

MARYLAND STATE TREASURER'S OFFICE
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

PRE-PROPOSAL CONFERENCE
April 27, 2011

Re: Request for Proposals ("RFP") for General, Income Tax Refund, and Payroll Disbursement Services, RFP #DISB-04012011

State of Maryland Attendees:

Anne Jewell, Procurement Officer, State Treasurer's Office
Gregory Saba, Director, Banking Services, State Treasurer's Office
Marlo Zeroth, Deputy Director, Banking Services, State Treasurer's Office
Scott Wreizen, Director of Information Technology, State Treasurer's Office
Frank Dorrell, Manager, Revenue Administration, Refund Unit,
Comptroller of the Treasury
Dhiren Shah, Assistant Director, Central Payroll, Comptroller of the Treasury

A Pre-proposal Conference was held on April 27, 2011 at the Maryland State Treasurer's Office regarding the RFP for General, Income Tax Refund, and Payroll Disbursement Services. The meeting opened with introductions of the State of Maryland officers and then by the representatives from the following financial institutions: Affiliated Computer Services, Bank of America, BB&T, BNY Mellon, Capital One, Citi Bank, Fifth Third Bank, JP Morgan Chase, M&T Bank, Master Card, PNC Bank, Skylight Financial, SunTrust, and Wells Fargo.

Comments were made by the Procurement Officer regarding the dates for the oral presentations. Also mentioned was that proposed pricing information can not be included with handouts as part of the oral presentation. When receiving documentation regarding the RFP electronically, please provide an acknowledgement of receipt by reply email. This provides confirmation to the Procurement Officer that you have received the notice and/or documentation which is necessary as part of our records and eliminates the need to follow-up with certified mail.

Mr. Saba continued the meeting by addressing questions that were received as follows:

- To clear up some confusion about the ACH formats, all ACH files that the Office sends out are NACHA files.
- The Price Proposal (Appendix A) was discussed and as a result has been revised and sent out as Amendment No. 2 to the RFP.

- To clarify “Outstanding Item Deletions” on Appendix A, every year checks that are outstanding for two years are moved to the unrepresented fund. At that time the bank is asked to remove those checks from the Office’s issue file.
- Clarification regarding forgery protection is stated as meaning, “forged endorsement processing where we go back and we get an affidavit of forgery from the person that’s claiming it was a forged item.” The Disbursement bank sends the item to the bank of first deposit for investigation and follow-up and if it comes back that it was forged, then we collect from the bank of first deposit. The Revenue Administration Division requires a provisional credit while the item is being investigated.
- The Office is seeking information at this time regarding electronic payment cards and may make a determination during the term of this Contract either to participate in the program with the financial institution awarded the Contract or procure the services independently. (See section 3.06 of the RFP).
- General disbursement accounts are regular accounts and the Income Tax Refund and Payroll accounts are ZBA’s off the main (General) disbursement account.
- Collateral requirements were clarified by stating that the Office requires collateralization of the highest daily balance during the month. Further clarified is that a Federal Home Loan Bank letter of credit is not currently acceptable as collateral.
- Regarding Controlled Disbursements, the Office is open to controlled disbursement and this would enable more accurate numbers. A follow-up to this discussion from the audience was, “would that eliminate the algorithm that’s currently being done and use more automated features? Mr. Saba responded that the Office is looking into it in coordination with the Investment Division.
- General disbursement and Retirement checks are printed by the Office. Payroll and tax refund checks are printed by the Comptroller of Maryland. All ACH files are sent out by the Office, however.
- The reconciliation of all accounts and cash accounts is done daily, so detailed information is necessary. When questions arise this needs to be addressed quickly in order to complete reconciliation. A lot of the disbursement reconciliation is manual at this time, however, the Office is moving toward a more automated reconciliation. This is not a result of the current disbursement bank, but of our process that’s been in operation for years.

The RFP, Section 3.05, item 15, reference of a tape has been clarified to mean, “file.” An Amendment will follow to correct this error.

Economic Benefits to Maryland, Section 4.03 of the RFP was briefly discussed. Offerors submitting proposals need to provide the best responses they can as this is an evaluation criteria. Also mentioned was the Living Wage requirement and concern about confidential payroll

records being opened up to Department of Labor, Licensing and Regulation. The Procurement Officer stated that the Living Wage Affidavit needs to be completed without modification and submitted with an Offeror's proposal.

The Procurement Officer suggested that firms register with eMaryland Marketplace (the State's electronic bidding system), and that this provides another source in which firms can receive information as it relates to the RFP prior to submission of your proposal. It was also suggested that a second contact person be included with the Offeror's proposal in order to receive further communications by the Office once the proposal is received.

Questions were taken from the audience and responded to accordingly. See the attached Exhibit 1 to this Summary for questions that were responded to during the conference that are not included in the Q & A's sent out separately.

Respectfully submitted,

Anne Jewell
Procurement Officer

EXHIBIT 1
PRE-PROPOSAL CONFERENCE
APRIL 27, 2011
QUESTIONS AND ANSWERS

- Q-1. What is the current conversion date?
- A-1. We expect to begin work on July 1st, if not sooner and the transition will continue until completed.
- Q-2. What is the initial time frame to move to a card-based disbursement program?
- A-2. The State's Payroll Division is looking to move as soon as they can. The Income Tax Refund, has not done any research as of yet for a card program.
- Q-3. Are employee benefits allowed to be calculated in the living wage?
- A-3. In the RFP, see Appendix D, Section G and H, which provides information regarding employee benefits.
- Q-4. Section 3.06, item 8, references edited transmissions against further delineation and item 9 states the failure notice must contain information that includes the agency number. Is this being provided or does the agency number come from the header information?
- A-4. The information comes from the header.
- Q-5. Is there anything unique or special needs that we have with international disbursements?
- A-5. From the general disbursement account, we sent SWIFT and CHIPS messages to pay vendors overseas. Some agencies have operations or research areas overseas and we do send transactions in dollars or in foreign currencies through the disbursement bank.
- Q-6. How does the State view FDIC coverage on non-interest bearing accounts?
- A-6. Right now it's unlimited coverage.
- Q-7. Do you need collateral as well as FDIC coverage?
- A-7. No, not on the non-interest bearing accounts.
- Q-8. Are employee benefits allowed to be calculated in the Living Wage?

A-8. Yes. Please see Appendix D – Living Wage Requirements for Service Contract, item G. and H. You may also refer to Section 18-103(c) of State Finance and Procurement Article, Annotated Code of Maryland found at:

http://www.mlis.state.md.us/asp/statutes_respond.asp?article=gsf§ion=18-103&Extension=HTML