

# Banking RFP – dos and don'ts

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- VP, Public Funds
- Been w First Financial for almost 8 years and worked exclusively with PF Entities for 4 years.
- From Sweden and used to be a professional golfer.



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## Dan Biser

- Payment Processing Advisor
- i3 Merchant Solutions
- Enjoys boating, fishing, and surfing



# Agenda

- Banking RFP experience discussion
- RFP tips
- Lockbox discussion
- Merchant Services
- Questions

# RFP Experience

## ■ Timing

- For questions/Completion

### CALENDAR OF EVENTS

October 21, 2022

November 7, 2022

November 17, 2022

January 31, 2023

May 31, 2023

Nov. 1, 2023

Requests for Proposals mailed

Last day to submit questions in writing

Proposals Due

Selection and Notification of Awardee

Deadline for Contract Negotiations and Finalizations

Contract period begins

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# RFP Experience



- Question Format
  - Written/Virtual town hall/Deadline
- Response Format
  - PDF/word/fillable PDF
  - Paper/electronic (financials)

# RFP Tips

- Timing
- RFP structure
  - Group questions
  - Pricing form
- Responses
  - Paper vs electronic
- Outdated Questions
- Specific Questions

## ■ Lockbox = Outsourcing Receivables.

- Process your receivable payments safely and efficiently using advanced imaging and scanning technologies with lockbox services.
- Enhanced reporting that captures critical payment data, creating an effective digital audit trail.
- View and print remittance reports that same day.





## ■ Key Benefits

- Expedite Collection of Receivables
- Establish an External Audit Trail
- Enhanced Reporting
- Obtain remittance information on the same day the items are processed
- Eliminate internal Costs and inefficiencies by automating much of the account receivable process
- Secure online portal allows quick access to view and print reports of remittance data and check images



# Lockbox

## ■ Retail Lockbox

- Large Volume (i.e. retail store) / scannable MICR line

## ■ Wholesale Lockbox

- Smaller volume / no MICR line

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## ■ RFP – no current Lockbox

- Provide average monthly or annual volume
- Disclose if there will be a MICR line on the payment stub
- File integration for data upload



## ■ RFP – current Lockbox

- Provide average monthly or annual volume
- Retail or Wholesale Lockbox?
- File integration for data upload
- Explain certain line items

Check MICR Capture

Postage ?  
,

Online Lockbox Software Maintenance



## ■ RFP Sample Questions

- 5.3.1 Describe the available lockbox system solution capabilities, including the following:
- a. Capabilities for both wholesale and retail lockbox.
  - b. Discuss the system's ability to provide image capture and retrieval of checks and payment stubs.
  - c. Discuss the system's ability to provide batch and system deposit reports.



## ■ RFP Sample Questions

- 5.3.2 Indicate the location of the lockbox processing site that would service [REDACTED]
- a. Does the Respondent offer a PO Box with a Columbus, Ohio address? If so, please indicate whether that PO Box will remain active during the proposed term of an Agreement with [REDACTED]
  - b. Describe the mail delivery process from the time it is picked up at the post office until its delivery in the lockbox processing area. Discuss any time delays associated with the mail if it is not directly delivered to the lockbox. Indicate whether the mail is delivered to the Respondent operations center and then to lockbox operations.



## ■ RFP Sample Questions

### 5.3.3 Describe the lockbox operating environment.

- a. Provide the hours of operation including weekends and holidays.
- b. Describe the cut-off times for same-day ledger credit of lockbox deposits.
- c. What are the Respondent's established procedures for disaster recovery if [REDACTED] assigned processing site is unable to process items?



# Merchant Services



## Merchant Services

Take your technology to the next level with our preferred partner, i3 Verticals, offering solutions for businesses, municipalities and organizations that need effective ways to better serve their customers.



i3 Verticals utilizes a proprietary algorithm with all transactions to maximize card interchange, which effectively reduces expense and overall costs. In addition, i3 Verticals will manage the PCI compliance requirement for merchants. In most cases the settlement for merchant transactions is quicker than with other legacy processors.

Whether you want to accept mobile payments or need an eCommerce website, we'll work with you to set up the merchant processing solutions you need to provide a better experience for your customers in a way that is easy on you.

### Key Benefits:

- Single source convenience
- Comprehensive merchant technology knowledge
- Fraud prevention experience and tools



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# Merchant Services



## ■ Be Specific!

- There are a lot of variables when it comes to merchant services
- Technology might have changed since your last RFP
- Proprietary Software/Hardware could limit compatibility
- Additional Services

# Merchant Services

## Compatibility requests

- What are you using now?
- Do you want/need to continue with this technology?

### 9.5 Equipment and connectivity

9.5.1 Please identify any of the vendors listed below to which the Respondent is unable to connect.

- a. Nelnet/PaymentSpring
- b. Cybersource
- c. Payflow Pro
- d. CardConnect
- e. FreedomPay
- f. PayJunction
- g. TrustCommerce
- h. Windcave (formerly Payment Express)
- i. Micros
- j. Cayan
- k. Catapult/ECRS

# Merchant Services

## ■ Pricing models

- ▮ Absorbed vs. Convenience Fee
- ▮ Interchange Plus vs. Flat Rate

Option 1: Interchange Plus						
Volumes are based on FY22 actuals and are provided for pricing estimate only						
Discount rate - processed transactions		x	\$ 210,720,242	=	\$	-
Discount rate - Amex pass-through transactions		x	\$ 17,274,833	=	\$	-
Authorization Fee - processed transactions		x	2,313,318	=	\$	-
Authorization Fee - Amex pass-through transactions		x	101,761	=	\$	-
Batch Fee		x	61640	=	\$	-
Chargeback/Retrieval Fee		x	190	=	\$	-
<b>Other fees</b>						
(list below with explanation and estimated volume)						
		x		=	\$	-
		x		=	\$	-
		x		=	\$	-
Option 2: Flat Rate						
Volumes are based on FY22 actuals and are provided for pricing estimate only						
Flat rate (percentage, excluding Amex pass-through)		x	\$ 210,720,242	=	\$	-
Flat rate (per-transaction, excluding Amex pass-through)		x	2,313,318	=	\$	-
Flat rates proposed must be inclusive of all card association and processor fees						

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# Merchant Services

- Equipment Requirements
  - Connection Type, Compatibility, etc.

Equipment						
Terminal quantities are provided for pricing estimates only and do not reflect a firm purchase obligation						
Standard terminal, requiring power connection		x	400	=	\$	-
Model number						
PTS version						
Connectivity options						
Mobile terminal, wifi-only connection		x	50	=	\$	-
Model number						
PTS version						
Battery life						
Mobile terminal, cellular connection		x	50	=	\$	-
Model number						
PTS version						
Battery life						

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# Merchant Services



## ■ Give a breakdown of what they need to expect

- ▮ Average Sale Amount
- ▮ Number of Transactions
- ▮ Monthly or Annual Volume
- ▮ Card Present vs. Online/CNP
- ▮ Chargeback Rate
- ▮ PCI Scope
- ▮ Current Hardware
- ▮ Current Merchant Services Provider
- ▮ Merchant ID count and types

# Questions



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