

**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
BANKING SERVICES AND ELECTRONIC PAYMENT CARD SERVICES FOR THE
MARYLAND DEPARTMENT OF HUMAN RESOURCES,
CHILD SUPPORT ENFORCEMENT ADMINISTRATION
RFP #CSEA-BANK-EPT-03142016**

April 28, 2016

Appendix A

- Q-1. Can you provide a more detailed listing of all of your banking services and monthly volume in an Excel spreadsheet?
- A-1. See Exhibit 1 for the March 2016 monthly services volumes.
- Q-2. On the pricing sheet, are all services requested that are being utilized? Please advise if CSEA is using the following services and if they will be continued with the new contract?
- a. Zero Balance Account;
 - b. Image Cash Letter;
 - c. Output of posted items;
 - d. ARP On-line statement;
 - e. ARP stale date;
 - f. Global Advice;
 - g. Current Day reporting; and
 - h. Financial Center Night deposit.
- A2. Yes, CSEA expects to use all services requested in the RFP.
- Q-3. Please clarify the meaning of Check Deposit Rejects in Appendix A.
- A-3. A check that was deposited and returned unpaid for reasons such as non-sufficient funds.
- Q-4. Please provide the current fee schedule cardholders and/or the State is currently being charged in the existing debit card program.
- A-4. See Exhibit 2 (separate attachment).

Section 1.06

- Q-5. When will response to questions be posted based upon timeline.
- A-5. Responses are posted April 28, 2016. All Proposals submitted in response to this RFP are due no later than 2:00 p.m. on May 11, 2016.
- Q-6. Will the State please provide an extension to the due date to allow proposers to be able to incorporate answers to questions into their proposal?
- A-6. The due date for proposals to the Procurement Officer at the Issuing Office will not be extended.

3.02 Minimum Qualifications

- Q-7. #7 | Page 12, Section 3.03, Minimum Service Requirements, #2 - Please clarify the requirement, page 11, 3.02, #7, and page 12, 3.03, #2, regarding custody arrangements. In accordance with the applicable state statute, page 86 of the RFP, State Finance and Procurement Article, §6-209, (c), related to custody arrangements, we shall be proposing Bank of New York Mellon as custodian for pledge of collateral to secure deposits in excess of FDIC insurance.
- A-7. The State prefers collateral accounts at the Federal Reserve Bank.
- Q-8. #8,b (pg. 11) - Can you please clarify if “b. ATM transactions” refers to in-network ATMs of the bidding financial institution only?
- A-8. It refers to in-network ATM’s of the proposing financial institution.
- Q-9. Will a proposer be disqualified if they bid an amount in the cardholder fee schedule for categories listed in RPF Section 3.2, item 8?
- A-9. Failure to meet minimum qualifications may result in rejection of their proposal.

3.03 Minimum Service Requirements

- Q-10. #5 - Given the size of our audited financial statements, and with an eye towards reducing paper, will the STO accept a link to these statements or allow us to provide them electronically via CD?
- A-10. The STO requires one hard copy of the requested documents in #5 to be submitted with the original copy of the Offeror’s technical proposal only. In addition, a link may be provided in your response as well.
- Q-11. #8 - Please provide any fraudulent check history for this contract.

A-11. For the calendar year 2015, we have processed check forgery claims for total amount of \$2,058.40.

Q-12 Does the State of Maryland indemnify the correspondent banks for any fraudulent checks cashed at their offices?

A-12. No.

Q-13. #11 - Are all fraudulent check claims reported to the local police by the check recipient? How does the State minimize fraudulent claims?

A-13. Yes. The police report is part of the forgery packet we submit to the bank. We currently use the Positive pay file feature. We expect the Offeror to include methods to reduce fraud as part of their proposal.

Q-14. Will the State provide a contact that may be called to verify checks for correspondent banks?

A-14. No.

3.05 Banking Services Requirements

Q-15. #22 - Could the STO clarify what you are requesting in this requirement? Are you simply requiring bidders to confirm that they will provide reports and/or statements as required by the STO and/or CSEA?

A-15. Yes. We are requiring Offerors to confirm that they will provide reports and/or statements as required by the STO and /or CSEA.

Q-16. Within requirement number 24, please confirm if the service required is Image Cash Letter or Remote Deposit Capture or both.

A-16. The requirement is for both.

3.06 Electronic Payment Card Services

Q-17. #5 (pg. 19) - Please provide the following metrics for the EPC program for calendar year 2015:

1. Number and average transaction size of signature and PIN-based transactions.
2. Number and average transaction size of in-network and out-of network ATM transactions.
3. Number and average transaction size of teller cash transactions.

- A-17. 1. PIN based transactions: Average number - 458,018 and Average size - \$22.63.
2. In-network and out- of-network averages are: Average number - 60,430 and Average size - \$103.41. A breakdown of in-network and out-of-network is not available.
3. Average number for teller cash is: Average number - 1,318 and Average size - \$516.94.
- Q-18. Please provide the total amount of funds deposited to debit cards for the months of January, February and March 2016 respectively.
- A-18. The total amounts of funds deposited on Debit cards were: January 2016 - \$16.5M, February 2016 - \$16.1M, and March 2016- \$20.5M.
- Q-19. Please provide a copy of the current Terms and Conditions that are sent to cardholders.
- A-19. See Exhibit 2 (separate attachment).
- Q-20. Please provide the current number of cardholders who received a deposit for the months of January, February and March 2016 respectively.
- A-20. This data is not specifically tracked and therefore not available.
- Q-21. What is the average deposit amount deposited to debit cards in 2015?
Has that average changed for any month in 2016?
- A-21. The Average deposit amount for 2015 was \$17,838,916. Deposit amount varies by month depending on collection amount.
- Q-22. Please explain the difference between replacement card and a reissued card.
By reissued card do you mean reissued due to the expiration date being reached?
- A-22. A replacement card is for cards that have been lost, stolen or never received. A reissued card is one that has reached its expiration date.
- Q-23. Please provide the number of current cardholders that reside in (i) the State of Maryland, (ii) other U.S. states, and (iii) outside the U.S.
- A-23. Cardholder residence information is not available. The number of disbursements to Maryland, other states, and other countries are as follows;
Maryland – 2,307,019;
Other States – 164,349 (this includes 312 to Puerto Rico and 83 to the US Virgin Islands); and
International – 192

4.03 Volume 1 – Technical Proposal

Q-24. #3. Offeror's Capabilities There is no mention of section 3.08 Enhancements of the Scope of Services in this section. To confirm: are offeror's not required to provide a response to section 3.08?

A-24. The Offeror may provide their recommendations for enhancements. Associated costs must be included with Appendix A – Price Proposal.

Q-25. #3f. (pg. 47) - Should the item which requires us to "include a brief description of any other value added services as indicated in Section 3.10 Other Services for Consideration" be labeled "g" instead of "f"?

A-25. Yes.

5.02 Evaluation Committee and Evaluation Criteria

Q-26. Will the State provide the percentage breakdown between the technical merit and pricing proposal?

A-26. No. Technical merit will be given more weight.

Q-27. Will the State provide the evaluation weight for the cost proposal banking services transaction fees vs. cardholder fees?

A-27. Price proposals will be evaluated based on the most favorable cost for all services.

Q-28. Based on the information shared by the State at the pre-proposal meeting on April 5, 2016 that the offeror need not be a financial institution, will the State please update these two sections to indicate that clarification?

A-28. The clarification in the Pre-Proposal summary dated April 21, 2016 states, ***"The RFP is written to require the prime contractor to be a financial institution. A non-financial firm may serve as a subcontractor."***

Q-29. Will the State allow providers to offer alternative solutions to an activation sticker to be more in line with industry current practices provided the dual language requirement is achieved?

A-29. Yes.

Q-30. Offerors are instructed not to include price information in their technical proposal. Is it permissible to include references to no cost or if an item is free and/or surcharge free as may be required by a requirement?

- A-30. No pricing information should be included in the technical proposal.
- Q-31. Please confirm that the State intends to be invoiced for any fee item listed under Enrollment fees or Monthly fees and not a child support cardholder.
- A-31. See Appendix A – Price Proposal for fees the State intends to be invoiced for.

Ex. 1

3/31/2016

Service	# of Units
Balance related services	
Dep Insurance-bank assessments	
Depository services	
account maintenance	3
banking center deposit	424
qbd/night drop deposit	209
vault deposit	256
Check deposit- Paper	15
deposit correction-non cash	2
general checks paid truncated	12,991
zba master acct maintenance	1
zba subsidiary acct maintenance	1
ZBA per transactions	23
returns - Chargeback	1
cks dep un encoded items	422
cks dep foreign items	32
stop pay automatic <=12 months	32
debits posted electronic	136
credits posted electronic	138,074
Deposit account Statements	3
gen disb cks pd-is frt/bk img	78
check deposit-icl or rdso	64
IRD deposited items-ICL	5
image deposited items-ICL	51,981
transmission maintenance	1
commercial deps-cash vault	
curr/coin dep/\$100-qbd-nd	2,820
Curr/coin dep/\$100-bkg ctr	8,793
curr/coin dep/\$100-bkg vlt	7,483
Non std bag surcharge	1
deposit correction cash	1
deposit conditioning-surchg vault	1
General ach services	
ach optional rpts-electronic	23
ach return item	167
ach output-file	2
ach monthly maintenance	4
ach input file	90
ach blocks auth instructions	3
ach blocks auth maintenance	3
ach originated addenda	27,095
ach output-file posted items	328,295
Delete/Reversal batch/file	1
ach notification of change (noc)	33
ach standard reports-electronic	118

Service	# of Units
ach consumer on us credits	138,843
ach consumer off us credits	78,793
ach consumer on us debits	806
ach consume off us debits	4,744
ach corporate on us credits	2,050
ach corporate off us credits	25,079
ach coporate on us debits	2
ach coporate off us debits	33
ach credit received item	138,194
ach debit received item	136
Wire transfer	
cpo gp mthly maint basic	1
Account reconciliation	
arp full ppay maint-ppr supp	1
arp full ppay input per item	14,438
arp recon trans daily	20
ARP void cancel items	1,041
arp stale date maint	1
positive pay exceptions	4
ARP POS pay rtns default	11
Information services	
cpo prem email schedu	11
cpo arp online reports	1
cpo online subscription	1
cpo prem ir maintenance	1
cpo prem pdr account	3
cpo prem pdr itm stored	149,028
cpo prem cdr account	1
cpo prem research item	10
cpo prem per image access	13
Edi services	
global advice rec per payment	138,370
global advice receiving maintenance	1
Image	
cd rom maintenance	1
cd rom per image	13,010
cd rom disk	1
Miscellaneous	
check order fee	1
email/fax	1
Total service charges	