

**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 GENERAL BANKING SERVICES FOR
THE BOARD OF TRUSTEES OF THE MARYLAND TEACHERS AND STATE EMPLOYEES
SUPPLEMENTAL RETIREMENT PLANS, RFP #MSRP-03272020**

April 28, 2020

Q-1 Who is the incumbent bank?

A-1 Wells Fargo Bank, N.A.

Q-2 RFP Pg. 8 - The RFP indicates that the current market value for the 403(b) is \$91mm. Please confirm the 403(b) is a 403(b)(7) plan with all assets to be custodied being mutual funds.

A-2 Confirmed. Assets to be held in the §403(b)(7) custodial accounts are mutual funds accounts held by participants in the 403(b) Plan.

Q-3 RFP Pg. 9 - Is the incumbent provider providing you the depository and controlled disbursement accounts as well as the custody account or are they different providers?

A-3 The incumbent provides the depository and controlled disbursement accounts. The incumbent also acts as the custodian of the §403(b)(7) custodial accounts pursuant to a Custody Agreement by and among the MSRP Board, the Plan Administrator and the incumbent.

Q-4. What is the total monthly collected balances of all your checking accounts?

A-4 \$476,150.

Q-5 Can you provide a recent account analysis statement?

A-5 Yes. The account analysis is attached as Exhibit 1.

Q-6 Would the Office be willing to provide 3 months of Account Analysis statements?

A-6 See Exhibit 1. Line item pricing is not disclosed.

- Q-7 What is the average balances in checking accounts?
- A-7 \$939,370. The other accounts do not carry balances.
- Q-8 What is the average balance in overnight investment account?
- A-8 Approximately \$7 million.
- Q-9 What is the target balance in depository accounts?
- A-9 There is no target balance for the depository accounts.
- Q-10 Is the target balance sufficient to cover the monthly fees?
- A-10 No. As stated in response #9 above, there is no target balance.
- Q-11 How are the funds disbursed from the CDA's?
- A-11 The CDA's (controlled disbursement accounts) are funded from the Depository accounts to cover check presentments.
- Q-12 Is there an overnight investment account connected to each depository account?
Total of 2 total?
- A-12 Yes.
- Q-13 Confirm the sixth account is the NSCC clearing account at another banking institution.
- A-13 The National Securities Clearing Corp (NSCC) clearing account is not a "sixth" account under this procurement. As stated in Section 3.2, the Plan Administrator has the authority to transfer funds from the depository accounts to our NSCC clearing account at another banking institution to cover mutual fund settlements.
- Q-14 Is there an overnight investment account connected to the custodial account as well?
- A-14 Yes.
- Q-15 How are wire transactions conducted today by the plan administrator?
- A-15 The business line (i.e., Nationwide Retirement Plans) sets up the wires and Nationwide Financial Treasury approves them. They are sent from the Plan Administrator's payments system (the "PMTS") to Financial Gateway to the receiving bank.

- Q-16 Section 3.4 - Pg. 14, #7 - Please clarify that the statements referring to 'forged check' items.
- A-16 The State requires the Offeror to acknowledge its ability to meet the service requirement set forth in Section 3.4 #7 regarding forgery protection. The specifics of this service requirement are detailed in that Section and Paragraph.
- Q-17 Section 3.4 - Pg. 14, #8 – Is the current custody provider executing your trades?
- A-17 No. The Plan Administrator executes these trades through its record keeping system on an aggregate level and remits funds with respect to the §403(b)(7) custodial accounts to the bank once the trades settle.
- Q-18 Please clarify that even though the Offeror needs to open the 'custodial account' please confirm that the bank will not be responsible to perform these functions.
- A-18 Confirmed. Pursuant to the terms of the Plan Administrator Agreement, the Plan Administrator maintains all custodial and participant records, conducts all participant and Plan record keeping and statement activity, and performs all share transactions with respect to the Plans, including the 403(b) Plan. The Plan administrator is responsible to perform these functions by contract with the Board. However, §403(b)(7) custodial accounts must meet the requirements of Internal Revenue Code (IRC) §401(f), including that they be held by a bank (as defined by IRC §408(n)). This requirement is accomplished via the Custody Agreement (the form of which was attached to the RFP as Exhibit 2) to be entered into by and among the Board, the Plan Administrator, and the successful Offeror.
- Q-19 Section 3.8 - Pg. 17 - Will you accept mailed copy of invoice to Plan administrator and copy to MSRP?
- A-19 Yes.
- Q-20 Will it be a requirement to have the Tax identification number on the analysis statement?
- A-20 No.
- Q-21 Will you accept rolling cumulative earnings less than 12 months?
- A-21 Yes.
- Q-22 Please estimate the number of custodial transactions anticipated in a given period.
- A-22 Based on current bank statements for the 403(b) Plan, we estimated eight banking transactions per month.

- Q-23 Who is the current 403(b)(7) custodian?
- A-23 The incumbent bank is the current custodian for the §403(b)(7) accounts.
- Q-24 Please describe any service issues or concerns.
- A-24 There are no service issues or concerns.
- Q-25 What is the current custody fee for the 403(b) plan?
- A-25 Not available at this time.
- Q-26 The Price Proposal Worksheet does not address fees associated with custodial services. Please indicate how you would like those fees presented.
- A-26 Fees not addressed on Appendix A – Price Proposal should be submitted on a separate sheet.
- Q-27 Will you accept collateral that is acceptable under the State Treasurers guidelines?
- A-27 Yes.
- Q-28 The RFP references the need for a Custodial Account (5th account) that is a trust account for the 403B plans is not a public funds checking account. What services are required for this account? Does the Custodial account require collateralization?
- A-28 See response to Q-18 above. The custodial account does not require collateralization.
- Q-29 Would you entertain a response to the RFP in which the Custodial Account is not included in the bid?
- A-29 No.
- Q-30 Please confirm the fiduciary responsibility for the 403(B) is custodial only.
- A-30 Confirmed. The custody requirement stems from the investment requirements applicable to 403(b) Plans.
- Q-31 How does NRS communicate trades with the current custodian?
- A-31 Following Contract award, the State will direct the Plan Administrator to coordinate with the chosen bank to develop an appropriate system to communicate trades with

respect to the 403(b)(7) custodian account. See responses to Q17 and Q18 above regarding trade settlement and transmission of funds to the bank.

Q-32 Section 3.8 - Pg. 18 - For this Contract specifically, is it applicable for Offeror to register using COT/GAD X-10 vendor electronic funds (EFT)?

A-32 Yes.

Q-33 Is it expected for the financial institution to be paid within the 30 days, if the ECR does not offset the fees?

A-33 Yes, payment is made within 30 days.

Q-34 Will the monthly payment for the invoice be from an Offeror's Account?

A-34 No. Payment is made directly from third party administrator.

Submission Requirements

Q-35 Rather than including a printed hard copy of our audited financial statements, may we provide a link to the 400-page document?

A-35 Yes. A link may be provided in place of a hard copy of a financial statement.

Q-36 Appendix F- Federal Home Loan Bank Letter of Credit Deposit Agreement. Are we required to collateralize these deposits via a Federal Home Loan Bank Letter of Credit? We currently provide collateralization accounts through the Federal Reserve. May we continue this practice? Is Appendix F a required document?

A-36 You are not required to provided collateral deposits via a Federal Home Loan Bank Letter or Credit. See Section 3.3 Minimum Requirements, paragraph 5 and Exhibits 4 and 5 of the RFP for further information.

Q-37 We do not believe we need to return the following in our response: Appendix D- Contract Affidavit; Appendix C Contract; Appendix E Collateral Security Agreement; or Appendix G Designation of Depository. Please confirm.

A-37 Confirmed. These documents are to be signed by the Offeror that is selected for contract award.

Q-38 In light of recent world events, would the Office consider accepting an electronic submission of the Technical and Price Proposals, submitted via email, in lieu of the 6 physical copies?

- A-38 Technical and Price Proposals submissions will be accepted electronically. Please see the Amendment to the Contract revising Section 1.9 Submission Requirements and Deadline of the RFP.
- Q-39 Will the State's Office's be open for deliveries on the due date of the RFP?
- A-39 The State Office is expected to be open and the Procurement Officer will be available for proposals to be hand-delivered to the Treasurer's Office on May 5, 2020 on or before 2:00 p.m. If an Offeror intends to hand-deliver their proposals on another date, the Offeror must notify the Procurement Officer 24 hours prior to delivery so that arrangements can be made to acceptance.
- Q-40 During the current environment, we would need to submit a flash drive in lieu of a CD ROM as our facility cannot produce a CD Rom. Will that be acceptable?
- A-40 Yes. See the Amendment to the RFP should you prefer to submit an electronic copy via email.
- Q-41 On the required documents, may witnesses be related family members? We are currently under a stay at home order.
- A-41 The documents to be included in response to the technical and price proposal submission do not require witnessed and/or attested signatures. The selected Offeror recommended for award of the resulting contract and associated documents will need to have their signature attested to and cannot be witnessed by a family member.
- Q-42 Please confirm the appendixes required to be signed and submitted with the RFP Response: Appendix A Price and the Appendix B Bid/Proposal Affidavit.
- A-42 Confirmed.
- Q-43 Are Appendices C through G provided as samples, or are any intended to be completed and returned with our proposal?
- A-43 The form of Contract, Contract Affidavit and Collateral Security Agreement (Appendices C, D, and E respectively) will be executed by the Offeror selected for award. The Federal Home Loan Bank documents as Appendix F are for informational purposes. See Section 3.3, para. 5 of the RFP for additional information. The Designation of Depository (Appendix G) is for informational purposes and is signed only by the Treasurer and Chief Deputy Treasurer.
- Q-44 Page 20 - Confirm only one physical hard copy is requested with no electronic copies?
- A-44 Electronic submission of the technical and price proposals will be accepted.

Q-45 Section 4.3.2.5 - This refers to a section "3.4 General Requirements". This section is not included in the RFP. If required, would you please provide?
Section 4.3.3.2 - This refers to a section "3.5 Desirable Features". This section is not included in the RFP. If required, would you please provide?

A-45 Section 4.3.2.5 and 4.3.3.2 are deleted. See Amendment to the RFP.

APPENDIX A – PRICE PROPOSAL

Q-46 Are the volume sizes on page 28-30 for one account OR all accounts?

A-46 These volume sizes are applicable to all accounts.

Q-47 Confirm one (1) deposited check among all accounts?

A-47 Confirmed. Based on a review of the bank statements for the accounts, there is typically one (1) deposited check received per month among all accounts; however, we believe this service remains necessary under the Contract.

Q-48 What is the make and model of your desktop check scanner?

A-48 We use Digital Check. Model is TellerScan240-50-DPM.

Q-49 Please explain PYMT AUTH MAX CHECK MONTHLY BASE.

A-49 Monthly per account fee when accounts are setup for the Payment Authorization Max Check \$ option.

Q-50 Why only one account maintenance fee?

A-50 The maintenance fee applies to all accounts.

Q-51 Please explain CHECK CASHING THRESHOLD MO BASE.

A-51 This is the charge for providing fraud control service setting maximum check cashing dollar thresholds at the branches.

Q-52 Please explain OTC debit block monthly base.

A-52 This is the charge for providing fraud control service which disallows over the counter withdrawals at the branches.

Q-53 Checks Pay to Indiv Block Mo Base. Can you define this service?

A-53 This is the monthly fee for the service preventing a check made payable to an individual name to be cashed at a branch.

Q-54 ARP Monthly Base – Partial How are you getting ARP reporting? (e.g. bank portal, US Mail)?

A-54 The ARP service is provided to client via banking access portal.

Q-55 Clarify ARP Monthly Base-Partial?

A-55 Provides MSRP an ARP statement and MSRP can request a variety of optional reports to reconcile the CDAs.

Q-56 What format are you receiving the ARP?

A-56 These reports are downloaded via the bank portal.

Q-58 Clarify which account has ACH debit filter.

A-58 All accounts have an ACH debit filter.

Q-59 Clarify which account has full positive pay.

A-59 The two controlled disbursement accounts generate checks and require full positive pay.

Q-60 Clarify which account has partial positive pay.

A-60 None of the accounts have partial positive pay.

Q-61 Clarify which accounts have the ARP file?

A-61 All accounts have the ARP file.

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Q-62 What type of reporting are you getting? Are you receptive in getting the same service functionality at no cost?

A-62 See Section 3.4 #5 and #6 of the RFP for the minimum reporting service capabilities. If you have additional no-cost reporting functionality include a description in your response to the RFP.

Q-63 How are you transmitting the check files today? (e.g. bank portal, direct transmission).

A-63 Transmission.

Q-64 Is the Maryland Living Wage Affidavit mentioned on Page 19 of RFP required?

A-64 This Affidavit is not required for this procurement.

Q -65 Appendix F - Appendix F Federal Home Loan Bank Letters of Credit Depository Agreement. Is this required if the financial institution provides collateralization through another method that is already approved by the State of Maryland's Treasurer's Office?

A-65 No. See Section 3.3, para. 5 of the RFP.

Q-66 Appendix B – Bid Proposal Affidavit - Would the Board be willing to guarantee the Bank's right to negotiate proposed terms and documents in this RFP?

Further, would exceptions be taken on the terms and conditions set forth in this Request for Proposal?

A-66 In order for an Offeror to be considered for evaluation, the Bid/Proposal Affidavit must be signed. This is a required State document and is not negotiable.

The RFP Banking Services is procured by the Maryland State Treasurer's Office on behalf of The Board. Exceptions to the RFP should be included on a separate page and placed directly behind the Transmittal Letter. Any discussions with qualified Offerors will be conducted in accordance with Section 2.4 Proposal Acceptance; Discussions and Section 5.8 Responsibility of this RFP.

Q-67 Maryland State Treasurers Office RFP 2.1 Order of Precedence Page 11 – The Contract between the parties will be embodied in the Contract documents which will consist of the following, listed in their order of precedence.: 1. The executed Contract, 2. the RFP and 3. The Offeror's Proposal.

Appendix C through G - Contract For Banking Services - Would The Board be willing to incorporate Bank's agreements (Cash Management Master Agreement and associated services appendices) into the resulting contract and be made a part of it?

A-67 Yes. Bank operating documents will be negotiated by the State Treasurer's Office as the contracting authority. Any conflicts in the Offeror's proposed terms and conditions or agreements will be negotiated by the Office to be consistent with the State's terms and conditions.

Exhibit 1 – Average Monthly

457, 401k,401
Plans

403b Plans

All Plans

Avg. Collected Balance	Avg. Earnings Allowance	Avg. Collected Balance	Avg. Earnings Allowance	Avg. Collected Balance	Avg. Earnings Allowance
7,288,733	1,971.61	1,072,820	318.91	8,361,553	2,291

Service	Avg. Volume	Avg. Charge		Avg. Volume	Avg. Charge		Avg. Volume	Avg. Charge
RECOUPMENT MONTHLY								
BALANCE & COMPENSATION INFORMATION Total	7,397	943.17		1,074	136.93		8,471	1,080
CONT DISB CREDITS POSTED								
ZERO BALANCE MASTER ACCOUNT MAINT								
ACCT MAINTENANCE								
DEBITS POSTED								
GENERAL ACCOUNT SERVICES Total	97	27.79		52	16.82		149	45
DESKTOP DEPOSIT-DEPOSITED ITEM ONUS								
DESKTOP DEPOSIT-DEPOSITED ITEM								
DEPOSITORY SERVICES Total	65	2.20		1	0.04		66	2
POSITIVE PAY EXCEPTION - CEO IMAGE								
PYMT AUTH MAX CHECK MTHLY BASE								
POS PAY CHECK VERIFICATION CALL								
CONT DISB PERFECT PRESENT CHK RTN								
CHECK CASHING THRESHOLD MO BASE								
OTC DEBIT BLOCK MONTHLY BASE								
CHECKS PAY TO INDIV BLOCK MO BASE								
CONT DISB ACCT MAINT W/CXSTR								
CONT DISB PERFECT PRESENT BASE								

<u>Service</u>	<u>Avg. Volume</u>	<u>Avg. Charge</u>		<u>Avg. Volume</u>	<u>Avg. Charge</u>		<u>Avg. Volume</u>	<u>Avg. Charge</u>
CONT DISB CHECKS PAID								
CONT DISB PERFECT PRESNT EXCEP								
PAYEE VALIDATION STANDARD-ITEM								
WF CHK CASHED FOR NONACCT HOLDER								
CONT DISB CASHED CHECK-FLOAT FEE								
STOP PAYMENT - AUTO RENEWAL								
PAPER DISBURSEMENT SERVICES Total	2,207	312.23		39	140.09		2,246	452
ARP MONTHLY BASE - PARTIAL								
ARP PART POSITIVE PAY ISSUE - ITEM								
ARP OUTPUT - TRANSMISSION								
ARP OPTIONAL REPORTS								
ARP PAPER STATEMENT/REPORT DELIVERY								
ARP PAPER STMT/REPORT MONTHLY BASE								
ARP AGED ISSUE RECORDS ON FILE-ITEM								
OUTGOING TRANSMISSION - PER ITEM								
ARP PARTIAL RECONCILIATION - ITEM								
PAPER DISBURSEMENT RECON SERVICES Total	4,530	358.69		107	144.71		4,638	503
ACH CEO SUBSCRIPTION - ACCOUNT								
ELECTRONIC CREDITS POSTED								
ACH RECEIVED ITEM								
ACH RETURN ITEM-ELECTRONIC								
ACH RETURN ADMIN -ELECTRONIC								
ACH TRANSMISSION CHARGE								
ACH REVERSAL - ITEM								
ACH CEO FRAUD FILTER REVIEW MO BASE								
ACH CEO FRAUD FILTER STOP MTHLYBASE								
ACH NOC - TRANSMISSION ADVICE								
GENERAL ACH SERVICES Total	323	211.93		118	66.43		440	278

<u>Service</u>	<u>Avg. Volume</u>	<u>Avg. Charge</u>		<u>Avg. Volume</u>	<u>Avg. Charge</u>		<u>Avg. Volume</u>	<u>Avg. Charge</u>
WIRE IN - DOMESTIC								
PAYMENT MANAGER WIRE OUT DOMESTIC								
WIRE & OTHER FUNDS TRANSFER SERVICE Total	74	295.75		23	96.29		97	392
CEO SEARCH								
CEO PREV DAY REPORTING MAINTENANCE								
CEO PREV DAY REPORTING ITEMS LOADED								
CEO INTRADAY REPORTING MAINTENANCE								
CEO INTRADAY REPORTING ITEMS RPTD								
CEO EVENT MESSAGING SERVICE - EMAIL								
INFO REPORTING HISTORY STORAGE 60								
BAI MONTHLY BASE								
BAI TRANSACTIONS REPORTED								
INFORMATION SERVICES Total	7,569	185.31		1,154	127.62		8,723	313
Total		2,337.07			728.92			3,066