



TO: All Prospective Proposers

FROM: Tom Wester – Procurement Services

Subject: Addendum Number One – RFP #12-008 Banking Services – Wake County Government & Wake County Public Schools

Date: February 7, 2012

The following information is offered to answer general items discussed due the January 25, 2012 pre-proposal meeting and to respond to questions received.

Special Note: Due to the volume of questions received, the original deadline to submit questions has been extended until 5:00pm February 8, 2012. Proposers should thoroughly review the information provided in this document prior to submitting additional questions.

- **January 25, 2012 Pre –proposal meeting questions & responses:**

**Volumes (transactions) were not on Attachment 1 (all zeroes)**

*Attachment 1 that was placed on web was a draft of the final formatted file. Final version with volumes was placed on website on 1/25/12.*

**Meeting participants asked for information about the average monthly balances for 12 months for Wake’s operating accounts.** *Ending average 12 month balances for Wake General Fund Operating Account, Revenue Refund Account, and Payroll Account are \$27,282,934, \$5,155,510, and \$129,942, respectively.*

**Meeting participants asked for information about the average monthly balances for 12 months for Wake County Public School System’s (WCPSS) operating accounts:**

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**Wake County Public Schools**

***Average Monthly Balance***

Child Nutrition deposits from all

schools	1,141,180.00
Capital Outlay	747,193.00
Enterprise (CNS & Tuition Programs)	3,640,040.00
Local	9,753,434.00
Bond	1,109,633.00
Grants	714,306.00
Other Restricted	1,081,667.00
School Funds	1,363,820.00
Fed/Fica Deductions/Wires	749,035.00
Payroll Deductions/Wires	10,388.00
Transfer to/from State	623,509.00
Workers Comp	261,286.00
Flexible Benefits	823,605.00
Community Schools	9,827.00
Project Enlightenment	19,153.00

**Wake County’s Investment Transaction Information – Average Portfolio Size, Average number of Transactions per month, and average transaction size:**

1. *Average Number of Transactions per month – 2.71 per month with activity skewed heavily to October – January timeframe with property tax collections.*
2. *Average portfolio and transaction size - \$574,056,644 average portfolio for last 24 months with an average transaction size of \$14,969,231.*

**How you use your accounts? Page 17 Information “About the Jurisdictions”**

**Wake County:** *3 control Disbursement accounts – (1) General Fund Operating Account (2) Payroll Account, and (3) Revenue Refund Account. The bulk of our payments and receipts go through the operating account, with imprest amounts being transferred to payroll account and revenue refund account.*

**WCPSS:** 7 Disbursement accounts: (1) Local funds, (2) Capital outlay, (3) Enterprise funds, (4) Capital Bond, (5) Grant funds, (6) Other restricted funds, and (7) Individual School funds. All accounts have receipts and payments.

3 deposit Only Accounts: (1) Child Nutrition, (2) Community Schools, and (3) Project Enlightenment. The Child nutrition account has a significant number of transactions while the other two have significantly less transactions.

5 Accounts that have receipts and wires: (1) Fed/Fica Deductions, (2) Other Payroll Deductions, (3) Transfers to/from the State, (4) Workers Comp, and (5) Flexible Benefits

**Municipalities (Page 2) – As our current contracts expire in June 2013, Wake County and WCPSS desire to select a reputable financial institution to manage deposits, provide core banking services and other related financial services to benefit the respective jurisdictions and the citizens they serve, as well as other municipalities within Wake County if they so choose.**

**Wake County:** We have not contacted any municipalities within the County and don't know if they would choose to participate. It is unknown if any have chosen to participate in the past as this language was in the previous RFP in 2000.

**Share cash needs for WCPSS individual schools:**

**WCPSS:** Schools each deposit into small account, choose their bank of choice, various stages. Just need free checking account.

**Patient Billing (Page 8, paragraph 5) – Typographical Error. Delete language referring to patient records and billing.**

Wake County will still need to have ability to audit bank records if deemed necessary by our Internal Audit Division. Delete language referring to patient records and billing. Revised language for Page 8, Paragraph 5 is below:

“The County shall have access to Proposer’s facilities, shall have access to all necessary records and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article. The County shall give Proposer reasonable advance notice of intended audits.”

**Deposit Tickets:**

**WCPSS:** Each School has separate account but also deposits into central accounts, WCPSS needs hard copies of statement sorted by locations of each school that they will reconcile to bank. Locations are used to identify deposit locations and follow up on missing transactions.

**Wake County:** Same process except electronically/See Attachment 5 to RFP document for County’s deposit ticket sample format.

**RFP Exceptions Taken – What are Wake’s priorities for tolerance – i.e. operating deadline, other legal requirements?**

Wake County: RFP presents our minimum requirements. If specific requirements are not part of your services offered, you may suggest alternatives. They will be considered as part of the evaluation process. **Please be careful to note which requirements ARE not negotiable. These are on page 3 of the RFP.**

If you are taking any exception to RFP items or establishing different criteria than one requested by Wake County or WCPSS, then please note such in your proposal and state your alternative clearly.

**Frequency – Integrated Payables (I/P):**

**Wake County's Disbursement Services** function utilizes Integrated Payables. Wake County will have 10 to 14 I/P Files per week, depending upon which week of month. Accounts that use I/P functionality are the General Operating Fund and the Revenue Refund Accounts. Payroll for Wake is semi-monthly but does not use Integrated Payables. The majority of Wake's payroll payments are made via ACH. A small amount of payroll checks are printed in-house, manually processed, and mailed from Wake County.

**WCPSS:** WCPSS does not use the I/P functionality.

**ACH Files (Technical) – Functional 957:**

**Wake County:** Acknowledgement is electronic and is needed individually for every file that is sent. Data shown must include:

1. Item count
2. Dollar amount
3. Date

**Safekeeping Section – OK to propose a Separate entity for that?**

**Wake County:** Yes. Submit with proposal. Will be considered in evaluation and structure contracts appropriately if that is the structure we select in our evaluation process.

**Procurement Card Services (Page 24) - Vendor payment in 2011 of more than \$5 million**

**Wake County:** E-payables vendors not included in this calculation, only routine procurement card payments made by departments are included in this calculation. This is a new program for us and we have less than one year of experience. To date, the County is averaging approx \$450K per month or an estimated \$5.4 million of e-payables spend per year. The amounts noted in the RFP for e-payables were only for three (3) months of a partial year and that should have been indicated.

**E-Box Services**

**Wake County:** The ebox is an electronic file that comes in appended with our lockbox file. The 2 emails that arrive each day are separate reports containing details of the electronic payment file.

1 File with - Name, Account #, Actual Company used

1 File with – Number of transactions, dollar amount

**Lockbox - Address (PO) – Is there a problem if lockbox address is outside of County?**

**Wake County:** No

**Lockbox daily cash amount – Does lockbox receive cash payments?**

**Wake County:** *Very rarely. Wake requires reporting to notify us of such so that we can contact the taxpayer and offer other options for payments besides cash.*

**Procurement Card – Does Wake settle account monthly and make one payment?**

**Wake County:** *Yes*

**County – Coin / Currency Experience**

**Wake County:** *Revenue Department does coin order once/twice week in mixture of about \$500 – \$1,000  
Satellite stations – Town Halls – Do through own banking  
Library System has Book sale annually will order cash/coins*

**Cash/Coin Volumes – Broken down, Courier Service? What volume shows up on analysis statements for County?**

**Wake County:** *Our total volume for last 12 months was 49 change orders. All change orders are processed at branches. Revenue Department & Human Services phone in their orders and pick them up at the bank branch. Other locations do not phone in change orders.*

**WCPSS:** *School lunch accounts handle a lot of coin and cash. Parents can pay by month online but the cafeterias still handle large amounts of coins and cash. Each school will make daily deposit and will need cash and coin supplies at the beginning of each school year.*

**Expectations E-Payments? Objectives - Page 16 & 17, Question #56 – School fees – carry over – credit vs. deficit**

**Wake County:** *For interest earning, Wake prefers to be paid interest separately and not use compensating balances calculations that will make account fees more difficult to track and control.*

**WCPSS:** *Compensating Balances are fine.*

**Credit Report – Page 2, Question #4 – Any particular one to use?**

**Wake County:** *Please provide credit input from all of the three agencies that you receive ratings from. If you work with all three, then Wake would like to see all three.*

**Deposit Supplies – Does school have similar requirements?**

**WCPSS:** *Yes. Revised Language for page 15 of RFP that adds WCPSS to this requirement is below.*

SUPPLIES

1. Provide deposit tickets at no charge. For both Wake County and WCPSS, deposit tickets must be printed in triplicate, pre-numbered, and contain MICR encoding with location numbers. Tickets must also be preprinted with location names. See Attachment 5 for an example of Wake County's deposit ticket requirements.

36. Provide disposable bank deposit bags to Wake County and WCPSS at no charge.

**Average Account Balances for WCPSS' 162 schools:**

**WCPSS:**

*Elementary - \$2,500*

*Middle – \$3500*

*H.S - \$7,000*

**Copies of 10Ks – Link okay or physical hard copy?**

**Wake County:** *Submit one (1) hard copy original with your proposal response*

**Print / Mail Disbursement of Checks**

**Wake County:** *Currently, Wake's bank prints and mails checks for 2 accounts, the General Fund Operating Account and the Revenue Refund Account. There are a small amount of manual checks that we process in house that post to the General Fund Operating Account. Wake prints and mails its own payroll checks or direct deposits them using ACH.*

**WCPSS:** *Prints and mails their own checks. Bank does not print or mail checks for WCPSS.*

**Additional Questions Received Subsequent to 1/25/12 Meeting:**

**Can you provide the RFP in Word rather than PDF?** *Yes, please request a copy from the proposal contact, Tom Wester, [twester@wakegov.com](mailto:twester@wakegov.com). The Word version will not be posted on the website.*

**Would you please provide a copy of your lockbox coupon and comment about monthly volumes, seasonal fluctuations and percentage of exceptions received through your lockbox?**

**Wake County:** *On average, the monthly volume for the lockbox is about 32,000 items and the exception items average about 1600 @ month. Since it used only for items billed on property tax bills, monthly volumes are much higher in October – January each year. The rest of the year, volumes are more stable. An example of Wake's lockbox coupon is below. The name and address of taxpayer prints below city/state/zip line corrections but has been eliminated from this example.*



**Please clarify: “The County receives a rebate from BOA that is based upon the total amount spent statewide by all cardholders during the year”; Is the amount of the rebate percentage used to factor the rebate dollar amount based on the total state’s spend – for both the procurement program and e-payables? If so, what is the dollar amount spent by the state used to factor the rebate percentage for both e-payables and procurement programs?** *We get a standard rebate percentage based on how quickly we have agreed to pay our current provider following the bill receipt; however, the rebate structure that they provided is based on the entire volumes the current provider has in the entire state program. We do not have any access to any statewide information as a whole and cannot advise what dollar amount is spent by the state.*

**As part of the RFP, does Wake County want to have a card program outside of the state’s spend rebate structure?** *No. Wake is not interested in more than one procurement card program. We included this service on the RFP because we wanted to investigate other options and compare the market.*

**What is the name of the accounting system the County is using to support its card program?** *The County uses the current provider’s web-based system and Access to support its card program.*

**On Page 11 you refer to a “weighted analysis” that is to be utilized when grading the RFP Responses. Could you please supply the weighting / criterion that will be used?** *The criteria are listed in the rfp. The associated weights/values are not being released at this time.*

**Are there any specific new services that the County and School System would like more information about in the response? This could refer to new technology or customized services aimed at streamlining processes and lowering costs.** *As stewards of the public’s funds, we are always interested in seeing how new technologies or services can help us be more efficient or lower our costs. Please include any ideas you have for these types of options in your RFP. Those options may be considered once the basic requirements have been met/confirmed.*

## Section 1 – Core Banking Services

### *General, Page 1*

**Please provide an operating account structure listing to include the zero balance accounts mentioned (i.e. a list of each checking account and their respective purpose).** *See operating account question above for this information for both Wake County and WCPSS.*

**Are all checking accounts combined for analysis purposes or are the government accounts grouped separate from the school accounts? Please provide a 12 month history of average balances held in the grouped checking accounts.**

**Wake County:** *The County combines primarily the General Fund Operating Account and the Revenue Refund Account for analysis purposes. Payroll is treated separately for analysis purposes. There are not any County accounts grouped with WCPSS accounts. A 12-month history of average balances for Wake grouped checking accounts as well as payroll account is below.*

### **AVERAGE MONTHLY BALANCES**

	<u>GEN FUND</u>	<u>REVENUE</u> <u>REFUND</u>	<u>Total</u>	<u>PAYROLL</u>
JAN 2011	51,987,026.62	6,717,970.40	58,704,997.02	91,317.24
FEB 2011	21,843,228.27	5,474,619.78	27,317,848.05	92,954.45
MAR 2011	84,413,252.00	4,858,268.76	89,271,520.76	264,664.38
APR 2011	10,033,259.75	4,809,951.26	14,843,211.01	123,802.89
MAY 2011	12,147,566.33	4,829,725.92	16,977,292.25	130,076.51
JUN 2011	23,312,960.64	4,844,947.80	28,157,908.44	123,076.26
JUL 2011	17,185,991.84	4,841,288.15	22,027,279.99	129,754.34
AUG 2011	12,773,737.65	4,830,249.93	17,603,987.58	111,975.28
SEP 2011	5,586,499.88	4,927,249.69	10,513,749.57	121,544.86
OCT 2011	11,424,292.42	5,017,132.48	16,441,424.90	120,259.35
NOV 2011	42,940,313.17	5,255,379.46	48,195,692.63	121,963.53
DEC 2011	33,747,080.78	5,459,340.09	39,206,420.87	127,915.59
TOTAL	327,395,209.35	61,866,123.72	389,261,333.07	1,559,304.68
AVERAGE	27,282,934.11	5,155,510.31	32,438,444.42	129,942.06

**The RFP states the current money market account may hold up to \$200 million at any one time. If possible, please provide a monthly balance history over the last 12 months to review any fluctuations in order to determine the best solution to offer. Monthly ending balances for Wake money market are below.**

01/31/11	175,574,921
02/28/11	5,635,679
03/31/11	59,763,885
04/30/11	53,787,430
05/31/11	83,814,566
06/30/11	

	58,841,144
07/31/11	68,867,506
08/31/11	107,610,131
09/30/11	99,455,778
10/31/11	54,483,261
11/30/11	199,529,950
12/31/11	172,600,231

***Integrated Payables, Page 14***

**Are you able to provide a sample XML file based on the file formats in the RFP for checks and ACH? This can be sent via secured email as a file attachment. See Attachment 5. Standard data transmission file formats are presented for both Wake County and WCPSS.**

***Safekeeping Services, Pages 15-16***

**#37 states that the bank would set up a "third party safekeeping agreement outside of the bank's corporate structure". Our safekeeping services department is part of [the bank], would this be an issue based on that statement?** *The intent is that the investments are held in a trust relationship and should be kept completely separate from the operations of the bank. These funds should not be co-mingled in any way with the funds of the bank or of other entities. As long as the custodial arrangements meet legal and regulation requirements, it will be assumed to be acceptable. If questions arise during review your RFP, we will be referring to staff of the Local Government Commission within the Department of State Treasurer as well as the NC Local Government Budget and Fiscal Control Act – NCGS 159.*

**#41 states that delivery and wiring instructions should be accepted until 4:00pm daily. Is this referring to same-day delivery instructions?** *Yes.*

**Since many municipal accounts typically request daily transfers of cash from the custodial account to their operating account, please provide Wake County's requirements in this area.** *Wake County does not access our custodial account daily. We keep a portion of our portfolio in liquid assets and use that to manage our routine cash needs. We typically time maturity dates of investments and subsequent*

transfers from our custodial account with large payouts such as debt service or payroll payments which we forecast in our cash flow model.

**Please provide total asset amount associated with custody services.** *Wake's average portfolio for last 24 months has been \$574,056,644.*

**How many monthly transactions are anticipated?**

**Wake County** *averages about 3 purchases per month. We typically time maturity dates of investments and subsequent transfers from our custodial account with large payouts such as debt service or payroll payments which we forecast in our cash flow model and can provide to our bank ahead of time as needed.*

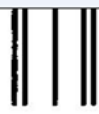

**Please provide a copy of an account statement that shows a listing of all investments in the custody account.** *Scanned copy to be posted on County website.*

Section 2 – Lockbox Services

**Which Wells Fargo lockbox sites process your payments?** *Charlotte*

**Do you provide your tax payer with a scannable coupon and window envelope?** *Every bill and statement includes a tear off coupon and return envelope with window.*

**Please provide of samples of both the coupon and envelope.** *Coupon provided above in this listing of questions. Envelope is below.*

<p>From</p> <hr/> <hr/> <hr/>		<p>Pl: St: He</p>
	<p>RETURN FOR ALL WITH TEAR OFF COUPON</p> <p><u>Revenue</u> Single Window Return</p>	

Please provide the scanline definition, assuming there is an OCR scanline. Chart of coupon scanline fields is included here. The coupon does not contain a barcode.

Position	Length	Field Name	Sample Value	Validation Required
01-02	02	Bill Code	01	00-49 = Wake County
03-18	16	Account Number	000000000000287	
19-22	04	Tax Year	2001	
23-26	04	Year For	2001	
27-32	06	Bill Type	000000	
33-33	01	Address Type	0	
34-40	07	Current Due Amount	0000000	
41-47	07	Past Due Amount	0000000	
48-57	10	Total Amount Due or Pay	0000139420	
58-58	01	Scanline CheckDigit	9	10's compliment on positions 01-57, Weights 7,5,3,2, Sum of Digits.
59-59	01	Account Number	8	10's compliment on positions 03-18, Weights 7,5,3,2, Sum of Digits.
60-60	01	Amount Due	5	10's compliment on positions 48-57, Weights 7,5,3,2, Sum of Digits.

**COUPON DEFINITION**

Print Vendor Name: Professional Mail / Paul Hamilton  
 Document ID Name: Statement A  
 Paperweight: 24 lbs.  
 Coupon Size: 8.5 x 3.56 inches.  
 Font: OCRA Numeric  
 Scanline Position:  
     Vertical start: 0.50 inches (from coupon bottom edge)  
     Horizontal start: 1.187 inches (from coupon right edge)

**What % of payments are returned without the coupon? How do you want these checks handled?**  
 3-5% of the mail pieces are considered exception mail. These include unbalanced multiple payments, checks with account # but no coupon, checks without account # and no coupon, checks with a list of accounts and no coupon, other documentation without payment. These items are handled as Exception mail and that subject is covered in the RFP.

**Is the lockbox volume cyclical during the year or fairly stable each month? Although the annual lockbox volume was provided, it would be helpful to see the monthly volume for the last 12 months if possible.** From data below, you can see that there are months with higher volume, typically late fall and early winter as our real property tax payments are coming in. After January 6th every year, these amounts drop off considerably as that is date interest penalties begins to accrue on late payments.

DEC 2010	70934
JAN 2011	42788
FEB 2011	28729
MAR 2011	28869
APR 2011	24508
MAY 2011	20816
JUN 2011	26587
JUL 2011	23566
AUG 2011	54520

SEP 2011	36388
OCT 2011	35046
NOV 2011	37588
TOTAL	430339

**Is the Ebox transmission combined or appended to the lockbox file each day, or are two separate files sent?** *We currently receive one transmission file with the ebox information appended, which is split out by our Information Services Department. The preference would be for two separate files to be sent. We do receive separate email reports for lockbox and exbox.*

**On Attachment 1 Fee Schedule, what is Table Monthly Maintenance?** *This fee is a monthly fee for the storing/maintaining the criteria for processing/rejecting payments for multi-DDA clients. Basically it is for the instructions on processing or rejecting any incoming payments to your lockbox.*

Section 3 – Procurement Card Services

**On page 24 of the RFP in the third paragraph, it states Wake County began paying certain enrolled vendors electronically using the BofA credit card program. For those e-payables vendors, it appears the County has a separate program for these vendors since the rebate is paid separately for the p-card.** *Yes, that is correct although the rates are calculated based on same volumes.*

**If there is a separate e-payables solution being used for these vendors, if [bank] cannot provide such a product, would Wake County still be interested in receiving our proposal for the p-card program ONLY?** *If procurement card rebate rates were such that it would be to our benefit and it would not ultimately cost us in our e-payables program, Wake could consider such a proposal. These conditions and others would be considered in determining if this is advantageous for Wake.*

**Will there be separate contracts for the County and the Schools? Additionally, is there the possibility that there will be a separate contract for each service? (Pages 3 & 4 in the RFP)** *There will be separate contracts for the County and WCPSS. Depending upon how the proposals are submitted, there may also be separate contracts for each service with Wake.*

**Please confirm that question # 30 on page 15 refers to the ACH & Print/Mail for checks that the WPSS will not use. The preceding question references those services for Wake County.** *That is correct; WCPSS does not intend to use the print/mail functionality for their checks.*

**P. 16- #44 Does the County expect a formal credit commitment from the Bank for the Overdraft lines?** *No, the County is requesting daylight draft protection that will be cured by the County by the end of the business day. We require this as the timing of drafts for debt service or federal tax payments, for*

*example, may not always coincide perfectly with the funding wires/transfers. We have business processes in place that would resolve this situation by the end of the day.*

All other information, including the proposal response due time and date, remains unchanged.  
End of addendum