

**MARYLAND STATE TREASURER'S OFFICE**

**Louis L. Goldstein Treasury Building  
80 Calvert Street, Room 109  
Annapolis, Maryland 21401**

**QUESTIONS AND ANSWERS  
FOR  
REQUEST FOR PROPOSALS FOR  
DEPOSITORY BANKING SERVICES**

**RFP # DEP-04012011**

**June 2, 2011**

- Q-1. Would the State consider an automated approach to what is requested on Section 3.02 3 (page 9)? "The offeror must provide electronically (Excel spreadsheet preferred) to the Office for each calendar month, by the tenth of the subsequent month, reports on account balances, interest earnings transfers, and collateral."
- A-1. Yes. An automated approach would be considered provided it supplied all the required information in a format that could be downloaded into an Excel spreadsheet.
- Q-2. Does the state require collateralization of the daily maximum balance or the monthly average? If the max daily balance is used to determine collateral, what has this value been historically?
- A-2. The State requires collateralization of the highest daily end of day balance. The average daily balance is \$159 million.
- Q-3. The State is currently using a phone based ACH transfer system for correspondent bank transfers. Is a web-based transfer solution acceptable?
- A-3. Yes, a web based transfer solution is acceptable.
- Q-4. Page 11, item 2 - What 7 correspondent banks are you working with? Do you have certain locations that it is crucial to have a branch location?
- A-4. The 7 current correspondent banks are First United Bank and Trust, Calvin Taylor, CNB, PNC, M&T Bank, Peoples Bank, and Provident State Bank. The Offeror must provide a network to supply the State agencies with depository facilities throughout Maryland. In addition, the Offeror must provide a central processing facility or major pick up point in the Baltimore area for agencies with large volumes of deposits.

- Q-5. As it relates to correspondent banks, who are the correspondent banks used in Alleghany, Garrett and Washington Counties (if any)?
- A-5. The correspondent banks used in western Maryland are First United Bank & Trust and M&T Bank.
- Q-6. Since, at the States request, the Bank is establishing bank accounts at Correspondent Banks and does not have the ability to influence the pricing at those institutions, would the State consider allowing a pass through for these banking fees?
- A-6. The State's requirement is to provide a network of depository facilities throughout the State. The State's Contract will be with the Depository Bank, not the correspondent banks. Therefore, the State expects the fees to be equal to or less than the fees proposed by the Depository Bank for comparable services.
- Q-7. Page 11, Requirement 2 - What is the mechanism used to concentrate funds?
- A-7. An IVR phone transfer system is currently used to transfer funds from the correspondent banks to the specific agency's deposit account at our Depository Bank. The agency specific deposit accounts are concentrated to the State's main depository account through a proprietary product of our Depository Bank.
- Q-8. The State requests a funds availability schedule be provided for correspondent banks, since these accounts are held at other institutions, the obtainment of this may not be feasible. Therefore, would the State consider removing this request?
- A-8. This request has been deleted as provided in Amendment No. 3.
- Q-9. Page 13, item 10 - What is the current investment rate on sweep and dollar amount?
- A-9. The current investment rate is 0.05%. The sweep balance has averaged approximately \$20 million over the past year.
- Q-10. What is the current collected balance and how much do you normally maintain in your account?
- A-10. The average monthly collected balance is \$6 million and the amount has ranged from \$109,000 to \$27 million.
- Q-11. What ECR rate are you currently receiving?
- A-11. The current ECR rate is 0.15%.
- Q-12. Do you currently use compensating balances to offset fees due to the higher ECR and the unlimited guarantee?

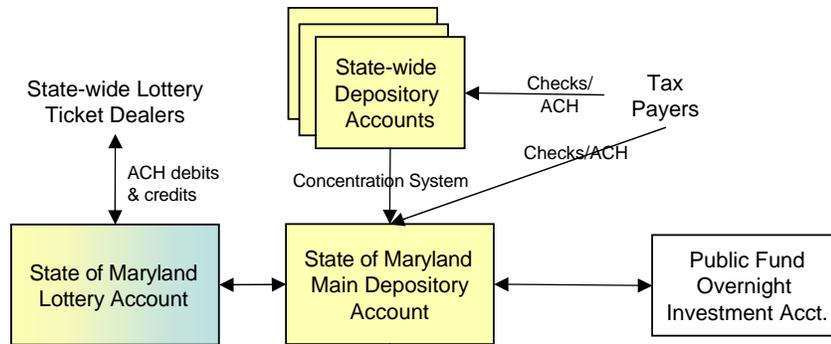
- A-12. Yes. Currently, a combination of investment sweep and ECR is used.
- Q-13. Do you pay the current provider by using compensating balances or direct fees? If compensating balances are used, what is your current Earnings Credit Rate net of FDIC charges?
- A-13. The current provider is paid direct fees that are slightly reduced by earnings credits at a current rate of 0.15%.
- Q-14. Does ECR (earnings credits or compensating balances) satisfy Requirement 10 under section B. General Disbursement Services Requirements? (i.e. does the State accept ECR as a form of overnight investment or does it require investments that generate hard-dollar interest?)
- A-14. This is the Depository RFP not the Disbursement RFP. This question refers to a section of the Disbursement RFP.
- Q-15. Page 14, item 13 - Last sentence in the block, please define "all" the information from the face of the check.
- A-15. The agencies must be provided with all the information on the check that they would have if the actual check had been returned to them. This includes any notations written on the check by the payor or the payee.
- Q-16. Does the State wish to capture additional data with each check? (e.g. GL codes)
- A-16. The State is open to considering any process that facilitates efficiencies in the payments collection process.
- Q-17. Please provide a breakdown of cash by type of note on a monthly basis.
- A-17. This information is not available.
- Q-18. What is the State's current process flow for depositing checks received in account receivable department?
- A-18. The checks received by agencies are recorded, batched, and deposited. Some agencies utilize a courier while others take their deposits directly to a bank branch.
- Q-19. Does the State have a current agreement in place with an armored courier?
- A-19. There is no statewide contract for an armored courier.
- Q-20. Please describe what is needed for "unarmed" couriers. What will these couriers be transporting, and what is the request for number of pick-ups?

- A-20. This request has been deleted as provided in Amendment No. 3.
- Q-21. Page 14, item 17 – Please tell us which courier(s) that you work with. Is it an absolute must for the contract to be with the offeror?
- A-21. State agencies currently contract with Dunbar and Brinks. Please refer to Amendment No. 3 for courier requirements.
- Q-22. Page 15, Requirement 20 - In what form of delivery are you currently receiving daily statements?
- A-22. We currently receive hardcopy daily statements in the mail. We also have access to (and utilize) a robust web based information reporting system that allows the State to create and download customized reports in numerous formats.
- Q-23. Please provide a list of agencies and locations for each pickup location.
- A-23. A list of pickup locations separate from agency locations is not maintained. However, addresses for State agencies can be found on the State's website at: [www.Maryland.gov](http://www.Maryland.gov).
- Q-24. Should DC area branches be included in this response?
- A-24. Please include any branches that you feel are relevant to the requirements of the RFP.
- Q-25. How does the State agencies deposit checks today?
- A-25. Checks are deposit at branches, at night drop locations, couriered to an item processing center, and deposited using a remote deposit system.
- Q-26. Page 16, Question 4 - If there is no central processing facility in Baltimore, what are your pickup frequency requirements?
- A-26. It is in the State's best interest to have cash and checks in the bank as quickly as possible. Pickup frequency requirements are determined individually by the State agencies and the contracted couriers, and depend on work flows and volumes.
- Q-27. Page 16, item 22, references the potential for MSLA to provide a tape. Is this correct? #22 also references that the Offerer may need to "Edit" the State's ACH file. Please describe what edits may need to be performed.
- A-27. The requirement is for electronic transmission. See Amendment No. 3. Edits may be needed to the header records on rare occasions.
- Q-28. Page 16, Requirement 24 - Can the State provide detailed information on the web-based payment collection system?

A-28. The web based payment collection system is a propriety system of Bank of America. The system is designed to match an agency's web site, accepts ACH and card payments, integrates into A/R systems, and offers on-line real time reporting.

Q-29. Page 17, Item 5 - Please provide a schematic of your current account structure.

A-29.



Q-30. Remote Deposit - How many locations have scanners and how many items are processed at each location?

A-30. There are currently two agencies utilizing remote deposit. One location is processing 60 checks per month. The other is processing 2300 checks per month.

Q-31. What scanner make/model do you currently utilize at each location?

A-31. Digital Check Teller Scan Model # TS230.

Q-32. What operating system are you running for your current scanners?

A-32. The current scanners are running on Microsoft XP.

Q-33. Does the State require remittance scanning?

A-33. No. The state does not currently require remittance scanning.

Q-34. Could Remote Deposit Image Capture be used to eliminate courier runs?

A-34. Remote deposit image capture can be used to eliminate some courier runs in cases where an economic benefit is realized by the using agency.

Q-35. Would the State of Maryland consider Remote Deposit Capture for all checks, with cash to be deposited through vault services?

A-35. The State will not consider remote deposit capture for ALL checks at this time.

Q-36. Can you please provide pricing in excel?

A-36. Appendix A – Price Proposal Worksheet is available in Excel format. Please send your request to the Procurement Officer at: [procurement@treasurer.state.md.us](mailto:procurement@treasurer.state.md.us).

Q-37. Please confirm that your current deposit preparation method will remain unchanged during the contract period.

A-37. The deposit preparation method could change if in the best interest of the State.

Q-38. Living Wage Requirements

Will it be acceptable to the state to have the living wage requirements apply only to dedicated client team employees in the state of Maryland, and if so, how would we apply for an exemption for other employees who are outside of the state or who service other accounts?

A-38. Appendix D, Living Wage Requirements for Service Contracts, states, “An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee’s time during any work week on the State Contract. Where the Living Wage does not apply, COMAR 21.11.10.02, states, “B. The Living Wage does not apply to an employee who works less than 13 consecutive weeks and full-time on a contract subject to the Living Wage Law.” Please refer to COMAR 21.11.10.02 at: <http://www.dsd.state.md.us/comar/comarhtml/21/21.11.10.02.htm>, and Title 18 of State Finance and Procurement Article, Annotated Code of Maryland at: Title 18: [http://mlis.state.md.us/asp/web\\_statutes.asp?gsf&18-102](http://mlis.state.md.us/asp/web_statutes.asp?gsf&18-102).

There is no provision under the law or regulations that provides for a waiver of the employee applicability requirement.