment history successful or declined for up to 24 months. The city can search by name or account number. These same images are available online if the customer creates a username and password. If the customer attached multiple accounts to the username all images will be available for all accounts including payment transactions both successful and non-successful.

- E. Any returned payments will be called out with both the City and Customer being notified of the returned payment.

INVOICING OF SERVICES

The vendor will invoice the City monthly for charges due for the previous month. The invoice should detail the charges incurred, including credit card fees, debit card fees, checking / savings account fees, fees for using the online system, return fees and any other fees broken out and detailed. The invoice will be paid via check from the City and due 30 days after the date of the invoice. **The City does qualify for a lower utility provider rate on merchant fees.**

GENERAL REQUIREMENTS

Proposals should be as thorough and detailed as possible so that the City may properly evaluate the capabilities of respective Vendor/Contractors to provide the required services.

Vendor/Contractors are required to submit the following items for a complete proposal:

1. A statement of the Vendor/Contractor's understanding of the work to be performed in accordance with the timeline.

SEE ATTACHED COVER LETTER

2. Information as to the Vendor/Contractor's background and experience relative to the services being requested. Vendor/Contractors must have experience working with Munis UBCIS or similar software including real-time data exchange for online data and bill payments.

SEE ATTACHED BACKGROUND LETTER

3. Detailed implementation plan that includes key tasks, milestones, and designated City and Vendor/Contractor responsibilities. Outline all training that will occur during the course of this project.

Upon confirmation of award of the RFP, BDS will provide the Merchant Processor application for debit/ credit card and ACH payments. This normally takes about 2 weeks from application to merchant account setup.

BDS CS team will assign a dedicated member of the CS team who will work with the city from beginning to go live including:

To design the “Branding” of the online payment portal and any customizing of the messages or customer login specifications, including “help” images for the customers.

BDS has already put in place the ability to hold three identifiers for each account, customer number, account number and bill number from the print & Mail files that we currently receive.

BDS will assign a dedicated toll free phone number for the IVR payment portal and the CS team will work with the city to customize the message that the customers hear to initiate the payments.

BDS will work with the city to format the import file to be uploaded to the existing sftp directory the same as we do for the lockbox service.

Upon receipt of the merchant account from the processor, BDS will run test payments with all of the payment portals, online, OTC and IVR, generate test import data and reporting.

Final Training with the City staff:

The dedicated CS team member will work with the city staff via a “go to meeting” so that anyone can join the training sessions. We will walk the city staff thru each payment process, what the customers will see, what the BDS Admin site will have for searches, reporting etc. and provide pdf instructions with screen shots for all services and reporting.

The CS team will be available for any ongoing questions, training new staff members or just refresher courses upon request.

Turnaround time from signature to go live is normally 4 to 6 weeks depending on customization requested and returns communication from the city.

4. Information concerning on-going support that will be provided explaining the security around customer information also including red-flag considerations.

BDS PCI compliance is renewed quarterly by an outside vendor to audit our server security, see latest Compliance Certificate.

See attached Red Flag policy and the attached SSAE audit completed in 2014.

Valli Information Systems, (dba Billing documents Specialists) at our Corporate level is in the process of completing the SSAE16 audit for 2016 for all of our locations, Idaho, New Mexico and Alaska.

5. Vendor/Contractor's project pricing and preferred payment schedule.

SEE ATTACHED PRICING SHEET

6. Listing of five (5) clients who may be contacted as reference, for whom similar services have been provided. Include client names, addresses, emails and telephone numbers.

See attached reference list.

7. Also provide a list of any customer who stopped service prior to the original contract expiration date in the last 10 years, and the reason for the termination.

NONE

7. Please provide a list of at least two (2) customers who did not renew their contract after the expiration.

City of Twin Falls, Idaho, chose to use the integrated services of the software provider, SpringBrook Software.

**Bill Baxter, CPA
Finance Accountant/Utility Billing Supervisor
City of Twin Falls
(208) 735-7264
bbaxter@tffd.org**

Mt Olympus Improvement District, SLC, UT also chose to use the integrated services of their software provider, Caselle. BDS still prints and mails their bills.

**Stephen Rohwer, Controller
Mt Olympus Imp Dist.
801-262-2904, ext 106
rohwers@mtoid.ort**

BDS has kept an excellent working relationship with both of these accounts, feel free to contact them:

8. Any other special experience and qualifications relative to this project.

BDS started offering payments services to our utility clients in 2005 as part of our print & mail services. Our payment solutions have been designed to meet utility payment requirements, reporting and importing data. The BDS customer service is rated excellent by our clients, we are large enough to have programming abilities to customize and small enough to be responsive to our clients.

9. Be able to comply with the Professional Services Agreement included in this RFP (sample at the end of this document).

BDS has reviewed and agrees to and can comply with the Professional Services Agreement included in the RFP.

Valli Information Systems, Inc. Disaster Recovery 2016

Step One: Disaster Avoidance

The first step in our disaster recovery plan is Disaster Avoidance. We do as much as we can to avoid a disaster from happening in the first place so that we do not have to enact our disaster recovery plan. There are few instances that are unavoidable and will force us to begin our disaster recovery plan, but there are many instances that by careful planning and investments, we can avoid a disaster from occurring. There are bound to be minor instances that disrupt the production workflow because our business depends on automated machines, humans, and computer systems, but we have attempted to make sure these minor instances don't result in a major disaster. Below are several of the steps we have carefully thought out and implemented:

1. **Operate under capacity:** The first step is that we operate both of our printing and mailing facilities under capacity. This ensures that each facility can handle minor issues such as machine downtime or employee absence.
2. **Duplication of all critical equipment:** The second step that we have taken to avoiding a major disaster is we have made the investments necessary to duplicate all critical equipment. We have multiple printers as well as multiple inserters to make sure that if one or two machines happen to be down, we can still continue to print, insert, and mail the time sensitive data.
3. **Multiple internet lines:** The next step we have taken is that we have duplicate internet lines from two separate vendors coming into our facility from different companies. This way if one internet line fails, we can quickly switch over to the second internet line and avoid a disruption in service.
4. **RAID, Server Sync, and tape backup:** We are fully leveraging a combination of these methods to ensure real-time accuracy, redundancy and disaster avoidance of our data center. RAID hard drives ensure that if a hard-drive fails, no interruption will occur as the other hard-drives will recover the data and continue in production. Our IT staff will be notified and can hot swap a new hard drive in place of the failed disk. Production servers are also synced in real-time. This ensures that if one server fails, the backup production server can take over and has the most recent data. All servers also have a nightly tape backup and the tapes are stored in a fire-proof safe and regularly taken off-site.
5. **Automated System Alerts:** We ensure that all systems are automatically monitored and alerts will be emailed to multiple employees. All of these employees can receive these alerts on their phone and can respond 24 hours a day to ensure systems stay up. These employees also have remote access to the data center and can monitor or fix issues without having to physically be at the datacenter.

6. **Cross Training and Documentation:** Employees are cross-trained and documentation is in place so that production and processes can continue in the event of missed work.
7. **Disaster Preparedness:** In the event of severe labor disruptions or physical premises become incapable of production due to external causes, we will utilize our Disaster Recovery site to continue operations.

Step two: Disaster Recovery

We understand the importance of business continuity. As client needs and expectations have evolved, so has our evolution of our disaster Recovery Plan. We eventually saw the need to have a separate out of state disaster recovery facility. In January 2012, we purchased an existing printing and mailing facility and have since made it our disaster recovery facility.

Hundreds of clients depend on our platforms and staff to provide business critical services. Our excellent client retention track record speaks to our system reliability and high-quality processing. While we have never had to implement our disaster recovery plan in a live environment, we place great importance on maintaining and testing a successful disaster recovery strategy. Our knowledge of a strong disaster recovery strategy comes from testing, consultation with IT experts, and from years of research and experience.

We are confident that we have the necessary measures in place to recover from a range of large-scale operation disruptions. With our investment of an out of state disaster recovery facility, our customers can be confident that their time-critical data will be printed and mailed in a timely manner.

Facilities:

Primary Production Facility:

Our corporate offices and main production facility and data center is located at 915 Main St. in Caldwell, ID.

Disaster Recovery Facility #1

Our disaster Recovery facility is a 24,000 sq. ft. facility located at 165 E 56th Ave. in Anchorage, AK.

Disaster Recovery Facility #2

Located at 4100 Hawkins St. NE Suite B Albuquerque, NM 87109

Labor

Our employees are cross-trained and can manage tasks that span the entire production process. At our current size and capacity, operations can run normally with the absence of key personnel with no effect on production.

Materials, Laser Printing, Mail Inserting

-Standard double window envelopes are stored at each of our facilities

-Should a customer elect to use custom envelopes, they have the option to pay for an emergency supply to be kept in inventory at the disaster recovery location.

-Blank white forms with a perforation are stored at each facility

-Should a customer elect to use custom forms, they have the option to pay for an emergency supply to be kept in inventory at the disaster recovery location. The custom pre-printed forms can also be laser printed in grayscale onto white paper if the custom forms are not available.

- Both facilities have a full color production laser printer as well as multiple production monochrome laser printers.
- Intelligent mail inserters are actively in use in both facilities.
- Each facility uses multiple printers and inserters, each of which operates independently of the others in case of equipment maintenance or downtime.
- Our internal processes allow us to redirect individual jobs on the fly to other facilities if necessary.

Facility Fail-Over and Restoration

Should one of our facilities become inoperable due to a fire, natural disaster, etc, then facility fail-over measures will be used to produce the mail at the other facilities. Documents will be able to be printed and mailed at either of our locations. If facility fail-over is enacted, and the fix is not going to happen soon, then available labor resources will travel to the other facilities to help with the disaster recovery efforts. Also, if facility fail-over is enacted, then restoration of the affected facility will begin as soon as possible. Both facilities have fire and theft insurance. All critical staff have remote login capabilities and continue to work when systems have been restored.

Testing and Documentation

Our disaster recovery procedures are continually improved. Documentation is constantly updated as necessitated by new requirements or changes to internal procedure or systems engineering. We currently process on a daily/monthly basis certain sites at the other location so that we know that we have everything in place to operate in case we have to implement the disaster recovery plan. An example would be that we do the pre-processing for the Alaska Federal Court System at our Caldwell facility and then have it printed at the Anchorage facility. This way we are always testing the equipment necessary to implement the plan.

Consultative pricing review

Prepared especially for:
City of Marysville, WA

WE AT GRAVITY PAYMENTS ARE COMMITTED TO PROVIDING



the best service

Serving you is our top priority. That's why our customers are with us over **5 TIMES LONGER** than industry average.



transparency

No hidden fees or surprises. We want you to **understand** every detail of your statement.



simplicity

We can **integrate quickly and seamlessly** with your current point-of-sale system, or **recommend new** options.



support

We are here when you need us. 24 Hours a day. 7 Days a week.



Statement Fee	\$0.00
Chargeback Fee	\$25.00
Interchange and Fees	
Discount Rate	0.15%
Avg. Interchange	0.52%
Transaction Fee	\$0.10
Batch Fee	\$0.00

Monthly Est. Cost: \$6,084.08

Projected fees are based on:
 Monthly V/MC volume of: \$848,937.00
 Average ticket of: \$214.27

"We strive to provide as much value to customers as possible, while charging them as little as possible, and still survive as a business."

-Dan Price, CEO & Founder of Gravity Payments



www.gravitypayments.com



915 Main Street, Suite 1000 Caldwell, Idaho 83605
800.627.3283 • f 208.459.3680 • www.billingdoc.com

Identity Theft Prevention Program For Valli Information Systems, Inc. & Billing Document Specialists

Part I	Reasons that our companies are at low risk for identity theft
Part II	Potential red Flag Identification
Part III	Red Flag Detection
Part IV	Red Flag Response
Part V	Program Administration

Part I Reasons that our companies are at low risk for identity theft

Valli Information Systems, Inc. dba Billing Document Specialists has been in business since 1983 with the same management and ownership in place throughout its existence. By dealing with our clients on a personal basis and handling any data sent to us or accessed through our web site with the highest degree of security, we have never experienced an incident of identity theft.

Data is encrypted when submitted through our secure web site, which is PCI compliant, blocking unauthorized access to any client database. Access of client information through the web site is password protected and information access can be permitted at various levels with limits set for each level by the client. Should unauthorized access be detected, an intrusion log will be created and sent to our two programmers for research and appropriate action and follow up.

Part II Potential Red Flag Identification

- A. Notice for a customer, a victim of identity theft, a law enforcement agency or someone else that an account has been opened or used fraudulently.
- B. Statements or city utility bills being sent to an incorrect address.
- C. Potential hiring of a person giving a false identity or inaccurate background information.

Part III Red Flag Detection

- A. All statements and billing are run through an NCOA database, which checks the address submitted to us by our client, against current address changes submitted to the USPS by individuals or businesses.
- B. Criminal and Social Security background checks on potential employees are processed through ABSO. Any discrepancies noted are sent to us immediately from ABSO to be handled appropriately.

Part IV Red Flag Response

- A. Any potential Red Flag, HIPAA or HITECH violation detected on a clients' behalf will result in immediate notification to the clients' designated contact for appropriate action.
- B. A report from the NCOA database is sent to the client giving them to opportunity to change the address in their own database or let us know that they do not wish the address to be changed by "opting out".

- C. If a background check on a potential employee identifies any discrepancy in a ss#, they will be notified and cannot be hired until the situation has been corrected with the Social Security Administration.

Part V Program Administration

- A. Weekly meetings are held with each department and all personnel within each week to discuss changes and concerns regarding Red Flag, HIPAA and HITECH to maintain understanding and compliance.
- B. We will continue to run Social Security and Criminal background checks on all employees to assure that all personnel remain committed to all issues related to compliance within our industry.
- C. We will continue to maintain network safeguards that assure secure submission of data files and secure web access.
- D. When changes are made to compliance-related services, we will continue to apprise all necessary personnel of those changes to assure continued compliance.

Our program has been approved by Robert O. Jenkins, President and Owen L. Edwards, Vice President of Valli Information Systems, Inc.

The program administrator is Owen L. Edwards.

We do not use outside service providers or sub-contractors in connection with accounts covered under the Red Flags Rule.

Valli Information Systems, Inc
Billing Document Specialists
915 Main Street, Suite 1000, Caldwell, ID 83605
Tel: 208.459.3611 TollFree: 800.627.32283 Fax: 208.459.3680
www.valli.com www.billingdoc.com



915 Main Street, Suite 1000 Caldwell, Idaho 83605
800.627.3283 • f 208.459.3680 • www.billingdoc.com

securityMETRICS®



Certificate of PCI DSS Merchant Compliance

Payment Card Industry Data Security Standards Validation

Based on the information provided by the merchant listed below involving its security policies, procedures, and regulations, SecurityMetrics has found the merchant to be compliant with the Payment Card Industry Data Security Standards (PCI DSS), endorsed by Visa, MasterCard, American Express, Discover, and JCB card brands.

Valli Information Systems, Inc.

Last Passing Scan Date: 17 Jun 2016

Self Assessment Questionnaire (SAQ D 3.2) Compliant Date: 23 Aug 2017

SecurityMetrics recognizes the merchant for its efforts to reduce credit card theft and fraud. By achieving PCI certification, this merchant is maintaining rigorous data security standards to ensure that its customer's credit card information remains safe and secure. In order to maintain PCI DSS compliance the merchant's self-assessment questionnaire must be passed every 12 months and any scans, if applicable, must be passed every 3 months.

www.securitymetrics.com

www.pcisecuritystandards.org

Ian Taylor

Director of Security Fulfillment

Gravity Payments Merchant fees/ estimated invoice

Schedule of Fees	Estimated Monthly Count	Estimated Monthly Dollar Volume	Average Interchange Costs	Discount Rate	Transaction Fee	Merchant Fee Percentage	Total Fees Charged to City
Online, Scheduled, Phone, and CSR made payments per month:							
April Mastercard Debit	926	238,413	1239.75	357.62	92.60	0.71%	1689.97
April Mastercard Credit	331	85,221	443.15	127.83	33.10	0.71%	604.08
April Visa Debit	1,398	359,937	1871.67	539.91	139.80	0.71%	2551.38
April Visa Credit	1395	359,165	1867.66	538.75	139.50	0.71%	2545.91
April Discover	38	9,784	50.88	14.68	3.80	0.71%	69.35
April Savings Account	4	203	1.06	0.30	0.40	0.87%	1.76
April Checking Account	745	149,153	775.60	223.73	74.50	0.72%	1073.83

NMI Gateway Monthly Cost 10.00
 NMI Gateway Transaction Fees (\$.10 per transaction) 458.10

Total estimated invoice to City 9004.37

Screen shot of import files available on the Admin Site with Text file by date /type of payment

NEW OTC Payment Imports [Refresh](#)

Past 15 (click to view)

08/26/2016 17:12:26 => [Import File](#) [Text File](#)
Imported: 2016-08-26 17:17:24 - KARIE
08/25/2016 23:49:02 => [Import File](#) [Text File](#)
Imported: 2016-08-26 08:03:00 - KARIE

IVR Payment Imports [Refresh](#)

Past 15 (click to view)

Current => [Text File](#) [View and Post Current](#) => [Here](#)
08/27/2016 23:49:02 => [Import File](#) [Text File](#) [Fee](#)
08/26/2016 17:12:29 => [Import File](#) [Text File](#)
Imported: 2016-08-26 17:16:05 - KARIE
08/26/2016 08:16:42 => [Import File](#) [Text File](#)
Imported: 2016-08-26 08:19:52 - KARIE
08/25/2016 23:49:02 => [Import File](#) [Text File](#)
Imported: 2016-08-26 08:04:09 - KARIE
08/25/2016 08:12:16 => [Import File](#) [Text File](#)
Imported: 2016-08-25 08:15:30 - KARIE
08/24/2016 23:49:02 => [Import File](#) [Text File](#)
Imported: 2016-08-25 08:08:49 - KARIE
08/24/2016 08:13:07 => [Import File](#) [Text File](#)
Imported: 2016-08-24 08:17:58 - KARIE
08/23/2016 23:49:02 => [Import File](#) [Text File](#)
Imported: 2016-08-24 08:11:32 - KARIE
08/23/2016 16:08:00 => [Import File](#) [Text File](#)
Imported: 2016-08-23 16:09:04 - MARIA
08/22/2016 23:49:01 => [Import File](#) [Text File](#)
Imported: 2016-08-23 07:57:50 - MARIA
08/22/2016 08:53:54 => [Import File](#) [Text File](#)
Imported: 2016-08-22 09:38:26 - KARIE
08/21/2016 23:49:02 => [Import File](#) [Text File](#)
Imported: 2016-08-22 09:38:03 - KARIE
08/20/2016 23:49:01 => [Import File](#) [Text File](#)
Imported: 2016-08-22 09:37:30 - KARIE
08/19/2016 23:49:02 => [Import File](#) [Text File](#)
Imported: 2016-08-22 09:37:05 - KARIE

***NEW Online Site Payment Imports** [Refresh](#)

Past 15 (click to view)

08/26/2016 17:12:35 => [Import File](#) [Text File](#)
Imported: 2016-08-26 17:14:29 - KARIE
08/26/2016 08:16:47 => [Import File](#) [Text File](#)
Imported: 2016-08-26 08:20:57 - KARIE
08/25/2016 23:49:02 => [Import File](#) [Text File](#)
Imported: 2016-08-26 08:05:13 - KARIE

Created	Posted	Account	Amount	Transaction Id	Payment Type	Bill Pay Detail	Processor
8/26/2016 0:17	8/26/2016 8:16	4501040502	59.38	8612673829	IVR		
8/26/2016 0:46	8/26/2016 8:16	392100803	65.32	8612681477	ONLINE		
8/26/2016 1:49	8/26/2016 8:16	3737327603	79.60	8612706858	ONLINE		
8/26/2016 3:12	8/26/2016 8:16	913110903	144.67	8612745256	ONLINE		
8/26/2016 3:41	8/26/2016 8:16	392040402	46.29	8612754071	ONLINE		
8/26/2016 4:51	8/26/2016 8:16	1447040703	88.16	8612782506	ONLINE		
8/26/2016 4:53	8/26/2016 8:16	1313609201	135.10	8612783161	ONLINE		
8/26/2016 5:28	8/26/2016 8:16	2301034003	111.11	8612804589	IVR		
8/26/2016 5:53	8/26/2016 8:16	606999403	82.05	8612816608	ONLINE		
8/26/2016 6:09	8/26/2016 8:16	2301121004	141.14	8612827584	ONLINE		
8/26/2016 6:19	8/26/2016 8:16	2250454602	73.12	8612835958	ONLINE		
8/26/2016 6:21	8/26/2016 8:16	2403005203	95.00	8612838218	ONLINE		
8/26/2016 6:25	8/26/2016 8:16	1010205804	52.64	8612841493	ONLINE		
8/26/2016 6:33	8/26/2016 8:16	318081705	59.94	8612847738	ONLINE		
8/26/2016 6:37	8/26/2016 8:16	1734281002	156.01	8612850939	ONLINE		
8/26/2016 6:44	8/26/2016 8:16	2302284003	97.44	8612857103	ONLINE		
8/26/2016 6:44	8/26/2016 8:16	3668022602	63.32	8612857449	ONLINE		
8/26/2016 7:03	8/26/2016 8:16	1313901403	82.05	8612876795	ONLINE		
8/26/2016 7:07	8/26/2016 8:16	915430302	81.00	8612883063	ONLINE		
8/26/2016 7:25	8/26/2016 8:16	1842191605	146.74	8612906046	ONLINE		
8/26/2016 7:33	8/26/2016 8:16	3232460601	78.82	8612917830	ONLINE		
8/26/2016 7:38	8/26/2016 8:16	606211802	85.96	8612924266	IVR		
8/26/2016 7:39	8/26/2016 8:16	2046471001	465.22	8612924834	ONLINE		
8/26/2016 7:42	8/26/2016 8:16	1632161604	66.65	8612928837	ONLINE		
8/26/2016 7:53	8/26/2016 8:16	1779031403	46.44	8612942671	ONLINE		
8/26/2016 7:55	8/26/2016 8:16	3074040001	57.88	8612946314	ONLINE		
8/26/2016 7:59	8/26/2016 8:16	448020402	65.32	8612950386	ONLINE		
8/26/2016 8:02	8/26/2016 8:16	1779052403	57.88	8612956104	ONLINE		
8/26/2016 8:08	8/26/2016 8:16	504091403	115.76	8612964102	ONLINE		
8/26/2016 8:14	8/26/2016 8:16	1842234404	172.79	8612974541	ONLINE		
8/26/2016 8:15	8/26/2016 8:16	992711201	95.08	8612976050	ONLINE		
8/26/2016 8:16	8/26/2016 8:16	2302042007	88.45	8612976599	ONLINE		
8/26/2016 8:19	8/26/2016 17:12	525100202	50.44	8612981087	ONLINE		
8/26/2016 8:21	8/26/2016 17:12	390103303	59.38	8612984517	IVR		
8/26/2016 8:22	8/26/2016 17:12	2404144604	111.47	8612986447	ONLINE		
8/26/2016 8:23	8/26/2016 17:12	881020902	76.86	8612987192	ONLINE		
8/26/2016 8:23	8/26/2016 17:12	550312303	64.75	8612987689	ONLINE		
8/26/2016 8:24	8/26/2016 17:12	2046013804	90.00	8612988912	ONLINE		
8/26/2016 8:25	8/26/2016 17:12	1313907002	50.44	8612990615	ONLINE		
8/26/2016 8:30	8/26/2016 17:12	4650013502	57.88	8612997717	ONLINE		
8/26/2016 8:32	8/26/2016 17:12	915271105	100.00	8613000134	ONLINE		
8/26/2016 8:35	8/26/2016 17:12	1842186006	126.00	8613006049	ONLINE		
8/26/2016 8:37	8/26/2016 17:12	2403081003	78.46	8613007622	ONLINE		
8/26/2016 8:44	8/26/2016 17:12	830260102	150.19	8613019436	ONLINE		
8/26/2016 8:45	8/26/2016 17:12	498010101	79.24	8613021279	ONLINE		
8/26/2016 8:50	8/26/2016 17:12	318244104	65.32	8613028016	ONLINE		
8/26/2016 8:56	8/26/2016 17:12	2403012204	51.50	8613037262	IVR		
8/26/2016 8:57	8/26/2016 17:12	1734092003	111.99	8613038480	ONLINE		
8/26/2016 8:58	8/26/2016 17:12	1010213002	60.00	8613039367	ONLINE		
8/26/2016 8:59	8/26/2016 17:12	202071302	50.44	8613041349	ONLINE		
8/26/2016 9:00	8/26/2016 17:12	1733362003	65.32	8613042397	ONLINE		
8/26/2016 9:00	8/26/2016 17:12	3074342405	57.88	8613042734	ONLINE		
8/26/2016 9:06	8/26/2016 17:12	448080401	65.32	8613052459	ONLINE		
8/26/2016 9:06	8/26/2016 17:12	890151802	67.74	8613052765	ONLINE		
8/26/2016 9:06	8/26/2016 17:12	1420161002	87.51	8613053399	ONLINE		
8/26/2016 9:08	8/26/2016 17:12	1521010203	88.67	8613056838	ONLINE		
8/26/2016 9:11	8/26/2016 17:12	808530004	80.72	8613061202	ONLINE		
8/26/2016 9:11	8/26/2016 17:12	1420017201	139.92	8613061445	ONLINE		
8/26/2016 9:13	8/26/2016 17:12	3074285402	65.32	8613064388	ONLINE		
8/26/2016 9:18	8/26/2016 17:12	525060603	67.52	8613073034	ONLINE		
8/26/2016 9:28	8/26/2016 17:12	2505023804	148.55	8613089604	ONLINE		
8/26/2016 9:33	8/26/2016 17:12	1420201201	121.65	8613098022	ONLINE		
8/26/2016 9:34	8/26/2016 17:12	909061004	50.96	8613099956	ONLINE		
8/26/2016 9:36	8/26/2016 17:12	1521207602	79.18	8613102139	ONLINE		
8/26/2016 9:40	8/26/2016 17:12	1910151602	90.17	8613109610	IVR		
8/26/2016 9:41	8/26/2016 17:12	2403032805	103.84	8613111243	ONLINE		
8/26/2016 9:42	8/26/2016 17:12	470210903	57.31	8613112451	ONLINE		
8/26/2016 9:42	8/26/2016 17:12	1631300403	22.87	8613113236	ONLINE		

SALES ORDER



915 Main Street, Suite 1000
 Caldwell ID 83605
 Phone: 208.459.3611 Fax: 208.459.3680
 www.valli.com

Bill To

City of Marysville
 1049 State Ave
 Marysville, WA 98270-4234

INVOICE # 30357

DATE 8/29/2016

Rep	P.O. No.	Terms	Due Date
		Net 30	9/28/2016

Quantity	Description	Rate	Class	Job Date	Job #	Amount
700	Phone/ Text Messages	0.10	BDS	09/01/2016	9999	70.00
13,000	E Statements	0.15	BDS	09/01/2016	9999	1,950.00
5,000	email / text message	0.05	BDS	09/01/2016	9999	250.00
4,837	monthly maintenance	0.05	BDS	09/01/2016	9999	241.85
	per successful payment					
250	IVR Successful payment fee (this cost can be collected from the customer)	1.00	BDS	09/01/2016	9999	250.00

Subtotal \$2,761.85

Sales Tax (9.1%) \$0.00

Total \$2,761.85

