

MARYLAND STATE TREASURER'S OFFICE

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

**SUPPLEMENTAL QUESTION AND ANSWER
FOR
REQUEST FOR PROPOSALS FOR
LOCKBOX BANKING SERVICES
RFP # LB-11212016**

January 19, 2017

- Q-1. Please confirm what caused the volume differences from the prior Appendix A.
- A-1. The replacement Appendix A has been updated to reflect the monthly average volumes.
- Q-2. Does the State have an estimate regarding lockbox volume trends over the next 5 years?
- A-2. No.
- Q-3. The State mentions that the Dept of Health and Mental Hygiene is designated as a Retail lockbox. The analysis codes do not break down the volumes for retail. Can the state provide the volumes for the retail box or provide the DDA # assigned to the box listed on the Exhibit A check volume spreadsheet?
- A-3. Retail volumes are not available at this time and the State does not disclose DDA #s.
- Q-4. We noticed that there is a new line item 32-99-9-9 Envelope Return- NO Reassociation volume which is the fee to return lockbox envelopes to customers without reassociation.
- a) Is there a reason why the agencies are receiving just the envelope (332 volume) without reassociation?
- b) Also are the agencies receiving the return lockbox envelopes by US mail or through a courier?
- A-4. a) Cost.
- b) How an Agency receives return lockbox envelopes is by the Agency's choice.

Q-5. On Page 14 under Daily Reporting (i) Is the State willing to agree to a daily E-Mail by 7AM to the agency concerning the amount deposited the previous day?

A-5. This will ultimately be the Agency's choice, however, an Offeror must propose a 6 AM email delivery or provide on-line access to an online reporting services for this information.

Q-6. Question Q-21 asked about average monthly balances and the State responded that the average monthly collateral balance for all accounts is \$24 million. It would be helpful to have the actual averages similar to what is provided on the consolidated analysis statement below.

Average Positive Ledger Balance
Average Ledger Balance
Less: Average Float
Average Collected Balance
Average Negative Collected Balance
Average Positive Collected Balance
Average Available Balance

A-6. Currently the lockbox collateral is adjusted daily; therefore, these records are not kept.

Q-7. Is it an accurate assessment that the overall check decrease in 5 years is approx. 39%? For example, based on the SOM's spreadsheet, the # of checks processed from 2015/2016 was 1,071,602 and looking back in 2010/2011 there were approximately 1,700,000 checks processed during a 12 month period.

A-7. We confirm that there has been a decrease in the number of checks processed, however the specific percentage or amount of checks processed in the last 5 years is not readily available.

Q-8. Would the State attribute this decline to:

- a) Electronic payment alternatives such as converting Online Bill Payment checks to electronic payments?
- b) Do the State agencies utilize a solution for converting Bill Payment Checks to electronic payments?
- c) If so is this a separate contract?

A-8. a) No. One agency decided to process certain payments in-house.
b) No.
c) Yes, it would be a separate contract.