

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
DISBURSEMENT BANKING SERVICES**

RFP # DISB-04012011

May 13, 2011

- Q-1. Is the intension of the State to issue a separate Debit Card solicitation?
- A-1. Please refer to section 3.06 of the RFP, "Electronic Payment Card Services."
- Q-2. Can bidders use the State's logo for sample marketing material purposes?
- A-2. With the Office's permission on a case by case basis, we can allow the successful bidder to use the State as a reference for marketing, including the State's logo.
- Q-3. Has the State estimated the costs of checks disbursements?
- A-3. While the State has not calculated this cost, our belief is that it falls within the industry standard range of \$4 to \$7.
- Q-4. Does the State have a current DOL in place and if so, what is the amount?
- A-4. We currently do not have a Daylight Overdraft Line in place.
- Q-5. Does the State receive their Account Reconciliation statements electronically today?
- A-5. No. However, the State currently has the capability to receive AR statements electronically.
- Q-6. General Question: What is the reason behind the need for so many quick checks?
- A-6. Quick checks are a customer service aspect of the Income Tax Refund unit.

Q-7. General Question: What was the total dollar amount of forgeries last Year?

A-7. The total dollar amount of forgery claims in calendar year 2010 was \$105,000. The total to date in 2011 is \$44,500.

Q-8. General Question: Is the State pulling on line images now?

A-8. No. The State receives paid check images several times a month on CD's. The State does have the capability to pull online images through our current disbursement bank.

Q-9. Page 8. Section 3.01 Mandatory Requirements - # 1/ Exhibit 1 (b) "Banking institution" means an institution that is incorporated under the laws of the State as a State bank, trust company, or savings bank.

Question – please confirm that State is referencing Maryland. Would the service provider qualify as a "Banking Institution" for this RFP if it is not incorporated under the laws of the State as a State bank, trust company, or savings bank?

A-9. Yes. "Banking Institution" is referring to Maryland. Please note that the mandatory requirement of 3.01 specifies "financial institution," not "banking institution". In Exhibit 1, referenced in your question, banking institution is just one type of financial institution.

Q-10. Page 9. A. Brief Description of General Disbursement Services - "Daily, collected balances are transferred from Bank of America, N.A. (depository bank provider) to M&T, from where they are disbursed for payments and investments."

Why is the State using two differing bank providers with one as the depository and the other as the disbursement entity?

A-10. We found this arrangement to be in the State's best interest.

Q-11. Will you be funding the disbursement accounts with a wire or ACH?

A-11. The main disbursement account will be funded with a FedWire and the tax and payroll accounts currently function as ZBA's off the main account.

Q-12. Are you currently using Payee Name Verification?

A-12. Payee positive pay is not currently in use. We have been getting our technical specifications in place to move in that direction.

Q-13. Page 9 Section 3.03.A - What was the highest value ACH file processed over the past 12 months? What is the average value of ACH files processed over the past 12 months?

- A-13. The highest single day file transmission was \$1.8 billion. The average single day file was \$125 million. The highest single day ACH settlement was \$2.5 billion. There were ten days with total ACH settlement over \$1 billion.
- Q-14. Page 9: A – Brief description of general disbursement services
- a. Please let us know if Maryland State issues checks in-house or if checks outsourced and printed by your current banking provider. Are checks issued from the central location, or from each entity's offices?
 - b. Please let know if there will be any pension payments that will be made in foreign currency. If so, currency and amounts (\$) and volume.
- A-14. a. Checks are issued in-house and from each entity's office.
 b. There are currently no foreign currency payments.
- Q-15. Page 9 - For the 2,500 beneficiaries receiving pension/retirement funds via paper check, would you please provide the average payment amount (\$) per check?
- A-15. The average payment amount per check is \$1800.
- Q-16. Page 10 Section 3.03.A - Does the State use warehousing to deliver ACH files to the processor earlier than required?
- A-16. Yes. On a limited number of occasions, the Bank warehouses the files which are received early.
- Q-17. Page 10 3.03 A: States - ACH transactions are issued in the CCD+ format or EDI format. Please clarify if the file is transmitted in NACHA or EDI format. Does this apply to the pension payments also? If not, in what format is those files transmitted, NACHA or EDI?
- A-17. ACH files, including MSRPS files, are transmitted in NACHA format and can include PPD, CCD+, CTX and EDI formatted transactions.
- Q-18. What is the frequency of vendor ACH payment file transmissions?
- A-18. Daily.
- Q-19. How often are income tax refund ACH payment files transmitted?
- A-19. Daily.
- Q-20. In what format are the ACH Payroll files transmitted, NACHA or EDI? If in EDI format, what is the item count? Do you desire acknowledgements?
- A-20. Payroll files are transmitted in NACHA format. Acknowledgements are not needed at this time, but may be wanted in the future.

- Q-21. Page 11 3.03 B4 & B5, Pg 20 3.04 B3 & Pg 27 3.05 B10 and all similar questions that state the bank will transmit to you but then later states that you will initiate. Please clarify what it is that is needed here. Do you need us to send to you a file of detailed transactions for all ACH payments that we initiate on your behalf?
- A-21. The requirement here is to ensure the Offeror can pass our initiated files directly through the ACH network and that a third party is not required.
- Q-22. Page 11 - Question 4 - How do your vendors receive ACH remittance details?
- A-22. Vendors can access remittance details through the Comptroller's One Stop Vendor payment web site.
- Q-23. Page 11 – Question 5 - Please describe your preference to receive notification of failed ACH payments
- a. File OR
 - b. E-mail
- A-23. We would like to receive notification by file. We currently have the capability to retrieve the report online to import into a spreadsheet.
- Q-24. Page 11 – Question 9 - Please clarify your peak daily ACH payments and peak daily Wire payments, including Check payments, to ensure that sufficient clearing lines are in place
- A-24. Peak daily ACH payments were \$2.5 billion. Peak daily wire payments were \$240 million. Peak daily check payments were
- Q-25. Page 12 – Question 10
- a. What is the total average monthly balance that the state will maintain with the selected vendor?
 - b. How much in collateral did the current provider post on a monthly basis?
 - i. 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?
 - c. 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?
 - d. 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-25. a. It is the State’s goal to keep this number as close to zero as possible.
 b. The state requires collateral on the highest daily balance. The current provider adjusts collateral daily to cover the actual balance.
 c. The current provider is paid direct fees.
 d. The state currently requires investments to generate hard dollar interest.
- Q-26. Page 12 – Question 10 - Please describe your investment policy for short-term and long-term investments. Please clarify the amount, tenor and acceptable risk.
- A-26. See Exhibit 4 referred to in item 10 and the State’s Investment Policy that can be found on the Treasurer’s website at:
 http://www.treasurer.state.md.us/media/18990/investment_policy.pdf.
- Q-27. Page 13, Question 15 - Please provide more information on the forgery protection requirement as stated in this question.
- A-27. The term protection is a misnomer. The requirement is for forged endorsement processing. Our disbursement bank follows up with the bank of first deposit to ensure a complete investigation and resolution. However, Revenue Administration does require provisional credit be given on tax refund check forgery claims.
- Q-28. Page 13/Question 16
 a. Please let us know the zip codes where check encashment will be required as well as the monthly volume
 b. Please let us know if there is a minimum requirement for the number of check cashing locations within a zip code? If so, please elaborate.
- A-28. a. Check encashment is required throughout the State. Volume is not available.
 b. There is no minimum number of check cashing locations. We require as complete coverage as possible throughout the State.
- Q-29 Page 13, Q 18 - Is the State looking for a BAI previous day file or an Account Reconciliation (ARP) paid check file in a BAI file format?
- A-29. The State is looking to receive a true BAI previous day file.
- Q-30. Page 13 / Question 19 - Please define or provide further insight into “Automated Reconciliation”.
- A-30. The State requires full AR with positive pay with both paper and electronic output.
- Q-31. Page 14 / Question 1 - Is having a controlled disbursement point in the State of Maryland a selection criteria?
- A-31. No. This is not a selection criteria.

- Q-32. Page 14 - #7 - In reference to the last sentence, can you give us the highest peak amount that you are overdrawn throughout the past 12 months along with the average amount?
- A-32. The highest overdraft in the past 12 months was \$114 million. The average overdraft amount was \$14 million. The account can be overdrawn several days per week.
- Q-33. Page 14) section 3.03 – Requirement B.23:
Do you currently submit your Positive Pay Check Issues once per day, or multiple times per day? How do you deliver these Check Issues – via data transmission, on-line, or both?
- A-33. Positive pay issue files are delivered via data transmission once per day.
- Q-34. How many CD-ROM's do you currently receive?
- A-34. Four to six CD's per month.
- Q-35. Page 14 - #23 - Could you please expand upon the last sentence “The Offeror must review all incoming paid items against the issued file, and the Offeror must report the exception items (image preferred) electronically to the Office for review no later than 2 p.m. daily (the day after presentment, though “same day” positive pay is preferred)”. Is the State utilizing a pre-presentment service that allows the checks to be decisioned before they post?
- A-35. The State is utilizing a standard positive pay service that allows us to review suspect items and either pay or decline payment.
- Q-36. Page 15, Q13F - Can you confirm that the Standard Entry Class code you are referring to initiate credit transactions in “EDI format” is ACH CTX format?
- A-36. This is correct. The Standard Entry Class code we are referring to initiate credit transactions in “EDI format” is ACH CTX format.
- Q-37. Page 17 3.03 C 29 - Regarding the reporting and notification of outgoing ACH payments. Do you mean totals for funding or are you looking for the individual transactions that make up the total?
- A-37. Individual transactions that make up the total.
- Q-38. Page 18 (3.04A) - The annual ACH transactions initiated for income tax refunds is 1.3MM. What is the average daily / monthly expected volume? Is it correct to assume that the majority of these transactions occur January – April with peak volumes being mid-February through the end of March?
- A-38. Yes. Those assumptions are correct. However, peak volume lasts through mid April.

Q-39. Page 18 - Would you please provide monthly details/data on A. the number of checks issued for income tax refunds and B. total dollars issued each month for those checks

A-39. The monthly volume of refund checks averages 22,000 in the months of July through January. For five months from February through June the averages are 100,000, 200,000, 250,000, 120,000, and 90,000 respectively. Dollar values are unavailable at this time.

Q-40. Page 18 - Are there instances where an individual may receive more than one income tax refund payment per year? If so, please elaborate on # of individuals that receive multiple payments, and # of average payments they receive per year.

A-40. An individual may receive more than one refund per year if back tax returns are filed. The number of individuals and average payments is not available.

Q-41. RFP Page 18, Item 3.04 Income tax refund Disbursement: Regarding corporations and fiduciaries, could the State supply a breakdown by number and dollar value of income tax refund checks to both corporations and fiduciaries?

A-41. For tax year 2010, the number for each is as follows (dollar values are unavailable at this time):

Corporation - 8,799

Fiduciary - 6,839

Q-42. RFP Page 19, Item 1: What is the average amount left earning interest in the Quick Pay clearance account?

A-42. Zero. The account is a ZBA.

Q-43. Page 20 – Question 7

Please let us know the monthly volume of emergency telephone stop payments.

A-43. These requests are very rare, with the number being 5 to 10 per year.

Q-44. Page 20, #10 - Could you provide more information on this requirement? “The Offeror must provide a product which will allow the State to report individual issued items electronically to the Offeror on a current basis, separate from the daily issue file.”

A-44. This question refers to the ability to add items to the daily issue file via web access.

Q-45. Page 23, Section 3.04 - Question C.6 - “Are you able to provide ARP reports on CD Rom or to allow direct on-line access?” By “direct on-line access” are you referring to viewing reports on-line, or you are currently performing inquiries in the bank’s Reconciliation System?

A-45. Referring to the ability to view and download reports online.

- Q-46. Page 24 – Question 3 - In reviewing the RFP response, it seems that the payments will be initiated from IBM 15. Please clarify if the payments initiated are done:
- a) Centrally – That is all entities’ payments are initiated from a single IBM instance, whereby all ACH, Checks are Wire payments are initiated centrally
 - b) Decentralized – That is that each entity’s payments are initiated from separate ERP servers
 - c) Please describe your preferred file format for payments
For example, NACHA (ACH only), ANSI EDI 820, Flat file, XML etc
 - d) Please let us know if your preference is to send a separate payment file per payment type or if your preference is to send a consolidated payment file for Wire, ACH and check payments
- A-46. ACH and check issue files are initiated separately from a central location. We send NACHA files that may contain EDI 820 data. It is our preference to send separate ACH and check issue files.
- Q-47. Page 24 - Please confirm that payroll payments are sent in two separate files
- a. State, university and contractual
 - b. MTA
- A-47. Yes. This is correct.
- Q-48. Page 24 - Please describe the issuance process for payroll stub, that is, are they issued internally or outsourced?
- A-48. Payroll stubs for ACH payments are available online through the Central Payroll Bureau’s web site. Payroll stubs for checks are attached to the check.
- Q-49. Page 25 - Would you please elaborate on the new regulation whereby “...all new state employees paid through the CPB are required to participate in direct deposit unless the employee has requested an exemption from receiving their net pay via direct deposit”?
- a. What constitutes a “new” employee?
 - b. What does the exception process entail?
 - c. Do you anticipate that over time, payroll check issuance will decline (DD penetration rate will rise to the mid-to-high 90% range) as most employees will be directed into direct deposit?
- A-49. New hires in the State are required to participate in direct deposit unless the employee’s agency submits an exception request in writing to the Office. It is anticipated that payroll check issuance will decline over time.
- Q-50. RFP Page 25: What is the average amount that earned interest in the second payroll account referenced?
- A-50. The account is a ZBA.

- Q-51. Page 27, Requirement 9 - “This notice must contain the agency number, employee number, and name as provided on the file.” Where in the NACHA ACH Origination file from the Office and MTA will this data be populated?
- A-51. In the header record and detailed transaction.
- Q-52. Page 27, Requirement 10 - Please confirm that the Standard Entry Class code of PPD will be used for payroll transactions instead of CCD as indicated in the requirement.
- A-52. Confirmed. That is correct that PPD is used for payroll.
- Q-53. Page 27, #10 - Can you provide information on what type of ACH transactions within this requirement? Is it only payroll or other types of employee payments?
- A-53. Refers to payroll payments only.
- Q-54. Page 28, #15 - Is MTA looking for a magnetic tape or a file transmission of the items paid and stopped from the previous day?
- A-54. The requirement should be for a file transmission.
- Q-55. Page 28 Section 3.05.B.15: Please clarify reporting requirements for MTA. Are CD’s of paid items requested?
- A-55. Yes. CD’s are requested of paid items.
- Q-56. Page 28, Section 3.05 – Requirement B.15 - By “tape”, do you require magnetic tape delivery.
- A-56. The requirement should be for a file transmission.
- Q-57. Page 28, Section 3.05 – Requirement B.16 - What is meant by “credited”? How is this different than the requirement to send a daily paid items tape? (See B.15 above).
- A-57. This item refers to a bank statement type format whereas #15 is a paid check file.
- Q-58. Page 28, Section 3.05 – Requirement B.17 - By stopped items, are you referring to issued items that have a stop payment on file? For example, if a stop payment is placed in March and reported on the March transmission, are you expecting the item to only be reported in March and excluded from the April transmission?
- A-58. That is correct. The file should contain only new paid and stopped items.
- Q-59. Page 29, Section 3.05.B.26 - What was the peak investment and average investment over the past 12 months?

- A-59. The average collected balance was \$900,000. The peak investment was \$3.8 million.
- Q-60. Page 31 – Pricing Term
Please let us know your current annual fees for disbursement of General, Income Tax Refund, and Payroll Disbursement Services
- A-60. The total amount paid for Fiscal Year 2010 was \$592,500.
- Q-61. Appendix A: Price Proposal
Please clarify the services indicated by the following:
- a. ACH File Handling II
 - b. ACH Debit Authorization – Level I
 - c. ACH Debit Authorization – Level II
- A-61.
- a. Refers to receipt of ACH file
 - b. Refers to Debit Block
 - c. refers to ACH debit review
- Q-62. General Pricing Question: Could the State provide bidder the pricing related forms as an excel spreadsheet?
- A-62. Please send your request via email to the Procurement Officer at:
procurement@treasurer.state.md.us.
- Q-63. General Pricing Question: Can bidders combine the pricing into one spreadsheet or do you prefer separate forms?
- A-63. Separate forms are required.
- Q-64. General Pricing Question: What is ARP positive pay weekly maintenance image?
- A-64. Monthly maintenance for Positive Pay with full recon.
- Q-65. General Pricing Question: What are the outstanding item deletions?
- A-65. The removal of outstanding checks from the Bank maintained issue file. This typically occurs once a year when the State moves checks outstanding longer than two years to the unrepresented fund.
- Q-66. General Pricing Question: What is ARP fax per page?
- A-66. The charge for receiving ARP reports via fax.
- Q-67. General Pricing Question: What is ARP electronic out item charge?

- A-67. Charge for electronic check paid file from which we update our outstanding check file on the Office's system.
- Q-68. General Pricing Question: What is outgoing chips transfer auto non-repetitive?
- A-68. This refers to a CHIPS outgoing payment.
- Q-69. General Pricing Question: What is deleted check items?
- A-69. The removal of checks from the Bank's issue file.
- Q-70. General Pricing Question: What is ARP check issue return per item?
- A-70. When a physical check or IRD (paper copy) of the check is requested.
- Q-71. Page 42 - Your analysis statement shows one ZBA Master, but no ZBA sub accounts. Please confirm that this is the master account for the other disbursement accounts.
- A-71. The ZBA Master is the master account for the other disbursement accounts.
- Q-72. Please provide a flowchart or schematic of the current structure along with the services used by each account.
- A-72. The main disbursement account will be funded daily with a FedWire. The tax and payroll accounts currently function as ZBA's off the main account.
- Q-73. Under "General Account Services", what does Debit Item and Credit Transaction represent? Please provide a definition and AFP code.
- A-73. These are zero volume and have been removed from the pricing sheets.
- Q-74. Are you currently utilizing Controlled Disbursement and if so where is your current disbursement point?
- A-74. Controlled disbursement is not currently utilized.
- Q-75. Page 10 states Full ARP with semi-monthly transmission but we do not see a line item for Full ARP. Is this Basic Positive Pay or Full ARP with standard Positive Pay?
- A-75. Full ARP with standard Positive Pay.
- Q-76. Page 42, Line Item 151352 - Could the State specifically clarify your definition of 'Web based ad hoc image'?
- A-76. When we request, on line, a copy of a paid check before we receive the CD.

Q-77. Page 43, App A – General ACH - Please provide more detail on the Service Description “WEB Spec RPT ACH Returns”. What information is provided on this report?

A-77. MSRPS – ACH activity report that shows batches settled as well as all returns or NOC’s.

Q-78. Page 43 – General ACH - Please provide more detail on the Service Description “ACH File Handling II.” What type of ACH file handling is provided?

A-78. Daily ACH file handling regular and expedited files.

Q-79. Appendix A: Pages: 42 – 50

Please confirm that the cumulative monthly volumes are:

- a. Checks – 233,256
- b. ACH outgoing – 358,639
- c. Accounts – 7

A-79. Confirmed. Please note that the pricing worksheets have been replaced in entirety by Amendment #2 to the RFP. The volumes have remained the same with some new line items having been added. The pricing worksheet for MSRPS (Amendment No. 1) has also been included.

Q-80. How should additional service items be priced within your Appendix A: Price Proposal document? Do you anticipate service prices being held constant for the contract period?

A-80. Please refer to section 4.05 of the RFP for the instructions for additional services. Yes, it is anticipated that prices will be held constant for the term of the RFP. If your bid is otherwise, please note such on the page that includes additional services.

Q-81. Will you be providing an Appendix A: Price Proposal document that represents the Pension activity?

A-81. Yes. MSRPS pricing worksheet also now included in Amendment #2.

Q-82. Page 43 AFP code 250400 Web Special Report ACH Returns

Please describe what service this is, retrieving an ACH returns report via the internet?

A-82. Yes. This refers to retrieving the ACH returns report via the internet.

Q-83. Page 43 AFP code 251050 ACH Debit Authorization Level I

Please describe what service this is, a blocking service that prevents transactions from debiting your accounts?

A-83. Level I refers to complete debit block.

- Q-84. Page 43 No AFP Code Given ACH Debit Authorization Level II
Please describe what service this is, a blocking service that prevents transactions from debiting your accounts? What is the difference between Level I and Level II?
- A-84. Level II refers to debit review.
- Q-85. Page 43
1. Please provide a definition and AFP code for “ACH Reclamations”
 2. Do you currently utilize both Current Day reporting and Previous Day reporting? We noticed that there are 2 charges for receiving details for Previous Day (AFP code 400222 & 400014) and Intraday (AFP code 400225 & 400014) under both wire and information reporting services. Are these line items charged twice or are they for charged for different services?
- A-85. 1. ACH Reclamations has been removed from the pricing sheets in Amendment #2 to the RFP.
2. We utilize both current day and previous day reporting, and are being charged for access by two different methods.
- Q-86. Page 44 – Investment Svcs - Please provide additional information on the service description “Film-State of Maryland Repo”.
- A-86. Sweep account for overnight investment in a Repo.
- Q-87. Page 44 (AFP Code 159999) - Please provide additional information on the service description “Check Estimation-State”.
- A-87. Currently, by 10:00 a.m. the disbursement bank estimates the value of checks to be paid that day. This estimate is based on (i) daily Office reports on EFTs, large checks to be issued, and daily issuance amounts by major spending categories, and (ii) proprietary algorithms and models developed by the current disbursement bank based on its experience with the account. For investment purposes, differences between daily estimates and actual are compensated for by adjusting the amount of funds available for investment in subsequent days.
- Q-88. Page 45 - Price Proposal Income Tax Refund Disbursement Services
Your analysis statement shows two ZBA Sub’s but no ZBA Master. Please confirm that this is the sub account to the General Disbursement account. Please provide a flowchart or schematic of the current structure.
- A-88. The master account is the General Disbursement account.
- Q-89. Do you currently utilize Positive Pay on the Income Tax Refund account? We did not see volume.
- A-89. Volume should be 83,000 and is included on pricing sheet in Amendment #2 to the RFP.

- Q-90. Page 46 - For line items “ACH Returns – Faxed & Notification of Change Fax”, is this the fax fee or the actual Return & Notification of Change fee? Please provide a definition.
- A-90. This is the charge for the NOC.
- Q-91. For line item “ACH Deletions, does this represent an “item”, “file” or “batch”. Please provide a definition.
- A-91. Represents an item.
- Q-92. Page 46 AFP code 250501 ACH File handling I Via Web or Vendor - Please describe what this service is, files delivered to originate ACH transactions? If so, how delivered - by direct transmission?
- A-92. Direct transmission from Office and call-in to confirm totals.
- Q-93. Page 47 - Price Proposal Payroll Disbursement Services – Main - Your analysis stated a volume for ZBA sub, but no ZBA Master. Please confirm that this is the sub account to the General Disbursement account. Please provide a flowchart or schematic of the current structure.
- A-93. The master account is the General Disbursement account.
- Q-94. Is this account currently utilizing Full or Partial ARP, or Controlled Disbursement?
- A-94. Full ARP with Pos Pay and no controlled disbursement.
- Q-95. Page 48 AFP code 250501 ACH File Handling II - Please describe what this service is, files delivered to originate ACH transactions? If so, how delivered - by direct transmission? What is the difference between ACH File Handling I and ACH File Handling II?
- A-95. ACH File Handling II refers to a third party sending ACH file on our behalf.
- Q-96. Page 50 - AFP code 400231 BAI2 Transmission per Detail Line - Please describe what service this is, does it relate to ACH?
- A-96. This is the per item charge to receive a BAI file transmission of previous day activity.
- Q-97. Can we include commercial card disbursement solutions in our RFP response?
- A-97. Please refer to section 3.06 of the RFP.
- Q-98. Are there any restrictions to utilizing sub-contractors to meet all the State’s service requirements?

A-98. Refer to Appendix F, Form of Contract, Article IV – General Conditions, Section 4.3 Subcontracting; Assignment.

Q-99. What is the average monthly aggregate number of all the States' disbursement programs' checks cashed at M & T banking centers?

A-99. This information is not available.

Q-100. Is it required for the service provider to have brick and mortar locations in the State of Maryland to meet the RFP requirements?

A-100. Yes, either directly or through correspondent relationships.

Q-101. Are there special services required for processing of 'reclaims' related to pension payments inadvertently made to deceased retirees?

A-101. Standard reclamation processing is required.

Q-102. How many 'reclaims' were processed in the past 12 months?

A-102. Any reclaims processed would be on the pricing sheet for MSRPS included in Amendment #2 to the RFP.

Q-103. How many fraud claims were processed in the past 12 months? What types of fraud claims were processed?

A-103. There are on average 5 suspect checks presented per day. All suspect checks were caught and stopped as the result of our positive pay service.

Q-104. Are the MSRPS transaction item volumes included in the General Disbursement item count?

A-104. These volumes are included in Amendment #2 to the RFP as a separate pricing sheet.

Q-105. How many situations of account overdraft were experienced in the past 12 months? What were the reasons for the overdraft status?

A-105. The account was 171 days overdrawn during 2010. The current check estimation process was the reason for many of the overdrafts.

Q-106. RFP Page 6, Item 2.14 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-106. 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.

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

Q-107. If we required controlled disbursement as a solution does it exclude us from consideration?

A-107. No. You will not be excluded from consideration if controlled disbursement is your solution.

Q-108. Are stop payments currently submitted by file transmission or entered online manually by State personnel?

A-108. Stop payments are currently entered online manually by State personnel.