



PURCHASING DEPARTMENT  
1772 County Services Parkway  
Marietta, Georgia 30008-4012  
(770) 528-8400/FAX (770) 528-1154

Mark Kohntopp  
INTERIM DIRECTOR

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**ADDENDUM No. 1**

**Sealed Bid # 12-5651  
Payment Processing "Lockbox" Service  
Cobb County Water System**

**DATE: March 30, 2012**

Page 1 of 11

The following addendum hereby amends and/or modifies the Proposal Documents and specifications as originally issued for this project. All proposers are subject to the provisions of this Addendum.

**Proposers shall acknowledge receipt of this addendum.**

Include this original form inside your proposal package.

**This Addendum consists of:**

- **Minutes and questions from the pre-bid meeting on March 28, 2012**
- **Attachment #1 - Sample of Contract**
- **Attachment #2 - Email file from the Lockbox**
- **Pre-bid meeting sign in sheet**

**All bids must be received before 12:00 (noon) by the Bid Opening date. Bids shall be delivered to Cobb County Purchasing Department, 1772 County Services Parkway, Marietta, GA 30008.**

**Electronic / faxed bid response will not be considered.**

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**I acknowledge that I have received Addendum No. 1**

**Sealed Bid # 12-5651  
Payment Processing "Lockbox" Service  
Cobb County Water System**

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date Sent to Purchasing

\_\_\_\_\_  
Please Print Name

Please sign, date, and return this form ONLY to:  
Cobb County Purchasing Department  
Fax #: 770-528-1154  
E-Mail: [purchasing@cobbcounty.org](mailto:purchasing@cobbcounty.org)

Please note: The deadline for questions is: **April 3, 2012** by 5:00 pm  
Any questions received after this deadline will not be considered.

**Sealed Bid #12-5651**  
**Payment Processing “Lockbox” Services**  
**Addendum #1**

**Minutes**

On Wednesday, March 28, 2012 at 10:00 AM, a pre-proposal meeting was held at the Cobb County Water System Central Lab Training Center, 662 South Cobb Drive, Marietta, GA. for answering questions of prospective Proposers. The bid #12-5651 is for payment processing (Lockbox) Services.

Those attending were as follows:

Jeff Petersen – Cobb County Water System  
Judie Mazih – Cobb County Water System  
Betty Martin – Cobb County Water System  
Kathy Brown – Cobb County Water System  
Steven Nestor – Cobb County Water System  
Bonnie Mulkey – Cobb County Information Services  
John Bergey – Cobb County Finance Department  
Daphne Bailey – Cobb County Purchasing Department  
Sarah Sosnowski – BB&T  
Clint King – BB&T  
Charlie DiGiacomo – PNC Bank  
Kristin Thompson – PNC Bank  
Allison Johnston – PNC Bank  
Liz Romo-Rasha – Wells Fargo Bank  
Sallie Kerr – Wells Fargo Bank  
Dan Lally – Bank of America

Jeff Petersen, CCWS Accounting Manager, opened the meeting with introductions & welcoming those attending. Daphne Bailey, Purchasing Supervisor, explained the timeline for questions and submitting the bid. The meeting was then opened for questions by Jeff Petersen:

**1. Can items be added to the bid?**

All bid items must be filled out even if it is zero. Items can be added to the bottom of the bid form, but should be included in total bid price.

**2. Can we get a sample contract?**

Yes. It is a generic Treasury Management Agreement initiated by service provider. Before agreement is executed, it would need to be "Approved as to Form" by the County Attorney. (See Attachment #1-sample of current agreement)

**3. Is a fidelity bond required?**

Not at this time.

**4. Does the Lockbox retain a balance?**

Yes, there is a two (2) day lag.

**5. Can we provide the average daily balance in the Lockbox?**

Yes. The average daily ledger balance would be between \$1.2 - \$1.5 million.

**6. Are all endorsements required?**

Yes, due to the ability to research items.

**7. If cash is received by the Lockbox, is it deposited?**

Yes.

**8. Is the file from the Lockbox e-mailed to Cobb County Information Services?**

Yes, Bonnie Mulkey will send sample to Jeff Petersen. Please see attachment 2.

**9. Are there any scans on the envelopes?**

- The zip code is the only scan line on the envelope.
- The coupon inside has the barcode with the customer account number and premise.
- The envelopes are discarded by the service provider.

**10. Can any exception to a requirement be negotiated?**

Most of the requirements aren't negotiable; however this can be discussed at time of agreement.

With no more questions, the meeting was adjourned at 10:30 AM by Jeff Petersen. All answers will be submitted in an.

Adjourned

Questions submitted in writing:

- The audit trail information to be included on the back of each check contains 8 data elements. Are all 8 of the items necessary?

The eight (8) data elements are used for research by Cobb County Water System and Service Provider when inquiring on customer accounts. All the 8 items seem to be of importance, and are required. The teller number is unique to the service provider only and could be negotiated as long as the audit trail is not compromised.

- Within the audit trail information contained on the back of each check is a teller number and a reference number. Where is this information and where is the information captured from?

The teller number and reference number are unique to service provider to enable them an audit trail back to the appropriate teller. The reference number is also useful by both Provider and Cobb County Water by allowing them to populate their search appropriately when researching customer payments.

- There are 7 fields of information to be endorsed upon the back of each payment stub processed. Are all of these fields required or can this be negotiated? The capture of some of this information will drastically influence the type of equipment used to process payments. If all of this information is required, it will preclude the use on high speed OPEX equipment.  
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All seven (7) fields are required. The teller number is unique to the Service Provider only, and could be negotiated as long as the audit trail is not compromised.

- What is a teller number and reference index number contained in the audit trail on the processed scannable document? Where is the information captured from?

Numbers are unique to provider; however, allows Cobb County Water to sort by any criteria when inquiring on payments.

- What are your envelope requirements? Are envelopes received with scannable payments imaged?

The envelopes themselves are not scannable; however, they do contain scannable coupons. The only scannable item on the envelopes is the zip code.

- Are envelopes received with non scannable items imaged or physically retained?

They are considered exceptions and returned daily to CCWS for further processing.

- Is CCWA amenable to using online tools to obtain reports and deposit reporting information in lieu of receiving email confirmations at multiple addresses?

Yes, we currently obtain all reports online. No e-mail confirmations are needed.

- Please elaborate on the requirement on page 24 to logging, tracking and checking of every item received from the time it enters the mail room through the time funds are deposited”.

This is more of an internal control procedure to track documents throughout the process to insure accountability and completeness of all transactions.

- Please define the time period mentioned on page 24 to obtain written confirmation to destroy the documents. Is a defined time period negotiable, for example 3, 10 days etc.?

We currently use three (3) days for checks and ten (10) days for coupons, documents, etc; however, can be negotiable at time of contract.

- Under Service Provider Responsibilities on page 25 it is stated that all persons employed by the Service Provider will be on the Service Providers payroll. This statement precludes the utilization of temporary employees. Can the services of temporary employees who have passed a rigorous background investigation be use?

We strongly discourage the use of temporary employees due to the liability issues involved. The only way we would even consider this would be for the service provider to indemnify the county against any losses caused by those employees or, alternatively, retain those folks as independent contractors and require them to present evidence of insurance to us covering the county as an additional insured.

- Are credit card payments accepted as a payment option in lockbox?

No, only checks.

- The volume information listed on pages 34 & 50 do not seem to reconcile. For example, the retail lockbox volume on page 34 is a combined 618,905 items. However, page 50 has the annual lockbox volume as 1,271,450.

You need to include the total AR box as well as the Retail Box items. The small variance is considered a timing difference. Also, interchangeable use of coupons and checks account for the variance in the two reports.

- Please elaborate on the check & list/check only volume of 263,890 listed on page 34. Are this items check and list payments which are received in lockbox without a scannable document?

Yes, the check and list is for example one check with multiple account numbers listed separately.

- If the payments above are check & list items, how are these items processed? Is information from the check captured via a data entry function? If so, what information is required to be captured/provided?

In regards to check and list items, the customer account number on the list would be a manual data function performed by the service provider. The list is used in the absence of the scannable coupons.

- On page 14, section 31., Special Terms and Conditions, the RFP references a "Sample Contract". I could not find the copy of the sample contract. Can you please e-mail me a copy or direct me to the correct area to obtain a copy.

Yes. It is a generic Treasury Management Agreement initiated by service provider. Before agreement is executed, it would need to be "Approved as to Form" by the County Attorney. (See Attachment #1-sample of current agreement)

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TREASURY MANAGEMENT AGREEMENT

Tax ID: \_\_\_\_\_

THIS AGREEMENT is made 2<sup>nd</sup> day of June, 2006,

by and between Cobb County Water System ("Customer") and

- Branch Banking and Trust Company ("Bank")
- Branch Banking and Trust Company of South Carolina ("Bank")
- Branch Banking and Trust Company of Virginia ("Bank")

1. Services: Subject to the terms and conditions contained in this Agreement, the Commercial Bank Services Agreement ("CBSA") and any Attachment which describe specific Treasury Management ("Services") (whether attached hereto or relating to any Service requested subsequent to the date of this Agreement), each of which are incorporated herein by reference, Bank will furnish Customer with those Services that it may request. Customer agrees to pay for all said Services in accordance with this Agreement and the Bank's current fee schedule for such Services. Initiation by Customer of any Services constitutes acceptance of the terms and conditions of this Agreement, the CBSA and any applicable Attachment.

2. Customer's Duties. Customer shall:

- a) Perform and observe all conditions, covenants and restrictions as set forth in this Agreement and any Attachments, and if required by a particular Service, maintain, at a minimum, a Deposit Account at Bank subject to the CBSA.
- b) Pay any bill rendered by Bank within 30 days after the billing date and grant to the Bank a right of set-off in all of Customer's deposit accounts for any bills, costs or expenses owed to Bank under this Agreement or any Attachment.
- c) Warrant that Customer is fully authorized to effect transaction concerning any account, whether or not in Customer's name, that at Customer's request is the subject of, or is affected by, any Service.
- d) Carefully examine any statement, notification or confirmation of a transaction and notify the Bank within 30 days of the statement date of any errors, discrepancies or fraudulent transactions. Customer agrees that the Bank will not be liable for any erroneous, unauthorized or fraudulent transaction resulting from the Customer's failure to safeguard any security or access device used in connection with any Services or its failure to reasonably supervise its employees or agents entrusted with the security or access device. Customer agrees to conduct a detailed background check of all employees or agents having authority to implement any cash management transaction and to periodically check such others' work. The Customer further agrees that the Bank will not be liable for any erroneous, fraudulent or unauthorized transaction which was not otherwise caused by the Bank's gross negligence or willful misconduct.
- e) To the extent allowed by law, indemnify and hold Bank, its affiliates, subsidiaries, officers, directors and employees harmless against any claim, loss, damage, deficiency, penalty, cost or expense resulting from: (a) any breach or default by the Customer in the performance or observance of this or any other Agreement; (b) any negligence or willful misconduct of the Customer; (c) incorrect, incomplete, or inaccurate data or information furnished by Customer to Bank; (d) any action taken by Bank (i) at the direction of Customer or its agent, (ii) at any direction authenticated by any device, symbol, or code assigned to or chosen by Customer in connection with a Service (unless Bank has actual knowledge that such direction is unauthorized), or (iii) in accordance with the procedures set forth in any Attachment.

3. Bank's Duties. Bank shall:

- a) Instruct Customer and its personnel in the proper use and operation of the Service(s) furnished herewith.
- b) Exercise ordinary care in the performance of Bank's obligations under this Agreement and any Attachment, including the maintenance of the confidentiality of Customer's account and of any identification device, symbol, or code utilized by Customer in obtaining a Service.
- c) Not be responsible for any liability, loss or damage resulting from any delay in its performance of, or from any failure to perform, its responsibilities under this Agreement or any Attachment, or for any error in transmission which: (i) was not caused by the Bank's gross negligence or willful misconduct; (ii) results from any malfunction, including data related processing, that may occur in Customer's computer software or computer system; or (iii) from an act of God; a natural catastrophe or event, whether or not abetted or aggravated by human or unnatural agencies; the unavailability, interruption, or malfunction of communications facilities or utilities; acts of, delays, or failures to act by other banks or financial institutions, intermediaries or their personnel; and criminal acts by persons other than Bank personnel; or any other circumstances beyond the Bank's control.

- d) Consistent with any security procedures agreed upon between Bank and Customer, confirm the identity of any person executing a transaction pursuant to this Agreement or any Attachment. The Bank, otherwise, may rely upon any written or verbal instruction by any person if the bank reasonably believes such authority is genuine and shall not be liable or responsible for any action taken or not taken in accordance thereof.
- e) Indemnify and hold Customer harmless against any loss, damage, deficiency, penalty, cost or expense claims brought against Customer to the extent that such claims arise out of the Bank's gross negligence or willful misconduct. Any liability of Bank to Customer shall be limited to direct losses suffered by Customer, not to exceed the sum of the fees and charges then imposed for Services purchased by Customer hereunder for a period of one year.

EXCEPT AS PROVIDED IN THIS AGREEMENT, THE BANK MAKES NO REPRESENTATION OR WARRANTY, WHETHER STATUTORY, EXPRESS, OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT AND UNDER ANY CIRCUMSTANCES SHALL BANK BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, EVEN IF THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

#### 4. Term.

- a) This Agreement shall remain in full force and effect on the same terms and conditions as expressed herein, or as may be amended, until such time as it is terminated by either party as provided herein. Subject to section 4(b) and 4(c), either party may terminate this Agreement or any Service by giving thirty (30) days prior written notice to the other party. The liabilities of the parties shall cease on the effective date of termination, except as to events that shall have previously occurred.
- b) All Services are provided subject to applicable laws and rules. In the event Bank reasonably determines it is no longer able to provide a Service due to a change in laws or rules, this Agreement or a specific Service may be terminated immediately upon written notice by Bank to Customer.
- c) In the event of Customer's failure to perform or observe any of the conditions, covenants, and restrictions herein set forth, or if in the good faith opinion of Bank the Customer is involved in illegal or unethical business practices or is financially unstable and/or the prospect of payment or performance has been impaired, then in addition to any other available remedies, Bank may terminate this Agreement or any Service immediately by giving written notice to Customer.

#### 5. Miscellaneous.

Bank may amend this Agreement and any Attachment, including any provision as to fees, by giving Customer prior written notice of the amendment, but this Agreement may not otherwise be amended or assigned except in writing signed by both parties.

- a) Any notice under this Agreement shall be deemed given: (i) to Bank when such notice is received at its Corporate Services Division or at such other location as Bank may hereafter provide to Customer in writing; (ii) to Customer when mailed, postage prepaid, or delivered to Customer's current address, as shown on Bank's records.
- b) All information, whether printed, written or oral, furnished by either party shall be held in confidence and used only for the purpose of furnishing or utilizing Services rendered herewith and in compliance with the CBSA.
- c) This Agreement, together with the CBSA and any applicable Attachments contain the entire understanding of the parties and supersedes any previous discussions, proposals, or agreement, whether oral or written. In the event of any conflict between a provision set forth in this Agreement and a provision contained in an Attachment, the latter provision shall prevail. This Agreement shall not supersede or govern any other banking or lending relationship between the parties.
- d) The invalidity of any provision of this Agreement, either in its entirety or in any particular circumstance, shall not impair the validity of the remaining provisions or the validity of such provision in any other circumstance. This Agreement shall be governed, as to both interpretation and performance by the laws of the State of Georgia.
- e) Any claim, controversy or dispute, related directly or indirectly to this Agreement, shall be resolved by a court of competent jurisdiction located in Cobb County, Georgia. The parties agree in good faith to participate in a mediation process if requested by one party and share equally in the cost of same. The parties shall mutually select a mediator. The mediation process shall be concluded within 90 days of a request to mediate.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and to be effective as of the day and year first above written. Customer hereby acknowledges receipt of copies of this Agreement and any applicable Attachments and consents to the terms and conditions contained therein.

**ATTACHMENT #2**

-----Original Message-----

From: Cobb-Ops  
Sent: Thursday, March 29, 2012 8:53 AM  
To: Mulkey, Bonnie  
Subject: FW: ARBox : Cobb County Water System Payment Information

Cobb County Information Services  
Operations Division  
770-528-8750

-----Original Message-----

From: ARBox [<mailto:arbox@ecpays.com>]  
Sent: Tuesday, March 27, 2012 2:30 PM  
To: [electronictotalsclt@bbandt.com](mailto:electronictotalsclt@bbandt.com); Cobb-Ops; WaterSupport  
Subject: ARBox : Cobb County Water System Payment Information

ARBox Posting Information for 03/27/2012

Cobb County Water System

Number of Payments: 2706  
Total Payment Amount: \$125522.64

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Customer Name : xxxxxxxxxxxxxx  
Address : xxxxxxxxxxxxxx  
City : MARIETTA  
State : GA  
Zip : 30066  
Reversal Amount : \$-111.53  
Reversal Reason : Insufficient Funds  
Original Payment Date: 2012-03-19  
Credit Account Number: 000345671-01155257  
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CISCO (CRES)

Below is what info we have for:

Secure email application hosted by Cisco Registered Envelope Service (CRES).

Cobb County utilizes TLS (Transport Layer Security).

Detailed instructions explaining the Cisco Registered Envelope Service (CRES) solution can be found at the following web site:

[http://www.ironport.com/pdf/Cisco\\_Registered\\_Envelope\\_Recipient\\_Guide.pdf](http://www.ironport.com/pdf/Cisco_Registered_Envelope_Recipient_Guide.pdf)

PRE- PROPOSAL CONFERENCE

SEALED BID # 12-5651  
 REQUEST FOR PROPOSAL  
 PAYMENT PROCESSING "LOCKBOX" SERVICES  
 MARCH 28, 2012

REPRESENTATIVE NAME	COMPANY NAME & COMPLETE ADDRESS	PHONE (INCLUDE AREA CODE)	FAX # (INCLUDE AREA CODE)	E-MAIL ADDRESS
Jeff Petersen	CCWS	770-419-6240	770-419-6478	jeff.petersen@cobbcounty.org
Betty Martin	CCWS	770-419-6248	770-419-6207	betty.martin@cobbcounty.org
Daphne Bailey	Cobb County Purchasing	770-538-8423	770-538-1154	dbailey@cobbcounty.org
Sarah Sosnowski	BBIT	404-214-3371	404-844-0163	SSOSNOWSKI@BBIT.net
Clint King	BBIT	404-442-5029	404-442-5147	Clint.King@cbbandf.com
Charlie DiGiacomo	PNC Bank	404-495-6007	404-495-6099	Charles.digiacomoi@pnc.com
Kristin Thompson	PNC Bank	404-495-6226	404-495-6099	Kthompson@pnc.com
Judie Mazuh	Cobb Water	770-419-6247		Jmazuh@cobbcounty.org

\*Please note that contact information provided to a government agency may be subject to public release as required by Georgia's open records law.

PRE- PROPOSAL CONFERENCE

SEALED BID # 12-5651  
 REQUEST FOR PROPOSAL  
 PAYMENT PROCESSING "LOCKBOX" SERVICES  
 MARCH 28, 2012

REPRESENTATIVE NAME	COMPANY NAME & COMPLETE ADDRESS	PHONE (INCLUDE AREA CODE)	FAX # (INCLUDE AREA CODE)	E-MAIL ADDRESS
Liz Romo-Rasha	Wells Fargo 171 17th St Atlanta, GA 30363	404-214-1652	404-214-1683	Liz.Romo-Rasha@WellsFargo.com
SAMUE KERR	WELLS FARGO 360 INTERSTATE N PKWY ATLANTA GA 30339	<del>678-</del> 589-4304	678-589-4315	SAMUE.KERR@WELLSFARGO.COM.
John Bergery	CCBOC 100 Cherokee St - Ste 400 Marietta GA 30090-9610	770-528-1580	770-528-8010	jbergery@cobbcounty.org
Allison Johnston	PNC 75 5th St NW Atlanta GA 30308	<del>301-</del> 301-592-7007		Allison.Johnston@pnc.com
Don Lally	Bank of America 3600 Crestwood Parkway Doraville, GA 30092	770-510-4045	904-317-6160	daniel.w.lally@bam1.com
Bonnie Mulkey	Cobb County	770-528-8714		
Kathy Brown	Cobb County Water	770 419 6283		kathleen.brown@cobbcounty.org
STEVEN NESTOR	CCWS	7)419-6321		STEVEN.NESTOR@COBBCOUNTY.ORG

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