



citycounty insurance services  
www.cisoregon.org

## Request for Proposals (RFP) Addendum #2

### Banking & Credit Card Processing Services

CIS  
1212 Court St. NE  
Salem, OR 97301  
(503) 763-3800

<b>RFI Schedule</b>	
Issuance of RFP:	<b>November 13, 2018</b>
Submission of Questions about the RFP:	<b>November 30, 2018, 5:00 p.m. (PST)</b>
Proposal Due:	<b>December 28, 2018, 5:00 p.m. (PST)</b>
Anticipated Contract Award:	<b>January 16, 2019</b>

MAIN OFFICE • 1212 Court Street NE, Salem, OR 97301 • Phone 503-763-3800 or 800-922-2684 • Fax 503-763-3900  
CLAIMS OFFICE • PO Box 1469, Lake Oswego, OR 97035 • Phone 503-763-3875 or 800-922-2684 ext 3875 • Fax 503-763-3901

A membership service of:



## ADDENDUM

### A. BACKGROUND

On November 13, 2018, CIS issued a Request for Proposals (RFP) to solicit offers from qualified financial institutions with physical branches in Oregon for banking and credit card payment receipt processing services. An addendum extending the deadline for submitting proposals was issued on December 14, 2018.

CIS is issuing this addendum to the RFP to respond to written questions we received from potential proposers. The Addendum modifies the original RFP document and first addendum only to the extent indicated. All other areas of the RFP and addendum remain in effect and can only be modified in writing by CIS. This Addendum is made an integral part of the RFP. It is the responsibility of all proposers to conform to this Addendum. Proposers who have already submitted proposals may either: 1. submit an addendum to their proposal; or 2. withdraw the original proposal and submit a new one. Any addendum or revised proposal must be submitted no later than the **Proposal Due Date of 5:00 p.m. (PST) on December 28, 2018.**

### B. RESPONSES TO QUESTIONS

#### General

#### Question #1

What accounting / ERP system does CIS and related entities utilize? Please list the names of any other internal systems utilized that relate to banking services, receipts or disbursements.

#### CIS Response #1

CIS uses SAGE ERP 300.

#### Question #2

Please provide the total average collected balances for all accounts over the past 12 months.

#### CIS Response #2

The average collected balances for the past 12 months are:

CIS – \$4,056,434.32

OPEEP – \$48,703.90

#### Question #3

Is the general activity in the OPEEP account typical of any given month? Are checks disbursed from this account? If yes, what is the check volume in a high-volume month?

**CIS Response #3**

Yes, the general account activity in the OPEEP account is typical of any given month. Yes, checks are disbursed from that account. Typical volume is two or three checks per month.

**Deposited Items**

**Question #4**

The CIS account analysis detail indicates that remote check deposit service is in place. Describe when and how this service is utilized (when check receipts are sent in for deposit by way of remote check deposit versus mailed to the lockbox for processing). What is the maximum number of checks that are deposited in any given month with this method?

**CIS Response #4**

CIS does not currently use the remote check deposit service. All checks are run through the lockbox for processing.

**Question #5**

CIS receives deposits from online merchant services accounts. Would CIS be interested in providing detail of that activity for a comparison of features, benefits and pricing?

**CIS Response #5**

That may be something we are interested in discussing in the future, but not as part of the scope of work for this RFP.

**Question #6**

Does CIS or any related entity have reconciliation issues in relation to check or ACH receipts and the accompanying remittance information?

**CIS Response #6**

No, there are no issues.

**Question #7**

The RFP states that CIS uses ACH processing to facilitate payments from customers. Does CIS use ACH origination services to debit ACH payments from their customers' accounts? If yes, what is the frequency, maximum file amount, and average number of payments within a file? Or are all ACH payments from customers originated by the customer for deposit to a CIS account?

**CIS Response #7**

Yes, CIS uses ACH origination services to debit ACH payments from customer accounts.

Scheduled ACH pulls occur on the fifth and last days of the month. An average total of \$1.1 million is pulled from 252 customer accounts on the fifth of the month. An average

total of \$1.8 million is pulled from 52 customer accounts on the last day of the month. Occasional ACH pulls may occur at customer request. The amount and times vary.

## **Sweep Services**

### **Question #8**

The request indicates that CIS requires to be advantaged by a sweep account or other mechanism that places funds held overnight in an environment with higher yields than the demand accounts. Is CIS currently utilizing sweep or investment services that are tied to any of the three general accounts?

### **CIS Response #8**

No, this is not currently being done on any of the three general accounts.

## **Payroll**

### **Question #9**

Is payroll outsourced and related disbursements processed by a third-party vendor?

### **CIS Response #9**

Yes.

## **Disbursements**

### **Question #10**

CIS appears to obtain healthcare coverage from Regence BCBS and dental coverage from Oregon Delta Dental for employees of member municipalities.

### **CIS Response #10**

That is correct.

## **Health and Dental**

### **Question #11**

Are medical bill and dental bill payments to providers made from a CIS account or from those insurance payer's accounts? Are there any healthcare claim payment disbursement requirements in this RFP for those lines of business? If yes please provide a payee spend list giving the annual volume for provider payments in a spreadsheet with provider name, provider taxpayer ID number, volume of spend, number of payment transactions (check or EFT) per annum per payee.

### CIS Response #11

Medical and dental bill payments are made from the insurance payers' accounts to the provider accounts. There are no healthcare claim payment disbursement requirements in this RFP.

## **Premium Payments**

### Question #12

Briefly describe how information about covered lives is gathered from underlying municipalities and provided to Regence and MODA? Does enrollment data pass through a system at CIS before going to such health and dental plans? Is enrollment data transferred to payers in the HIPAA compliant 834 Enrollment transactions and paid through the HIPAA compliant 820 Premium Payment transactions? If no, would assistance in supporting automation of those exchanges through standard file transactions be desired?

### CIS Response #12

The process for gathering information about covered lives from underlying municipalities is not applicable to this RFP.

Enrollment data does pass through CIS' system before going to health and dental plans. Enrollment data transfers are HIPAA-compliant 834 enrollment transactions and premium payments are paid through HIPAA-compliant 820 premium payment transactions. CIS does not need assistance with these exchanges at this time.

## **Workers' Compensation**

### Question #13

CIS provides workers compensation coverage to member municipalities. Is that done by purchasing insurance from the State Fund or a Carrier or is this a self-funded program administered by CIS? If the latter does CIS have any requirements for the following types of payments.

### CIS Response #13

CIS provides workers' compensation coverage through a self-funded program.

### Question #14

If the latter does CIS have any requirements for the following types of payments.

- 1) Claimant payments. Does CIS make short term, long term and permanent disability payments to injured workers? Is there an interest in outsourced check printing with customized legal language on the remittance stub? Is there interest in claimant payment automation via ACH, Zelle or stored value card? What would the monthly volume of such payments be? Can a copy of the current check and stub layout be provided via a scanned image?

**CIS Response #14(1)**

Yes, CIS makes short-term, long-term, and permanent disability payments to injured workers.

CIS is not interested in outsourced check printing, so will not provide a copy of the current check and stub layout.

CIS is interested in claimant payment automation via ACH, Zelle, or stored value card. We estimate the monthly volume of the payments would be approximately two.

- 2) Medical Bill Payments. Does CIS pay healthcare providers for care provided to injured workers with a check and Explanation of Review? Does CIS use a Third-Party Administrator or Bill Review Company to manage medical bill processing and reporting to the regulatory authorities? If so does that TPA or Bill Review Company assist with the electronic payment of medical bills that are compliant with HIPAA guidelines? Does the bill review company provide printing and mailing of an EOR document but with a related payment sent separately by CIS? What would the monthly volume of such payments be? Can a copy of the current check and EOR layout be provided via a scanned image? Are there any medical bill payment disbursement requirements in this RFP for those lines of business? If yes please provide a payee spend list giving the annual volume for provider payments in a spreadsheet with provider name, provider taxpayer ID number, volume of spend, number of payment transactions (check or EFT) per annum per payee.

**CIS Response #14(2)**

Yes, CIS pays healthcare providers with a check and Explanation of Review. CIS uses a Bill Review Company to manage medical bill processing and reporting to regulatory authorities. They assist with electronic payment of medical bills in a manner compliant with HIPAA. We do not use a bill review company to assist with printing and mailing EOR documents while we send a separate payment, therefore we will not be providing the monthly volume of the payments or a copy of the current check and EOR layout.

There are no medical bill payment disbursement requirements in this RFP for the lines of business described in the question.

- 3) AP invoice payments. Does CIS have a separate layout for check and remittance advice detail for payment of general invoices related to workers compensation claims? Can a scanned copy of that check and remittance layout be provided? How many payments of this type are made a month? What percentage of them are made by ACH rather than check?

**CIS Response #14(3)**

No, CIS does not have a separate layout for check and remittance advice detail for payment of invoices related to workers' compensation claims. The number of these payments vary from month-to-month and all payments are made by check. None are made by ACH.

**Question #15**

If CIS does manage claims adjudication for workers comp administration either internally or through a TPA what is the name of the software system that is used to originate the three types of payment streams above? What output file types and formats are supported, if any, for electronic payment options including virtual card, ACH and outsourced check printing.

**CIS Response #15**

CIS uses a proprietary software system that we developed ourselves to originate payments. No output file types or formats are supported for electronic payment options.

**Corporate AP Payments**

**Question #16**

What AP system is used by CIS for general procurement and AP processing? How many AP payments are made monthly? Please provide a breakdown of monthly volumes for AP invoice payments made by ACH, Check and Virtual Card Payments. Please provide a copy of a scanned check and remittance layout for your AP payments. Are ACH payments made by EFT with emailed remittance information or EFT with EDI X12 820 remittance data in the NACH CTX format or both? If pricing is requested for a virtual card program please provide an excel spreadsheet with 12 months of AP spend data including vendor name, vendor federal Tax ID number, annual dollar spend and number of check payments or ACH payments per payee per annum.

**CIS Response #16**

CIS uses SAGE ERP 300 for procurement and AP processing. Approximately, 209 AP payments are made per month, of which 126 are ACH Push, 9 are ACH pulls, and 74 are paid by check. No AP payments are made by virtual card.

ACH payments are made by EFT using the freeform addendum and an emailed remittance advise.

**Other**

**Question #17**

Will you accept a link to the US Bank annual report on our website or is a .pdf exhibit preferred?

**CIS Response #17**

Yes, either method is acceptable.