

AMENDMENT NO. 2

BUSINESS RECOVERY SERVICES INC., dba BANK UP CORPORATION
AGREEMENT FOR PROFESSIONAL SERVICES

THIS AMENDMENT NO. 2 TO AGREEMENT FOR PROFESSIONAL SERVICES ("Amendment No. 2"), is made and entered this ____ day of _____ 2025, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and BUSINESS RECOVERY SERVICES, INC., a California Corporation doing business as BANK UP CORPORATION (hereinafter "CONTRACTOR".)

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into an Agreement for Professional Services on October 8, 2019 and Amendment No. 1 on December 1, 2022 (collectively the "Agreement") for remittance lockbox and e-lockbox payment processing solutions, as set forth in Exhibit 1, attached hereto and made part of; and
2. WHEREAS, CITY requests to extend the term of the Agreement for two (2) additional years to September 22, 2027 and increase the not-to-exceed amount by \$45,000, for a total Agreement amount not-to-exceed \$138,942, attached hereto as Exhibit 2 made a part of; and
3. WHEREAS, CITY and CONTRACTOR agree to said amendments.

NOW, THEREFORE, the parties agree to amend the Agreement as set forth above. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 2 on the date and year first above written.

CITY OF LODI, a municipal corporation

BUSINESS RECOVERY SERVICES, INC.,
a California Corporation doing business as
BANK UP CORPORATION


JAMES LINDSAY
Interim City Manager

MICHAEL SANTIMURNO
Chief Executive Officer

Attest:

Approved as to Form:

OLIVIA NASHED
City Clerk

for KATIE O. LUCCHESI
City Attorney 

AMENDMENT NO. 1

BUSINESS RECOVERY SERVICES INC., dba BANK UP CORPORATION
Professional Services Agreement

THIS AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT, is made and entered this 1st day of December, 2022, by and between the CITY OF LODI, a municipal corporation, hereinafter called "CITY", and BUSINESS RECOVERY SERVICES INC., dba BANK UP CORPORATION, a California Corporation, hereinafter called "CONTRACTOR".

WITNESSETH:

- 1. WHEREAS, CONTRACTOR and CITY, entered into a Professional Services Agreement on September 23, 2019, the "Agreement", as set forth in Exhibit A, attached hereto and made part of; and
- 2. WHEREAS, CITY requests to extend the term of the Agreement for three additional years and increase the contract amount payable to CONTRACTOR by \$54,000, for a total contract amount of \$93,942; and
- 3. WHEREAS, CONTRACTOR agrees to the amendments as set forth above

NOW, THEREFORE, the parties agree to amend the Agreement as set forth in Paragraph 2 above. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 1 on the date and year first above written

CITY OF LODI, a municipal corporation

CONTRACTOR



STEVE SCHWABAUER
City Manager

BUSINESS RECOVERY SERVICES INC.

By: NICHOLAS J. SANTIAGO


Attest:

Title: _____

Olivia Nashed

OLIVIA NASHED
City Clerk

Approved as to Form



JANICE D. MAGDICH
City Attorney

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on ~~Oct 8~~, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and Business Recovery Services, Inc., a California Corporation dba Bank Up Corporation (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for Remittance Lockbox and eLockbox Payment Processing Solution (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be

counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on September 23, 2019 and terminates upon the completion of the Scope of Services or on September 22, 2022, whichever occurs first.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Tarra Sumner, Revenue Manager

To CONTRACTOR: ~~Bank~~ Recovery Services, Inc. dba Bank Up Corporation
1301 Marina Village Pkwy, Suite 250
Alameda, CA 94501
Attn: Michael Santimauro, CEO

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

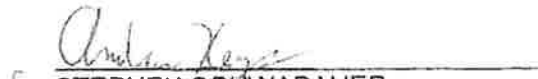
If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:


JENNIFER M. FERRAIOLO
City Clerk


for STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

Business Recovery Services, Inc., a California corporation dba Bank Up Corporation

By: _____


By: _____
Name: Michael Santimauro
Title: Chief Executive Officer

- Attachments:**
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 10020203.72450
(Business Unit & Account No.)

Doc ID:

CA:Rev.01.2015

EXHIBIT A

Work Plan:

Bank Up's Lockbox Implementation Plan is outlined above, on page 22, bullet #7.

SCOPE OF SERVICES (post-implementation Work Plan) Remittance Lockbox and eLockbox Payment Processing Solution

Bank Up Corporation will act as a non-depository agent for {CLIENT} (Client) for the purpose of acceptance and processing of utility remittance payments. Bank Up will receive daily deliveries by courier of various payments to be processed. Payments will be processed according to commercially acceptable standards which include, but are not limited to record keeping, security, timely payment and safety.

This solution incorporates the following services:

1. Bank Up will provide a full lockbox processing solution wherein Client will direct payments to a pre-assigned lockbox at the Northern California Lundy Regional Post Office in San Jose, CA contracted to Client. All mail delivered to San Jose will be picked up by secure, TSA-approved courier every day, M-F, excluding Federal holidays, and delivered to the Bank Up Regional Processing Center in Alameda, CA before 9AM PT.
2. Bank Up will extract, scan and process all coupons/checks and electronically process each payment according to the parameters assigned by Client. Bank Up will utilize its proprietary payment processing solution, FLEXRPS, a proven, comprehensive remittance processing platform. Bank Up utilizes this platform to process transactions in both the lockbox operations and for the Company's extensive in-house system customers. Bank Up will prepare and deliver a daily electronic cash letter (ECL) deposit to Client's depository bank no later than [] p.m. (Pacific time zone). Deposits are guaranteed to be made the same day that the work is processed by Bank Up. An image of each check and coupon associated with each remittance will be captured by Bank Up before it is deposited.
3. Bank Up will provide a daily Deposit Detail Report to Client upon completion of each day's processing. The daily exception file along with images of checks/stubs of the exception file will be sent to Client no later than [cutoff time] p.m. (Pacific time zone). At that time, Client will make necessary corrections/additions to exception file for processing in next day's remittance processing. Banking for the exception file will be done with the next day's processing. Other reports available from the Bank Up system will also be made available to Client.
4. Bank Up will provide file transmissions of required information in order to create an X9.37 Image Cash Letter in a format required by Client's depository bank.
5. Bank Up will also prepare a daily output posting file and transmit that file in the required format to Client in order to update the Client's Financial Management System. The daily output posting file will be delivered to a secure FTP site or made available from Bank Up's secure FTP immediately upon completion of each day's processing by [] p.m. (Pacific time zone).
6. Bank Up Corporation will accept payments for Client and review and perform required reject/reentry to the MICR information as required by the processing standards associated with

the Check Clearing for 21st Century Act (Check 21). Bank Up will resolve exception items through its online Exception Decisioning module and process the corrected exception items next business day. The resolved exception item payments will be deposited on the same day that Bank Up receives the corrected information from Client. Bank Up will present for deposit exception items listed on the appropriate reports or files, in accordance with instructions, either in writing or orally, by Client. All rejected items will be returned as directed by Client or handled through an alternative method established by Client for such rejected items.

7. Bank Up will provide the image archive file thru the internet to Client in order for the file to be merged with their current image archive file stored in-house, on the same day that work is processed by Bank Up. Bank Up will email a daily confirmation to Client of the daily deposit, which will include date, dollar amount and number of items processed.
8. Bank Up will also provide the eLockbox solution to Client. This solution will aggregate automated bill pay remittances from Client's customers' home banking systems. The solution will consolidate electronic bill payment checks by combining thousands of electronic sources into a single posting file that will be uploaded daily by the Bank Up lockbox platform into the Client Financial Management System. Client will receive deposits of home banking payments directly from the RPPS (MasterCard) network of financial institutions via ACH and receive a daily report of all payments received through this channel.
9. Bank Up Corporation will provide Tier 1 toll-free support for Client. Level 1 support includes assisting Client with all reasonable problem determination and troubleshooting over the phone, as well as engineering support for changes to the processing services or resolution of technical problems. Bank Up will provide a dedicated support individual and customer support to Client weekdays from 8AM until 6PM Pacific Time, excluding Federal holidays. Client support at other times will be based on the severity of the problem. Bank Up maintains support after regular business hours as needed via its 24x7 toll free support number in the event Client needs to invoke incident management resources. Client will continue to receive support from Bank Up's Chief Technology Officer, Jeff Kirkland for any questions prior to 8AM Pacific Standard Time.
10. Bank Up Corporation will assign a Senior Technical Support Manager to Client. This individual will provide Client with the Initial Implementation Plan as well as providing ongoing technical support as required. The Initial Implementation Plan will include all aspects of the migration of the current FLEXRPS platform installed at Client and the installation of that platform onto the Bank Up Remittance Lockbox Processing solution. Included in this plan will be the operations and technical coordination between Bank Up Corporation and Client. Bank Up Corporation will also provide any training and installation support for Client staff as required.
11. Bank Up will provide Client with a Monthly Client Management Report to include items and dollars processed by Bank Up.
12. Bank Up Corporation will invoice Client monthly in arrears for all monthly processing fees. Payment will be due within thirty days of Client's receipt of an undisputed invoice.
13. Service levels will be evaluated periodically throughout the implementation process to ensure that Bank Up and Client have developed measurement standards acceptable to both parties.

EXHIBIT B

**CITY OF LODI
Schedule of Fees – Lockbox Services – REVISED 8/19/19**



LOCKBOX SERVICE	BASIS	FEE
Institution Implementation Fee	One-Time	Waived
Lockbox Maintenance Fee	Monthly	Waived
Transaction Fee – Automated with OCR Scan Line	Per Transaction	\$0.16
Multiple Check and List	Greater of Per Check or Stub	\$0.16
Check Only	Per Check	\$0.16
Exception Items – Non-Automated without OCR Scan Line Requiring Manual Processing	Plus Transaction Fee	\$0.09
Daily Electronic Check Deposit	Per Check	\$0.02
Safekeeping and Secure Destruction	Per Item	\$0.003
Fax/Copy	Per Page	\$1.00
Daily Payment File Transmission to City's CIS (Tyler)	Per Month	\$50.00
Customer Service Interface Access to Online Image/Archive and Exception Decisioning Module	Per Month	\$50.00
Insured Courier from San Jose USPS to Bank Up Processing Center in Alameda, CA, at Cost	Per Month	\$85.00
Insured Courier from Sacramento USPS, at Cost (Optional)	Per Month	\$85.00
Insured Courier from Lodi USPS, at Cost (Optional)	Per Month	\$330.00
USPS PO Box Rental (PO Box size 3 in Lodi), at Cost	Per Month	\$17.00

OPTIONAL E-LOCKBOX SERVICE	BASIS	FEE
Implementation Fee	One time	\$500.00
Check Intercept Fee	Per check	\$0.15

Bank Up will increase pricing in this proposal by not more than the current CPI after the initial three-year term of this agreement for subsequent renewals.

EXHIBIT B CONT'D

CITY OF LODI
Schedule of Fees – Lockbox Services – REVISED 8/19/19



Total Estimated Monthly Service Charges

Based on the above-referenced pricing and current approximate volume (5,000 lockbox payments/month), the monthly cost for providing the Bank Up lockbox solution to the City of Lodi will be as follows:

Lockbox Maintenance Fee		Waived
Daily Payment File to CIS		\$50.00
Customer Service Interface IAR and Exception Decision		\$50.00
USPS PO Box Rental (size 3 – in Sacramento)		\$19.50
Courier (Sacramento USPS to Bank Up)		\$85.00
Monthly Fixed Cost		\$204.50
Per Transaction	\$0.16	
Electronic Deposit	<u>-\$0.02</u>	
Total Per Transaction Charge	\$0.18	
Monthly Volume Estimate x 5,000		\$900.00
Exceptions Additional @ \$0.09 (Estimate 1% of volume)		\$5.00
Monthly Variable Cost		\$905.00
Total Monthly Cost		\$1,109.50



RESOLUTION NO. 2019-190

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES
AGREEMENT WITH BUSINESS RECOVERY SERVICES, INC., OF
ALAMEDA, TO PROVIDE LOCKBOX SERVICES FOR
PROCESSING UTILITY CHECK PAYMENTS RECEIVED

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WHEREAS, the City collects and processes all utility bill payments paid via check; and

WHEREAS, the current collection process for is done manually by City staff; and

WHEREAS, five lockbox services compatible with the City's current software system to process utility bill payments were reviewed by Revenue and Fire staff:

Lockbox Services		Total System Price
Business Recovery Services, Inc.	3-year contract	\$39,942.00
Check Processors, Inc.	3-year contract	\$46,800.00
Deluxe	3-year contract	\$68,245.66
Farmers & Merchants Bank	3-year contract	\$185,000.00
Wells Fargo	3-year contract	\$134,640.00

WHEREAS, staff recommends that the City Council approve the lockbox services agreement with Business Recovery Services, Inc., because the service meets the City's functionality requirements needed to process utility check payments.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a three-year Professional Services Agreement for lockbox services with Business Recovery Services, Inc., of Alameda, California, in the amount of \$39,942.

Dated: September 18, 2019

=====

I hereby certify that Resolution No. 2019-190 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 18, 2019 by the following vote:

AYES: COUNCIL MEMBERS – Johnson, Kuehne, Nakanishi, and Mayor Chandler

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Mounce

ABSTAIN: COUNCIL MEMBERS – None


JENNIFER M. FERRAIOLO
City Clerk



CITY OF LODI

Exhibit B
Schedule of Fees

LOCKBOX SOLUTION	BASIS	FEE AT CURRENT VOLUME
Lockbox Implementation Fee	One Time	Waived
Lockbox Maintenance Fee	Monthly	\$55.00
Transaction Fee – Automated with OCR Scan Line	Per Transaction Tier 1 < 10,000 Payments	\$0.17
Check Only	Per Check	\$0.17
Multiple Transactions	Greater of Per Check/Stub	\$0.17
File Transmission	Fixed Monthly Fee Per File Containing Payment Data or Images	\$54.25
Exception items – Includes Access to Bank Up Exception Decisioning Module	Per Exception	\$0.10
Electronic Check Deposit to Synergy Depository Bank	Per Check	\$0.02
Check and List Transactions	Per Account Credited	\$0.17
Fax/Copy	Per Page	\$1.00
Customer Service Interface/Online Image Archive Access (up to 5 users) Available Through Contract Term	Per Month	\$54.25
USPS PO Box Rental at TBD	Per Month	At Cost
Courier/Mail from USPS to Bank Up Processing Site	Per Day	At Cost
Technical Services/Programming Changes Post Implementation	Per Hour	\$200.00
Minimum Fee	Per Month	\$750.00
eLOCKBOX SOLUTION (Optional)	BASIS	FEE
Implementation Fee	One time	Waived
Electronic Check Intercept Fee	Per Check	\$0.20



CITY OF LODI

FEE DEFINITIONS

Implementation Fee:

Included in the Implementation Fee is the specifications development, programming, testing and all aspects of the implementation including interfacing with bill presentment, CIS/billing and depository bank for a new Check 21 file.

Lockbox Maintenance Fee

Included in the monthly lockbox maintenance fee is document preparation, auditing and secure document storage and destruction.

Transaction Fees:

Transaction Fees include extraction of all mail received, sorting payments and batches, scanning, processing, imaging all payment documents (checks and remittance coupons) and generating and uploading the daily payment file for the Client. The Fee is per transaction. Transaction Fee also includes Daily and Monthly reporting at no additional charge.

The Transaction Fee applies to any of the following :

Check and remittance coupon with scanline.

Multiples are transactions containing multiple remittance coupons and/or checks. Bank Up will charge the Client for the greater of checks or remittance coupons.

Check Only Transaction for electronic deposit only. No payment data is uploaded.

Check and List Transaction

A payment consisting of a check and a check skirt or other media that requires keying of the account number from the media.

Exception Items:

Exceptions are defined as payments that cannot be processed electronically through the Bank Up high-speed automated scanning equipment, but require additional handling and keying or may be returned to the Client as requested. Exceptions are typically managed on the same day of processing through the Bank Up web-enabled Exception Decisioning Module. Exception items are presented each day and posted to the Bank Up Customer Service Interface in order for decisioning by the Client. Exceptions are made available in this module via a secure Internet connection.

Electronic Check Deposit:

Checks are prepared for deposit to the Client's depository bank account using the defined image data posting file. A balanced Check 21 X9.37 Image Cash Letter (ICL) of all processed checks is delivered to Client's depository bank each day for downstream processing and clearing.

Electronic Payment File:

Processed remittance information is made available via an electronic payment file to the Client's billing system each day in order to update Accounts Receivable. The payment file is balanced to the Image Cash Letter.



CITY OF LODI

Customer Service Interface

Bank Up will archive and provide web-enabled secure access to all images of processed documents within its Microsoft Azure cloud-based solution for the duration of the contract with the Client. Bank Up will provide access to up to five (5) users for the fixed monthly fee. Additional fee will apply for additional users.

Technical Professional Services:

These are typically provided after the implementation process and regular processing is underway. These additional modifications and enhancements will be subject to the Client's approval of a written Statement of Work (SOW). These services may include change to the Image Cash Letter bank deposit, payment posting file, custom report development, etc.

File Transmission

Fixed monthly fee per file containing payment data or images which includes ICL (Check 21 file), AR, and/or account validation file of account numbers to be processed containing derogatory or positive pay data either sent or received.

Courier/Mail Fees

This pass through expense is managed by Bank Up. Bank Up will accommodate from which USPS payment pickup is requested. (i.e San Jose, CA USPS will be utilized for same-day delivery of payments to the Bank Up Alameda, CA processing site).

eLockbox Solution

See attached Scope of Services for description of this solution.

Pricing of the lockbox Schedule of Fees will be guaranteed for the base term of the contract and each of the subsequent contract years. Bank Up may increase pricing at not more than the then current CPI at the commencement of any contract renewal term.



Exhibit 2 to
Amendment No. 2

CITY OF LODI

**Exhibit B
Schedule of Fees – Renewal 2025**

LOCKBOX SOLUTION	BASIS	FEE CURRENT	FEE RENEWAL 2025
Lockbox Implementation Fee	One Time	Waived	N/A
Lockbox Maintenance Fee	Monthly	\$55.00	\$65.00
Transaction Fee – Automated with OCR Scan Line	Per Transaction Tier 1 < 10,000 Payments	\$0.17	\$0.25
Check Only	Per Check	\$0.17	\$0.25
Multiple Transactions	Greater of Per Check/Stub	\$0.17	\$0.25
File Transmission	Fixed Monthly Fee Per File Containing Payment Data or Images	\$54.25	\$75.00
Exception Items – Includes Access to Bank Up Exception Decisioning Module	Per Exception	\$0.10	\$0.30
Electronic Check Deposit to Synergy Depository Bank	Per Check	\$0.02	Included
Check and List Transactions	Per Account Credited	\$0.17	\$0.30
Fax/Copy	Per Page	\$1.00	\$1.00
Customer Service Interface/Online Image Archive Access (up to 5 users) Available Through Contract Term	Per Month	\$54.25	\$0.035/ Item
USPS PO Box Rental at TBD	Per Month	At Cost	At Current Cost
Courier/Mail from USPS to Bank Up Processing Site	Per Day	At Cost	At Current Cost
Technical Services/Programming Changes Post Implementation	Per Hour	\$200.00	\$200.00
Minimum Fee	Per Month	\$750.00	\$750.00
eLOCKBOX SOLUTION (Optional)	BASIS	FEE	FEE
Implementation Fee	One time	Waived	Waived
Electronic Check Intercept Fee	Per Check	\$0.20	\$0.20



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FEE DEFINITIONS

Implementation Fee:

Included in the Implementation Fee is the specifications development, programming, testing and all aspects of the implementation including interfacing with bill presentment, CIS/billing and depository bank for a new Check 21 file.

Lockbox Maintenance Fee

Included in the monthly lockbox maintenance fee is document preparation, auditing and secure document storage and destruction.

Transaction Fees:

Transaction Fees include extraction of all mail received, sorting payments and batches, scanning, processing, imaging all payment documents (checks and remittance coupons) and generating and uploading the daily payment file for the Client. The Fee is per transaction. Transaction Fee also includes Daily and Monthly reporting at no additional charge.

The Transaction Fee applies to any of the following :

Check and remittance coupon with scanline.

Multiples are transactions containing multiple remittance coupons and/or checks. Bank Up will charge the Client for the greater of checks or remittance coupons.

Check Only Transaction for electronic deposit only. No payment data is uploaded.

Check and List Transaction

A payment consisting of a check and a check skirt or other media that requires keying of the account number from the media.

Exception Items:

Exceptions are defined as payments that cannot be processed electronically through the Bank Up high-speed automated scanning equipment, but require additional handling and keying or may be returned to the Client as requested. Exceptions are typically managed on the same day of processing through the Bank Up web-enabled Exception Decisioning Module. Exception items are presented each day and posted to the Bank Up Customer Service Interface in order for decisioning by the Client. Exceptions are made available in this module via a secure Internet connection.

Electronic Check Deposit:

Checks are prepared for deposit to the Client's depository bank account using the defined image data posting file. A balanced Check 21 X9.37 Image Cash Letter (ICL) of all processed checks is delivered to Client's depository bank each day for downstream processing and clearing.

Electronic Payment File:

Processed remittance information is made available via an electronic payment file to the Client's billing system each day in order to update Accounts Receivable. The payment file is balanced to the Image Cash Letter.



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Customer Service Interface

Bank Up will archive and provide web-enabled secure access to all images of processed documents within its Microsoft Azure cloud-based solution for the duration of the contract with the Client. Bank Up will provide access to up to five (5) users for the fixed monthly fee. Additional fee will apply for additional users.

Technical Professional Services:

These are typically provided after the implementation process and regular processing is underway. These additional modifications and enhancements will be subject to the Client's approval of a written Statement of Work (SOW). These services may include change to the Image Cash Letter bank deposit, payment posting file, custom report development, etc.

File Transmission

Fixed monthly fee per file containing payment data or images which includes ICL (Check 21 file), AR, and/or account validation file of account numbers to be processed containing derogatory or positive pay data either sent or received.

Courier/Mail Fees

This pass through expense is managed by Bank Up. Bank Up will accommodate from which USPS payment pickup is requested. (i.e San Jose, CA USPS will be utilized for same-day delivery of payments to the Bank Up Alameda, CA processing site).

eLockbox Solution

See attached Scope of Services for description of this solution.

Pricing of the lockbox Schedule of Fees will be guaranteed for the base term of the contract and each of the subsequent contract years. Bank Up may increase pricing at not more than the then current CPI at the commencement of any contract renewal term.