

**DEPARTMENT OF THE TREASURY
DIVISION OF REVENUE
REVENUE COLLECTION SERVICES
REQUEST FOR PROPOSAL**

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DIVISION OF REVENUE COLLECTION SERVICES

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I. PURPOSE AND INTENT

The purpose of this request is to solicit proposals from qualified New Jersey banks for the establishment and maintenance of **six (6) State Accounts** and for accurate and timely processing of all banking services associated with these accounts.

Accounts 1, 2 and 3 are a related group of accounts and will be referred to throughout this RFP as the Division of Revenue Depository Accounts. Accounts 4, 5 and 6 are also a related group of accounts and will be referred to throughout this RFP as the Motor Vehicle Commission Depository Accounts.

ACCOUNT #	DIVISION OF REVENUE DEPOSITORY ACCOUNTS
1	Taxation General Depository Zero Balance Account
2	Division of Revenue Consolidated Zero Balance Account
3	Division of Revenue General Collection Master Account
	MOTOR VEHICLE COMMISSION DEPOSITORY ACCOUNTS
4	Auto Insurance Credit Card Surcharge Collection Zero Balance Account
5	Auto Insurance Lockbox Surcharge Collection Zero Balance Account
6	Motor Vehicle Commission Surcharge Collection and Disbursement Master Account

The State reserves the right to increase, decrease or consolidate the accounts, as the need arises, during the course of this contract term.

Below is the summary list of banking services, not necessarily all inclusive, that will be required for consideration of an award. The detailed specifications are delineated in **SECTION V, SCOPE OF WORK.**

Zero balance account services
Daily pickup of checks via bonded courier at three Trenton area locations
Weekly pickup of cash receipts via armored car service at two Trenton area locations, and as-needed at a third Trenton area location
Daily, Weekly and Monthly hard copy bank statements as noted in the Scope of Work
Daily balance reporting (Prior day Summary and Detail – Automated to Treasury Workstation via Web in BAI2)
Web based daily download of detail transaction reporting (prior day information)
Web based wire transfer functionality with intra-day reporting
Web based account inquiry and reporting capabilities
Web based image delivery (validated deposit slips and checks)
Monthly bank statements
MICR encoding of checks
Endorsement of checks
Encoded deposit slips
ACH receiving capabilities (CCD, CCD+ or PPD formats)
ACH Debit Block
Timely reports per RFP specifications
Check boxes, box labels, disposable check bags, disposable opaque cash bags and cash deposit envelopes as specified
Contingency plan and reliable backup in case of system failure
Timely, reliable customer services, including technical support and training

II. TERMS AND CONDITIONS

A. Applicable Rules and Regulations

The vendor must be a state or nationally chartered bank, with a presence in the State of New Jersey, employ New Jersey residents, and be in compliance with all federal and/or New Jersey State laws governing all services to be awarded.

The vendor must be a member of an automated clearing house association and be in compliance with all rules and regulations set forth by the National Automated Clearing House Association (NACHA), local ACH association(s) and ACH operators.

The vendor must be a member of the Federal Reserve direct wire system.

It is agreed and understood that any contract placed as a result of this proposal shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

The TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS and PAYMENT METHOD AND TERMS of this Request for Proposal (RFP) will supersede any and all conflicting terms and conditions, including bank agreements, submitted by the bank/contractor. The State of New Jersey will not modify its terms and conditions or execute separate bank agreements.

Proposals that do not conform with or that take exception to the State of New Jersey's terms and conditions, other mandatory provisions and payment methods and terms, as set forth in this RFP, will be considered non-responsive and therefore rejected.

The entire content of this RFP, all addenda and the bank's proposal will become the basis for any award and contract. These documents shall, whenever possible, be construed in harmony. However, if there is a conflict between the

terms contained in these documents, the order of precedence shall be: (1) the addendum(s); (2) the RFP; and (3) the bank's proposal.

B. Project Management

The Office of Management and Budget, Treasury Cash Accounting Unit will be responsible for the day to day operational administration of the accounts and will be the contact agency for operational issues after contract award.

The Project Manager for this program for the State of New Jersey is:

William Shannon
State of New Jersey
Department of the Treasury
Division of Revenue
33 West State Street, 5th Floor
PO BOX 224
Trenton, NJ 08625-0224
Phone: (609) 292-7008
William.Shannon@treas.state.nj.us

The Cash Management Unit will be responsible for any contract related issues.

C. Timetable of Events

The State reserves the right to modify any of the cited dates upon notification to vendors.

EVENT	DATE
Issuance of Request	June 14, 2006
Mandatory Bidders' Conference	July 7, 2006
Proposal Due Date	August 4, 2006
Anticipated Award Date	October 13, 2006
Implementation & System Testing	October 16, 2006
Contract Commencement	January 1, 2007

D. Mandatory Bidders' Conference

Attendance at the following pre-bid conference is a prerequisite for proposal submission.

DATE: July 7, 2006
TIME: 10:00 a.m.
PLACE: State of New Jersey
Purchase Bureau Conference/Bid Room, 9th Floor
33 West State Street
Trenton, New Jersey

During the conference, the RFP requirements will be reviewed and questions from interested bidders will be addressed.

Any deferred questions arising from the conference will be responded to in writing and distributed only to those vendors in attendance at the conference. Responses will be provided by hard copy, e-mail or via the OMB Banking Services Web site. Oral explanations given anywhere but at the bidders' conference shall not be binding.

E. RFP Questions from Bidders

Before the mandatory bidders' conference, interested bidders should submit written questions regarding this document to the Cash Management Unit, on or before June 28, 2006 to the following address:

Charlene M. Mello
State of New Jersey
Department of the Treasury
OMB, Cash Management Unit
33 West State Street, 5th Floor
PO Box 221
Trenton, New Jersey 08625-0221

Or questions can be e-mailed to the following address:

Charlene.Mello@treas.state.nj.us

Questions will be responded to at the bidders' conference.

F. Revisions to the Request for Proposal

If it becomes necessary to revise any part of the RFP prior to the mandatory conference, time permitting, revisions will be made in the form of a written addendum and made available on the OMB Banking Services Web site. Also, that same addendum will be provided in hard copy to all vendors who attend the conference.

If revisions are necessary after the mandatory conference, the revisions will subsequently be provided either in hard copy to the conference attendees, e-mailed to the attendees or, through a notice to the attendees that the revisions are on the OMB Banking Services Web site.

Acknowledgment of the receipt of all the amendments/revisions will be required accompanying any proposal submitted.

G. Proposal Due Date

In order to be considered for selection, one original, clearly marked "ORIGINAL", signed by an officer who is authorized to bind the respondent contractually, and **six (6) copies** of the proposal must arrive on or before the date specified in the Timetable of Events, and addressed as follows:

Charlene M. Mello
State of New Jersey
Department of the Treasury
OMB, Cash Management Unit
33 West State Street, 5th Floor
P.O. Box 221
Trenton, New Jersey 08625-0221

H. Oral Presentation and Vendor Site Visitation/Inspection

Vendors, who submit a proposal in response to this request, may be required to give an oral presentation to the evaluation committee. This will provide an opportunity for the vendor to clarify or elaborate on its proposal. However, an oral presentation does not provide the vendor the opportunity to change the original bid or correct any deficiencies in its proposal. Vendors should not construe the invitation for an oral presentation to imply any acceptance or rejection of bids.

The Department of the Treasury, Cash Management Unit will schedule the presentations.

At the time of proposal evaluation, the State reserves the right to inspect the vendor's facilities, including any and all subcontractors' facilities. After contract award, the State reserves the right to inspect the vendor's facilities, including any and all subcontractors' facilities, without prior notice by the State. However, if circumstances warrant prior notice because of security or proprietary considerations, please include an explanation of such reservation in your response. Failure to comply with this request may result in disqualification or termination of the contract.

At all times, (1) travel by State personnel to the vendor's site will be at the State's expense; (2) travel by vendor personnel to the State of New Jersey will be at the vendor's expense.

Prior to contract award, the oral presentation and vendor site inspection may be combined.

I. Contract Award

The entire contents of this RFP, all addenda and the bank's proposal will become the basis for any award resulting from this solicitation.

The State of New Jersey reserves the right to reject any or all proposals, to award to other than the low bidder, to award in whole or in part, and to waive any

minor informalities not in compliance with the specifications or terms and conditions of the request if deemed in the best interest of the State to do so.

Any statistics or values shown in the RFP are either based on past history, or best estimates. The future quantities, values or activities may be more or less than those noted herein and could change during the course of the contract term. The State will make no allowances or concessions to a bidder for any alleged misunderstanding because of quantity, character or other conditions.

J. Length of Contract

The contract will be for a **four (4) year term**. The bank may not close any accounts until officially notified by the Department of the Treasury, Cash Management Unit.

Any agreement executed as a result of this acquisition process is contingent upon the State Legislature appropriating such funds as necessary; to the extent such funds are necessary to pay the bank for services rendered.

K. Contract Extension

The State will have the **option to extend the contract for three (3) one-year periods**, or any portion thereof, if it is deemed in the best interest of the State to do so. The vendor will be notified of the State's intent at least **90 days** prior to the expiration date of the existing contract. The vendor will have **15 calendar days** to respond to the State's request. If the vendor agrees to the extension, all terms, conditions and pricing of the original contract and any mutually agreed to changes will apply.

At the time of contract extension, an increase in price will be considered. The unit prices during the extension periods may be adjusted utilizing the Consumer Price Index unadjusted for All Urban Consumers, New York-Northern New Jersey Region and Philadelphia-South Jersey Region using a 2/3 to 1/3 weight respectively, as published by the Bureau of Labor Statistics of the United States

Department of Labor. For price adjustments during the option periods, the prices may be increased by the same percentage as the percentage increase shown in the index for January of the extension year compared to the Index for January of the prior year or for the most recent reported twelve-month period. At the time of the extension option, the vendor must include in their response to the State the price increases, from and to, for each of the line item charges, along with supporting Labor Statistics documentation. The State will then independently verify the price adjustment.

L. Vendor Right to Protest

A vendor's right to protest RFP specifications and intent of contract award is governed by N.J.A.C 17:12.

For all Cash Management contract protests, although N.J.A.C 17:12 references the Director of the Division of Purchase and Property, the Treasurer (or designee) shall be the individual authorized to decide the protests.

M. Termination of Contract

The State reserves the right to terminate any agreement entered into as a result of this RFP providing written notice has been given to the vendor at least **30 days** prior to such proposed termination date unless otherwise provided herein. At contract termination, the vendor must cooperate fully with the State and the new contract vendor to affect a smooth transition, which would include transferring all necessary databases, files and other information needed for the continued operation of the application.

N. Contract Continuity/Transitional Period

In the event the service or services are scheduled to end by contract expiration or be terminated by the State (at the State's discretion), and if requested by the State, the bank must continue the service(s) until new services can be completely operational. At no time shall this transitional period extend more than **180 days** beyond the expiration date of the existing contract. The bank will be reimbursed for this service at the rate in effect when this transitional period clause is invoked by the State.

O. Unanticipated Services

Should additional State initiated work be required which is beyond the scope of this RFP, the State of New Jersey reserves the right to negotiate with the awarded vendor reasonable fees for services unanticipated or not existing at the time of the contract award. If required, the State will request a written cost estimate and a schedule of the work plan. The State must approve the fees and/or work plan prior to initiation of the work. Upon failure to arrive at a negotiated fee schedule and work plan, the State may, at its option, contract the services through a competitive process.

If additional programming is required, the vendor must be able to provide additional programming services and make system changes to their internal system within **90 days** after State approval. The cost estimate will be based on the hourly rates included in the vendor's response as specified in **SECTION VIII. COST SCHEDULE** of this RFP.

P. Prime Contractor Responsibilities

The selected vendor, and any successor vendor, (in the event of merger/acquisition or other change in operating status), will be required to assume sole responsibility for the complete effort of any contract(s) awarded to the vendor subsequent to its bid submission, and assume all cost incurred by the State, directly or indirectly, in connection with or as a result of the transition. If a merger/acquisition has been announced prior to or during the vendor's proposal preparation period, identify all relevant or emerging dates surrounding the merger

relative to official name change, system changes, account number changes, etc. if known at the time of bid submission.

The State will consider the prime contractor, to be the sole point of contact with regard to contractual matters. The prime contractor is responsible for the professional quality, technical accuracy, timely completion of any and all services awarded to the vendor as a result of the solicitation; and shall without additional compensation, correct or revise any errors, omissions, or other deficiencies in their products, services, reports, equipment, information, etc. in order to meet the requirements as specified herein.

The successful vendor will furnish the names of the officers and management personnel who will be utilized in the fulfillment of any agreement resulting from this RFP.

Q. Subcontracting

All subcontractors must be approved by the State. If the bank has knowledge prior to proposal submission date that any part of the work covered by this request will be subcontracted, the bank shall identify the subcontracting organization, its officers and the contractual arrangements made therewith, and state what services are to be subcontracted.

If, during the contract term, the bank desires to employ or replace any subcontractor, the bank must provide **90 days** written notice to the State. The State will evaluate the replacement firm's qualifications. No replacement firm shall begin work without prior State approval.

The prime contractor is totally responsible for adherence by the subcontractor to all provisions of the contract between the bank and the State. Nothing contained in these specifications or subsequent specifications shall be construed as creating any contractual responsibility between the subcontractor(s) and the State.

R. Assignment

The vendor is prohibited from assigning, transferring, conveying, subletting or otherwise disposing of this agreement or its rights, title or interest therein or its power to execute such agreement to any other person, company or corporation without the previous consent and approval, in writing, by the State. Any attempted assignment without consent shall be null and void. Unless otherwise agreed to by the State in writing, the assignee shall bear all cost incurred by the State, directly or indirectly, in connection with or as a result of such an assignment.

S. Cost Liability

The State of New Jersey assumes neither responsibility nor liability for costs incurred by banks prior to issuance of an agreement, contract or purchase order.

T. Ownership of Material

Ownership of all data, material and documentation originated and prepared exclusively for the State pursuant to any contract shall belong exclusively to the State and shall be delivered to the State upon **30 days** notice by the State.

U. Data Confidentiality

All data contained in the documents or files supplied by the State are to be considered confidential and shall be solely for the use of the State. All Account files are presently designated "Confidential" as defined in **EXHIBIT A The Future Direction of OIT – Security for Asset Classification and Control**. The bank must define their process for meeting the "Confidential" requirements. They must have the ability to secure the data as "Secret" if OMB requires this level of security in the future.

The standard for all bank transmission is presently Connect: Direct Secure+. The Secure+ option provides strong authentication, data encryption and data

integrity checking. It uses X.509 certificates to positively identify the entities with which vital data is shared and uses Secure Socket Layer (SSL) technology for data encryption. The vendor must document their ability to support Connect: Direct Secure+ and maintain software compatibility with the State on all patches and new releases of the product.

The Standard Entry Class (SEC) Codes that may be used by the various accounts are (CCD, CCD+ or PPD). The State plans to take advantage of all advancements offered by the ACH Network. The vendor must be able to demonstrate that they have the ability to support these updates to the electronic funds transfer system.

The vendor and all subcontractors will be required to use reasonable care to protect the confidentiality of the data. Any use, sale or offering of this data in any form by the prime contractor, its employees, subcontractors, or assignees may cause termination and legal action to be taken, with all cost of any such legal action to be absorbed by the vendor.

V. Promotional Use Prohibited

The vendor and any subcontractors will be prohibited from advertising or promoting any trade or business by reference to any agreement or services performed hereunder, including the issuance of news releases, resulting from any award.

W. Accounting Records

The vendor is required to maintain accounting records and other documentation needed for the execution of any and all agreements. This will include, but not be limited to, copies of deposits, monthly invoices and monthly analyses. These records must be made available to the State at all reasonable times during the contract term and for a period up to **seven (7) years** from the date of final payment.

The State reserves the right to have its personnel, its designated representatives or its auditors, monitor and audit as often as the State deems necessary, the activities and related processing and accounting records of the bank and all subcontractors, to ensure proper compliance to the terms as specified within this document.

The vendor(s) must provide adequate facilities for the State auditors to use when they perform their regular and random audits.

X. Severability Clause

In the event that any provision of this RFP or any agreement executed in accordance herewith shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision, and the agreement shall continue in effect without the invalid provision.

Y. Indemnification

The vendor shall assume all risk of and responsibility for and agrees to indemnify, defend and hold harmless the State and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses in connection therewith on account of the loss of life, property, injury or damage to the person, body or property of any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or materials supplied under any agreement. This indemnification obligation is not limited by, but is in addition to the insurance obligations contained in this agreement.

Z. Insurance

The vendor will furnish to the State such evidence of insurance as the State may require at the time of award and for all periods during the term of the agreement and any extensions to the agreement.

For all coverage and renewals, the documents must contain the proviso that the insurance provided shall not be canceled for any reason except after **30 days** written notice to the State of New Jersey, Department of the Treasury. All insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater.

1. Comprehensive General Liability policy as broad as the standard coverage forms currently in use in the State of New Jersey which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall be endorsed to include:
 - Broad Form Comprehensive General Liability
 - Products/Completed Operations
 - Premises/Operations

The limits of liability for bodily injury and property shall not be less than \$1 million per occurrence as a combined single unit.

2. Automobile Liability Insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit.
3. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:
 - \$100,000 Bodily Injury Each Occurrence
 - \$100,000 Disease Each Employee
 - \$500,000 Disease Aggregate Limit

AA. Conflict of Interest

No award will be made to a vendor who in the opinion of the Department of the Treasury has interests, business ventures, proprietorships, employment, or

public office, which would create a conflict of interest. The State reserves the right to question vendors with respect to actual or potential conflicts of interest.

BB. Public Records

The entire content of each bid response is a public record and, as required by the New Jersey Law, is available for public inspection. Persons who wish to read proposals should make an appointment by calling the Department of the Treasury, Office of Management and Budget, Cash Management Unit at: (609) 292-8172.

CC. Single Response

A single response to this RFP may be deemed a failure of competition and at the option of the Treasurer, the solicitation may be canceled. Alternatively, receipt of only one response may allow the Treasurer to claim it as a valid sole source acquisition of services.

III. OTHER MANDATORY PROVISIONS

A. Financial Statements

The prime vendor and any subcontractors directly involved with providing any part of the services must submit their latest audited financial statements, or financial comments if a privately held company.

B. Ownership Disclosure Form

The vendor and all its known subcontractors must complete the enclosed Ownership Disclosure Form and return it with the proposal. See **EXHIBIT B** for the **Ownership Disclosure Form**.

C. Non-discrimination Law

All parties to any contract with the State of New Jersey agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A 10:5-1 et seq., N.J.S.A. 10:5-31 through 10:5-38 and N.J.A.C. 17:27-3.4, and all rules and regulations issued hereunder. For additional information on the non-discrimination law, you may call the Law Reference Library at (609) 292-6230 or visit: <http://www.njleg.state.nj.us> and select Law and Constitution and then Statutes.

D. Proof of Registration Requirements

Public Law 2001, Chapter 134 requires all contractors and subcontractors providing goods/services to State agencies and authorities to provide the contracting agency with proof of registration with the Department of the Treasury, Division of Revenue.

The Division of Revenue's Client Registration Bureau provides proof of registration certificates to all registrants. Business Registration Certificates

(BRC) list basic business identification information and unique registration sequence numbers that can be verified by the Client Registration Bureau.

Pursuant to an amendment to NJSA 52:32-44, State and local entities are prohibited from entering into a contract with an entity unless **the contractor has provided a copy of its Business Registration Certificate as part of its bid submission.** As mandated by this bill, failure to submit a copy of the Business Registration Certificate within the bid proposal will be deemed non-responsive and therefore will result in disqualification of the bid proposal.

This statute also requires that all contract vendors also submit a copy of the Business Registration Certificate for each subcontractor they intend to use prior to contract implementation. The law prohibits contractors from entering into a contract with a subcontractor who has not provided the contractor a copy of its Business Registration Certificate.

The basic registration process involves filing Form NJ-REG. An overview of the NJ-REG process is found on <http://www.state.nj.us/njbgs/bgsclientreg.htm>. This page contains links to instructions and paper forms. NJ-REG may be filed online, from <http://www.state.nj.us/njbgs/services.html>, by selecting "Online Services, One-Stop Business Filing and Registration" and then "Register a Business for Tax and Employer Purposes".

Any questions in regard to business registration requirements can be directed to the Division of Revenue at (609) 292-1730.

E. N.J.S.A. 52:34-13.2 Certification

1. Under N.J.S.A. 52:34-13.2 Certification, the State shall not award a contract to a vendor that submits a bid proposal to perform services, or have its subcontractor[s] perform services, outside the United States, unless one of the following conditions is met:

- a. The vendor or its subcontractor provide a unique service, and no comparable, domestically provided service can adequately duplicate the unique features of the service provided by the vendor and/or its subcontractor; or
- b. A significant and substantial economic cost factor exists such that a failure to use the vendor's and/or the subcontractor's services would result in economic hardship to the State; or
- c. The Treasurer determines that a failure to use the vendor's and/or subcontractor's services would be inconsistent with the public interest.

2. Source Disclosure Requirements

Pursuant to N.J.S.A. 52:34-13.2, all vendors seeking a contract with the State of New Jersey must disclose:

- a. The location by country where services under the contract will be performed; and
- b. The location by country where any subcontracted services will be performed.

The State prefers the vendor submit with its bid proposal **EXHIBIT C N.J.S.A. 52:34-13.2 Certification**, completed with the sourcing information required for itself and any proposed subcontractor, identified in its proposal.

If the certification is not submitted with the bid proposal, it shall be submitted within **five (5) business days** of the State's request for the information.

Failure to submit sourcing information when requested by the State shall preclude award of a contract to the vendor.

3. Breach of Contract of N.J.S.A. 52:34-13.2

A shift to outsourced services during the term of the contract shall be deemed a breach of contract.

If, during the term of the contract, the contractor or subcontractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of the services outside of the United States, the contractor shall be deemed in breach of the contract, which contract shall be subject to termination for cause, unless the Treasurer shall have first determined in writing that extraordinary circumstances require a shift of services or that a failure to shift the services would result in economic hardship to the State.

It is important to note that N.J.S.A.52:34-13.2 applies to all service contracts.

F. Executive Order No. 134

In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, Executive Order 134 was signed on September 22, 2004 ("EO 134"). Pursuant to the requirements of EO 134, the terms and conditions set forth in this section are material terms of any contract resulting from this RFP.

1. Definitions

For the purpose of this section, the following shall be defined as follows:

- a. Contribution – means a contribution reportable as a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act.” P.L. 1973, c. 83 (C.10:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Contributions made prior to January 1, 2005 in an amount in excess of \$400 during a reporting period are deemed “reportable” under these laws. As of January 1, 2005, contributions in excess of \$300 during a reporting period are deemed “reportable” under these laws.

- b. Business Entity – means any natural or legal person, business corporation, professional services corporation, Limited Liability Company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. It also includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under 26 U.S.C.A. 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person’s spouse or child, residing in the same household.

2. Breach of Terms of Executive Order 134 Deemed Breach of Contract

It shall be a breach of the terms of the contract for the Business Entity to (i) make or solicit a contribution in violation of this Order, (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any

contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v)engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of EO 134; (vi)fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii)engage in any exchange of contributions to circumvent the intent of EO 134; or (viii)directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of EO 134.

3. Certification and Disclosure Requirements

- a. The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor, or to any State or county political party committee during certain specified time periods. Accordingly, the Business Entity shall submit with its bid proposal Executive Order 134 Certification(s) in the form set forth in **EXHIBIT D Executive Order 134 Certification** attached hereto, certify that no contributions prohibited by Executive Order 134 have been made by the Business Entity. A separate Certification is required for each person or organization defined above as a Business Entity. Failure to submit the Certification(s) with the Bid Proposal will be deemed non-responsive and therefore will result in automatic rejection of the bid proposal.

- b. Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall report all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the mean of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7, in the form of the Disclosure attached hereto as **EXHIBIT E Executive Order 134 Disclosure of Political Contributions**. A separate Disclosure is required for each person or organization defined above as a Business Entity. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Office of Management and Budget, Cash Management Unit, the Disclosure(s) within **five (5) business days** of the State’s request.
- c. Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. A copy of the Continuing Disclosure of Political Contributions is attached hereto as **EXHIBIT F Executive Order 134 Continuing Disclosure of Political Contributions**. A separate Disclosure is required for each person or organization defined above as a business entity.

4. State Treasurer Review

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, as well as any other pertinent information concerning the contributions or reports thereof by the intended vendor, prior to award, or during the term of the contract, by the contractor. If the State Treasurer determines that any contribution or

action by the contractor constitutes a breach of contract that poses a conflict of interest in the awarding of the contract under this solicitation, the State Treasurer shall disqualify the Business Entity from award of such contract.

G. Disaster Recovery Plan

As part of any contract award, the vendor(s) must maintain a disaster recovery plan designed to minimize any disruption to the services being performed. The bank's disaster recovery plan, contingency and backup procedures should be made available for review by the State, within **ten (10) days** of a request by the State. As part of the State's Disaster Recovery Exercises, these items will be subject to annual review.

The vendor must be able to demonstrate, during an inspection of operations and a review of documented procedures that in the event of a system breakdown or catastrophic event, State operations will be minimally affected and State records recovered intact. Given the worst case scenario, the vendor must be completely functional within **24 hours** of a major disaster.

The vendor must fully cooperate during any and all disaster recovery testing operations initiated by the State. It must be ready to receive and validate test files transmitted or delivered from a State of New Jersey disaster recovery exercise.

For disaster and recovery purposes, the bank must be able to receive and process data files from the State in the following formats: electronic transmission or CD ROM. In addition, the vendor must be able to demonstrate that sufficient safeguards are in place to prevent test files from being loaded into a production environment.

H. Collateralization of Deposits

The State Treasurer shall require from the vendor a deposit of bonds, notes, certificates of indebtedness of bill or other obligations of or guaranteed by the United States; or other obligations of or guaranteed by the State of New Jersey; or any other obligation now or hereafter authorized by the law as security for public deposits.

For the total bank balances resulting from the account, the collateralization requirement must adhere to **EXHIBIT G Department of the Treasury Collateralization Policy Statement**.

I. Image Processing of Public Records and Certification of Image Processing Systems

The Division of Archives and Records Management (DARM) has set forth the standards, procedures and rules for image processing of public records for the preservation, examination and use of such records, including indexing and arrangement thereof as required by Public Law 1953, c. 410 (NJSA 47:3-26) as amended, and PL 1994, c. 140 (NJSA 47:1-12).

Please access the DARM Web site for the standards, procedures and rules for image processing of public records at the following two sites:

<http://www.state.nj.us/state/darm/links/njac-15-3-4.html>

<http://www.njarchives.org/links/njac-15-3-5.html>

IV. PAYMENT METHOD AND TERMS

The State will pay for vendor services primarily with fees and compensating balances when they exist. It is the State's intent to maintain compensating balances at a minimum and to pay for services primarily with fees. However, at the discretion of the Department of the Treasury, cumulative excess balance credits, if available from other State demand account balances, may be used as compensation for the services rendered under this contract.

A. Compensating Balances

The compensating balance must be considered as the total average collected balance of the account(s) less the 10% non-earning Federal Reserve requirement. It is the State's policy to avoid the maintenance of sizable balances. However, for any balances that do exist, the State requires full compensating balance credit.

The basis for the earnings rate will be determined from the average of each month's **91 day T- Bill auctions**. All auctions for which the settlement date falls in that month will be included in the month's simple average. The coupon equivalent yield of each auction will be used.

The earnings rate developed will be applied each month against the average daily net collected balance of the account(s) to determine the value of bank services earned that month with compensating balances. If the earnings of the compensating balances exceed the value of total bank services provided in any month, the excess will be applied to subsequent monthly analyses on a continuous basis without regard to calendar year end.

B. Payment Terms

If necessary, the bank will invoice the State monthly. The bank must provide the invoice within **30 days** after the close of each month (on a calendar month basis)

for which services were provided. One combined invoice and analysis will be required for all **six (6) accounts**.

C. Monthly Analysis

Together with the invoice, the bank must provide a monthly analysis that will contain on one page of the analysis report; the monthly average collected balance for each account, using a separate line for each account. On the same line for each account, the total monthly activity for each billable category will be presented so that every category of activity for each account appears on one line of the report. A separate report page for each account is not acceptable. The balances and each category of billable activity will be totaled and then carried to the summary page of the analysis. On the summary page, the reserve requirement will be applied against the total collected balance of ALL the accounts, with the **average Treasury Bill Yield** used to calculate the compensating balance earnings for the month. The contract prices will be applied against the total volumes for each billable category in order to establish the total billing for the month. The State will be invoiced for the total billing less the compensating balance earnings for that month.

The invoice and analysis are to be sent to:

Charlene M. Mello
State of New Jersey
Department of the Treasury
OMB, Cash Management Unit
33 West State Street, 5th Floor
P.O. Box 221
Trenton, New Jersey 08625-0221

V. SCOPE OF WORK

A. Accounts to be established

The State will establish the following six (6) depository accounts in the vendor bank:

ACCOUNT #	DIVISION OF REVENUE DEPOSITORY ACCOUNTS
1	Taxation General Depository Zero Balance Account
2	Division of Revenue Consolidated Zero Balance Account
3	Division of Revenue General Collection Master Account
	MOTOR VEHICLE COMMISSION DEPOSITORY ACCOUNTS
4	Auto Insurance Credit Card Surcharge Collection Zero Balance Account
5	Auto Insurance Lockbox Surcharge Collection Zero Balance Account
6	Motor Vehicle Commission Surcharge Collection and Disbursement Master Account

The Department of the Treasury, Cash Management Unit is solely responsible for the opening and closing of all accounts.

See **EXHIBIT H** for the **Division of Revenue Depository Accounts Structure and Funds Flow** and **EXHIBIT I** for the **Motor Vehicle Commission Depository Accounts Structure and Funds Flow.**

B. Taxation General Depository Account #1

The State will establish the Taxation General Depository Account in the vendor bank for the collection of various taxation funds. In Fiscal Year 2005, the average daily deposits ranged between **\$13.3 million and \$123 million.** The Division of Revenue anticipates receipts for this account will peak between April 1 and May 15.

In Fiscal Year 2005, an estimated **3.1 million checks** were deposited into this account totaling approximately **\$8.5 billion** in deposits. A minimum number of cash deposits were also received totaling over **\$7 thousand**.

An estimated **4 ACH credit transactions** will be received daily into this account representing various credit card receipts. In Fiscal Year 2005, there were approximately **1,055 ACH credits** received representing **\$41.2 million**.

Several times a month the State of New York wires the State of New Jersey sales tax revenue. Monthly, this account receives **14 wires** with collections averaging slightly over **\$2 million**. In Fiscal Year 2005, a total of **171 wires** were received representing approximately **\$25 million**.

This account will zero balance at the end of each day and will automatically sweep into the Division of Revenue General Collection Master Account.

See **EXHIBIT J** for the **Taxation General Depository Account #1 Activity for FY 05**.

C. Division of Revenue Consolidated Account #2

The State will establish the Division of Revenue Consolidated Account in the vendor bank for the collection of income tax and Unemployment Insurance/ Disability Insurance (UI/DI) payments submitted by employers. This account will require the ability to receive incoming wires and ACH credits. It is also possible a small amount of cash may be deposited into this account

In Fiscal Year 2005, an estimated **734 thousand checks** were deposited into this account totaling approximately **\$1.8 billion**. The average daily deposits ranged between **\$573 thousand and \$27 million**.

This account will zero balance at the end of each day and will automatically sweep into the Division of Revenue General Collection Master Account.

See **EXHIBIT K** for the **Division of Revenue Consolidated Account #2 Activity for FY 2005.**

D. Division of Revenue General Collection Master Account #3

The State will establish the Division of Revenue Collection Master Account in the vendor bank to serve as a funds concentration account. On a daily basis, the balances from Account 1 and Account 2 will sweep into the Division of Revenue General Collection Master Account.

This account will also receive daily check and weekly cash deposits from two (2) Trenton area locations:

- 160 South Broad Street, Trenton (Location One)
- 225 West State Street, Trenton (Location Two)

In Fiscal Year 2005, the above locations prepared **7,131 deposits** consisting of approximately **3.6 million checks** and **278 cash deposits** totaling an estimated **\$569 million.**

This account will also receive a small number of ACH credits. In Fiscal Year 2005, a total of **236 ACH credits** were received totaling slightly over **\$1 million.**

On a daily basis, a wire will be initiated by the State to transfer funds from the Division of Revenue General Collection Master Account to the State's General Treasury Account; which is not part of the Revenue Collection Contract.

In aggregate, approximately **7.5 million checks** were deposited in Fiscal Year 2005 into the three (3) Revenue Depository Accounts for a total dollar value of approximately **\$10.9 billion.** The \$10.9 billion does not include cash, ACH credits or wire transfers received in these accounts.

See **EXHIBIT L** for the **Division of Revenue General Collection Master Account #3 Activity for FY 05.**

E. Auto Insurance Credit Card Surcharge Collection Account #4

The State will establish the Auto Insurance Credit Card Surcharge Collection Account in the vendor bank for the collection of auto insurance surcharge payments. This account will receive ACH credits representing credit card payments processed by Affiliated Computer Services (ACS); the credit card processor for MVC. Checks from attorneys will also be deposited into this account.

The check deposit pickup for the Auto Insurance Credit Card Surcharge Collection Account will be at the same time as the Auto Insurance Lockbox Surcharge Collection Account pickup. Both the credit card operation and the lockbox operation are contracted with ACS and located at 3131 Princeton Pike, Lawrenceville, New Jersey.

In Fiscal Year 2005, there were **1,692 ACH credits** totaling approximately **\$31.2 million** and **348 checks deposited** totaling **\$960 thousand**. The average monthly deposits (check and ACH) ranged between **\$2.3 million and \$3.1 million**.

This account will zero balance at the end of each day and will automatically sweep into the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account.

See **Exhibit M** for the **Auto Insurance Credit Card Surcharge Collection Account #4 Activity for FY 05.**

F. Auto Insurance Lockbox Surcharge Collection Account #5

The State will establish the Auto Insurance Lockbox Surcharge Collection Account in the vendor bank for the collection of auto insurance surcharge payments. This

account will receive daily check deposits and weekly ACH credits and cash deposits.

As previously stated, the check deposit pickup for the Auto Insurance Lockbox Surcharge Collection Account will be at the same time as the Auto Insurance Credit Card Surcharge Collection Account pickup. Both the lockbox and the credit card operations are contracted with ACS and located at 3131 Princeton Pike, Lawrenceville, New Jersey.

On a daily basis, ACS will prepare checks for deposit by encoding, endorsing and batching items for bonded courier pick up. Approximately 90% of all items deposited into the Auto Insurance Lockbox Surcharge Collection Account will be encoded and endorsed.

A cash deposit pick up will be required on an as-needed basis, generally once a week. The Division of Revenue anticipates the cash deposits will remain minimal, as little as \$5.00 per pick up.

On a monthly basis, a minimum number of ACH credits will also be received in this account. In the event a mixed check (a payment that includes a surcharge payment along with other fees) is received in the surcharge lockbox, the check will be sent by ACS directly to MVC for processing. These revenues will be deposited into the State's General Revenue Account; which is not part of the funds flow for this contract. When a surcharge payment is identified as belonging to the Division of Revenue, an ACH credit will be sent by the State to the Auto Insurance Lockbox Surcharge Collection Account. Between **three (3) and four (4) ACH credits** are received monthly into the lockbox account from the State's General Revenue Account. The Division of Revenue anticipates this number will increase to approximately **115 ACH credits a month** by November 2006.

In Fiscal Year 2005, **657,575 checks** were deposited into the Auto Insurance Lockbox Surcharge Collection Account totaling approximately **\$83.2 million**. There were **5,259 returned items**.

This account will zero balance at the end of each day and will automatically sweep into the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account.

See **EXHIBIT N** for the **Auto Insurance Lockbox Surcharge Collection Account #5 Activity for FY 05.**

G. Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #6

The State will establish the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account in the vendor bank to serve as a funds concentration account. On a daily basis, the balances from Account 4 and Account 5 will sweep into the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account.

On a daily basis, refund checks are disbursed from this account. The amount of the checks can range in value from as little as **\$4 to over \$100,000.** In Fiscal Year 2005, there were an estimated **1,003 checks disbursed** totaling approximately **\$3.9 million.**

In addition, a daily concentration wire will be initiated to move funds from the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account to the State's Cash Management Fund. In Fiscal Year 2005, **233 wires** were initiated to disburse approximately **\$256 million** out of this account.

A monthly wire out is also initiated to move funds from the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account to a State Trust Fund Account; which is not part of this contract. In Fiscal Year 2005, the average monthly wire ranged between **\$10 and \$15 million.**

This wire will be funded by a separate monthly wire in from the State's Cash Management Fund; which is not part of this contract.

The State must be able to issue stop payments and remove stop payments for checks issued from this account. The stop payment and remove stop payment order will be sent to the bank by telephone or fax transmission. The bank will record the date, time, name of the bank representative receiving the order, and the name of the State representative placing the stop order. The bank will confirm all telephone and facsimile stop payment orders by facsimile transmission no later than **10:00 a.m.** the following day.

An original item on which a stop payment has been placed will remain as a stopped item indefinitely unless the stop is officially removed by the State, or until the check is officially canceled or transferred by the State to the Unclaimed Property Fund.

In Fiscal Year 2005, approximately **two (2) stop payments** were issued for this account.

This account will require an ACH Debit Block.

See **EXHIBIT O** for the **Motor Vehicle Commission Surcharge Collection and Disbursement Account Activity #6 for FY 05.**

H. Check Deposit Preparation Procedures

The following illustrates the check deposit preparation procedures as they apply to the (3) three pickup locations. The locations for the Trenton area pickups may be consolidated or may change during the course of the contract term but will remain within the Trenton area.

1. Division of Revenue Check Deposit Preparation Procedures for Location One:

- Location One
(Accounts 1, 2 and 3)
Division of Revenue
160 South Broad Street
Trenton, New Jersey 08625
(use side entrance on Livingston Street)

Each daily deposit can consist of up to approximately **100 checks per batch, 40 batches per deposit ticket**, for a total of **4,000 checks per deposit**. This batching procedure could change as processing and technology changes.

The deposit slip(s) will be placed on the inside of a bank provided check box. The deposit slip will correspond to the business day of the deposit preparation, which may not necessarily correspond to the date of the deposit pickup. Revenue personnel will securely seal each box with tape, and the outside of each box will be identified with the correct account number. When warranted, Revenue personnel will prepare and clearly identify boxes which contain small batches of deposit items for different accounts.

On a daily basis the bank must deliver a **minimum of 25 assembled check boxes** to the Division of Revenue. Delivery must take place at the time the filled check boxes are picked up. The average number of check boxes for daily pickup will range between 10 and 25. Between April 1 and May 15 the bank must be able to accommodate an increase in the number of check box pick ups and deliveries. The Division of Revenue anticipates that during the peak tax season, the number of filled check boxes requiring pick up will peak at approximately 40 boxes per day. At the time of pickup, the bank must ensure the bonded courier has enough assembled check boxes on hand to **replenish the same number of filled check boxes** that are picked up.

A label, indicating the contents of the check box belong to the State of New Jersey, must be affixed on the outside of each box; the cost for all labels will be absorbed by the bank.

After contract award and prior to contract commencement, the bank must supply the Division of Revenue with **100 unassembled standard**

reusable check boxes. This supply will be utilized when check box supplies are low and is in addition to the required daily check box delivery. This supply must be replenished at the beginning of each calendar year for the term of the contract. The cost for all check boxes will be absorbed by the bank.

2. Division of Revenue Check Deposit Preparation Procedures for Location Two:

- Location Two
(Account 3)
Division of Revenue
225 West State Street
Trenton, New Jersey 08625
(corner of West State and Calhoun)

There will be one **(1) daily check deposit** consisting of between **500 and 2,000 checks**. On average there are between **10 and 16 small batches** accompanied by one deposit slip and one deposit tape. The number of checks per batch will vary. This batching procedure could change as processing and technology changes.

The deposit slip(s) will be placed inside the pocket of a **bank provided** check bag. The deposit slip will correspond to the business day of deposit preparation, which may not necessarily correspond to the date of the deposit pickup. Revenue personnel will securely seal each bag and affix the deposit slip so it is viewable from the outside of the check bag.

After contract award and prior to contract commencement, the bank must supply the Division of Revenue with **300 industry standard (12" X 16") clear check bags**. This supply must be replenished at the beginning of each calendar year for the term of the contract. The cost for all check bags will be absorbed by the bank.

For evaluation purposes, the bank must include **one (1) sample check bag** with each proposal submission copy. The bank must also identify the

name of its check bag manufacturer, provide a detailed description of the bag and include the bank's recommended check bag preparation procedures. The Division of Revenue will incorporate the bank's check bag preparation procedures into its procedures manual. The bank's check bag preparation procedures must also be included in the bank's training material.

3. ACS Check Deposit Preparation Procedures for Location Three:

- Location Three
(Accounts 4 and 5)
ACS-Affiliated Computer Services
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

There will be **one (1) daily check deposit** consisting of approximately **3,000 checks**. On average, a deposit contains **five (5) check bags**. Each check bag can consist of up to **six (6) individual batches**; and each batch will contain no more than **100 checks**. This batching procedure could change as processing and technology changes.

The deposit slip(s) will be placed inside the pocket of a **bank provided** check bag. The deposit slip will correspond to the business day of the deposit preparation, which may not necessarily correspond to the date of the deposit pickup. ACS personnel will securely seal each bag and affix the deposit slip so it is viewable from the outside of the check bag.

After contract award and prior to contract commencement, the bank must supply ACS with **1,500 industry standard (12" X 16") clear check bags**. This supply must be replenished at the beginning of each calendar year for the term of the contract. The cost for all check bags will be absorbed by the bank.

For evaluation purposes, the same sample check bag requested above will be evaluated for Location 3. In addition, it is not necessary for the

bank to provide its check bag manufacturer or a detailed description of the bag again. However, since the check volumes differ for Location 2 and 3, the State does request the bank's recommended check bag preparation procedures. ACS will incorporate the bank's check bag preparation procedures into its procedures manual. The bank's check bag preparation procedures must also be included in the bank's training material.

I. Check Deposit Pickup Location Times and Procedures

It will be the bank's responsibility to ensure all employees of the bonded courier service arrive at the pick up locations with the supplies necessary to accommodate the size and scope of each pick up location. This includes but is not limited to valid company issued identification, a sequentially numbered receipt book, assembled check boxes and a hand truck.

The bank, via a bonded courier, will perform a daily check deposit pickup at the following locations:

- Location One
(Accounts 1, 2 and 3)
Division of Revenue
160 South Broad Street
Trenton, New Jersey 08625
(use side entrance on Livingston Street)

The daily check deposit pickup at Location One must be **between 4:30 p.m. and 5:00 p.m.** At no time can a deposit pickup extend beyond the operating hours of the agency which are, 8:30 a.m. to 5:00 p.m. Generally, no pickups will be required on Saturdays or legal State holidays except during the peak tax season. A list of the State holidays will be provided to the vendor each calendar year.

Starting on April 1 and through May 15, no less than **two daily pickups** will be required at Location One. During this time, the first daily pickup must be conducted **between 12:30 p.m. and 1:00 p.m.** the second daily

pickup must be **between 4:30 p.m. and 5:00 p.m.** In addition, one daily pickup will be required on **Saturday before 3:30 p.m.** The Division of Revenue will provide the bank 24 hours notification in order to schedule these two daily pickups.

- Location Two
(Account 3)
Division of Revenue
225 West State Street
Trenton, New Jersey 08625
(corner of West State and Calhoun)

The daily check deposit pickup at Location Two must be **between 4:00 p.m. and 4:30 p.m.** At no time can a deposit pickup extend beyond the operating hours of the agency which are, 8:00 a.m. to 4:30 p.m. Location Two will not require an additional pickup during the peak tax season. The list of State holidays will also pertain to Location Two and will be provided to the vendor each calendar year.

- Location Three
(Accounts 4 and 5)
ACS-Affiliated Computer Services
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

The daily check deposit pickup at Location Three must be **between 4:00 p.m. and 5:00 p.m.** At no time can a deposit pickup extend beyond the operating hours of the agency which are, 8:00 a.m. to 5:00 p.m. Generally, no pickups will be required on Saturdays or legal State holidays with the exception of the four (4) following days:

- Lincoln's Birthday
- Good Friday
- Election Day
- Veteran's Day

A list of observed State holidays and the four (4) additional pick up days will be provided to the vendor each calendar year.

J. Cash Deposit Preparation – Pickup Location Times and Procedures

The following illustrates the cash deposit preparation procedures as they apply to the (3) three pick up locations. Every Friday, cash pickups will be required at Locations One and Two and on an as needed basis at Location Three. The cash pick up locations may be consolidated or may change during the course of the contract term but will remain within the Trenton metropolitan area.

The bank must provide the Division of Revenue and ACS with **industry standard 15" X 20" disposable, secure, opaque cash bags and industry standard deposit envelopes**. The cash bags must contain an outside pouch to hold the cash deposit ticket. After contract award and prior to contract commencement, the bank must supply a year's worth of cash bags and deposit envelopes to the Division of Revenue and ACS. A year's supply of cash bags and deposit envelopes must be supplied prior to the beginning of each calendar year for the contract term.

The first year supply will consist of **120 cash bags and 1,000 deposit envelopes** for the Division of Revenue and **60 cash bags and 120 deposit envelopes** for ACS. The cost of all cash bags and deposit envelopes will be absorbed by the bank. Individual locations will contact the bank directly if additional quantities are needed. A per item charge will be acceptable only when the total number of bags or envelopes used annually exceed the total annual deposit bag or deposit envelope requirement by more than twenty-five percent.

For evaluation purposes, the bank must include **one (1) sample cash bag** with each proposal submission copy. The bank must also identify the name of its cash bag manufacturer, provide a detailed description of the bag and include the bank's recommended cash bag preparation procedures. The Division of Revenue will incorporate the bank's cash bag preparation procedures into its procedures manual. The bank's cash bag preparation procedures must also be included in the bank's training material.

The cash deposit slip(s) will be placed in the outside window pouch of the bag. The date placed on the deposit slip will correspond to the business day of the deposit preparation and not necessarily the day of the deposit pickup. Cash deposits must receive same day availability as deposit pickup date.

It will be the bank's responsibility to ensure all employees of the armored car service arrive at the pick up locations with the supplies necessary to accommodate the size and scope of each pick up location. This includes but is not limited to valid company issued identification, a sequentially numbered receipt book and a hand truck.

Note: Each cash bag will contain multiple deposits. Therefore, in order to ensure the State receives proper same day credit, it is required that each cash bag be opened and sorted before credit is applied.

**1. Division of Revenue Cash Deposit Preparation Procedures for
Location One:**

- Location One
(Accounts 1, 2 and 3)
Division of Revenue
160 South Broad Street
Trenton, New Jersey 08625
(use side entrance on Livingston Street)

Every Friday, the bank must provide an armored car for a **weekly cash deposit pickup** at Location One. The Division of Revenue will require a cash bag pickup **no earlier than 3:00 p.m.** At no time can a deposit pickup extend beyond the operating hours of the agency which are, 8:30 a.m. to 5:00 p.m.

The cash deposit totals for Accounts 1 and 3 can range from as little as \$5 up to \$5,000 per week. The Division of Revenue anticipates the cash deposits for Account 2 will be minimal.

2. Division of Revenue Cash Deposit Preparation Procedures for Location Two:

- Location Two
(Account 3)
Division of Revenue
225 West State Street
Trenton, New Jersey 08625
(corner of West State and Calhoun)

Every Friday, the bank must provide an armored car for a **weekly cash deposit pickup** at Location Two. The Division of Revenue will require a cash bag pickup **no earlier than 3:00 p.m.** At no time can a deposit pickup extend beyond the operating hours of the agency which are, 8:00 a.m. to 4:30 p.m.

The cash deposit totals for this location can range from as little as \$5 up to \$10,000 per week.

3. ACS Cash Deposit Preparation Procedures for Location Three:

- Location Three
(Account 5)
ACS-Affiliated Computer Services
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

On an as needed basis, a call will be made by ACS instructing the contract vendor to perform a cash pickup for that week. When requested, the bank must provide an armored car for a cash deposit pickup on that Friday.

ACS will require a cash bag pickup **no earlier than 3:00 p.m.** At no time can a deposit pickup extend beyond the operating hours of the agency 8:00 a.m. to 5:00 p.m.

The cash deposit total(s) for this location can range from \$5 up to \$10,000 per week.

K. Deposit Pickup Receipt Confirmation Procedures

After contract award and prior to contract commencement, the bank must provide **three (3) copies** of a bonded courier and armored car **personnel directory**. The

directory must contain current color photos and legible signatures for each employee assigned to perform one or more of the daily pickups. The photo identification and deposit receipt signatures will be verified each day prior to release of deposit items. Deposit items will not be released to an individual excluded from the current personnel directory. It will be the bank's responsibility to update and maintain the personnel directory as changes occur or at a minimum once every January.

At the time of the scheduled deposit pickup, the bonded courier and/or armored car employee(s) must present valid company issued photo identification, sign the agency's receipt log book and provide a receipt with the total number of boxes/bags noted on the receipt. Separate receipts will be required for check deposits and cash deposits.

The bank must provide and control sequentially numbered receipt books, and if required, the bank must be able to account for all receipt numbers for control purposes. The receipts must be retained by the bank and its subcontractors for a minimum of three (3) years. All subcontractors to the primary vendor must adhere to the same receipt procedures and time frames as the primary vendor. Upon request from the State, the receipt(s) must be provided to the State within five (5) business days of the request. The original receipts will be retained by the Division of Revenue for no less than three (3) years.

A secure receipt procedure including an audit trail must be demonstrated and fully explained in the vendor's proposal relative to the cash and check receipt process.

The contract vendor will be totally liable for the security and contents of all deposits as soon as the bonded courier or armored car personnel pick up the deposit items and the Division of Revenue or its processor is provided proper receipt(s) for the deposit items.

In a dispute situation, the bank must provide the State with a signed receipt by the bank showing the date and time that the work was presented at the bank's processing facility.

L. Encoding and Endorsing Requirements

When required, the bank must MICR encode all checks presented for deposit with the correct dollar amount; and endorse the check, for deposit only, with the date that the deposit is posted to the account.

1. Division of Revenue Encoding and Endorsing Requirements for Location One:

- Location One
(Accounts 1, 2 and 3)
Division of Revenue
160 South Broad Street
Trenton, New Jersey 08625
(use side entrance on Livingston Street)

A large majority of checks, approximately 90%, will require encoding and endorsing. Approximately 10% of checks, representing manual deposits, will already be endorsed but will require encoding. Manual deposit items requiring encoding only will be batched separately and labeled accordingly.

2. Division of Revenue Encoding and Endorsing Requirements for Location Two:

- Location Two
(Account 3)
Division of Revenue
225 West State Street
Trenton, New Jersey 08625
(corner of West State and Calhoun)

All checks will be endorsed by the Division of Revenue and will require encoding only.

3. ACS Encoding and Endorsing Requirements for Location Three:

- Location Three
(Accounts 4 and 5)
ACS-Affiliated Computer Services
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

The majority of all checks will be endorsed and encoded by ACS. Approximately 5% of the total checks deposited, representing manual attorney checks, will require both encoding and endorsing. Attorney checks will most likely be presented at a local bank branch for deposit. If this is not feasible, deposits will be forwarded to ACS by the law firms. ACS will prepare the attorney checks for deposit by creating a separate batch and indicating that both encoding and endorsing are required.

M. Check Deposit Discrepancies and Adjustments

After the check deposit is verified by the bank, and the deposit is calculated to be under the total dollar shown on the deposit ticket by \$5.00 or less, the bank will absorb the difference; if the deposit is verified by the bank to be over the total noted on the deposit ticket by \$5.00 or less, the bank will retain the credit. For this plus or minus \$5.00 window, no action will be taken by the State or required of the bank.

In Fiscal Year 2005, there were approximately **4,011 deposit error corrections** for the three Revenue accounts. This number does not include the plus or minus \$5.00 (no action) discrepancy activity.

For other than the plus or minus \$5.00 exceptions noted above, information regarding all discrepancies and adjustments must be delivered to Treasury, Cash Accounting within three business days of the deposit date or the return of a deposited check. The following detail information must be included for each discrepancy and/or adjustment:

- Adjustment memo (debit or credit advice) to include the following:
 1. Bank account number
 2. Deposit date
 3. Original deposit total
 4. Specific discrepancy and the amount

- Adding machine tape or batch total sheet(s)
- When applicable, copy of check (front and back) and deposit ticket when listed for wrong amount
- The deposit lists more or less checks than actual – note the difference between the deposit number and the actual number listed; when more, supply a copy of the adding machine tape or batch total sheet(s)
- The number of checks are correct, but the bank total is different than the deposit/adding machine tape total, e.g. \$163.89 vs. \$136.89 - identify check(s), and supply a copy of the check(s) front and back
- The deposit ticket should never be altered to match the deposit

N. Cash Deposit Discrepancy and Review Procedure

If there is a discrepancy in the cash deposit of more than \$100.00 and the discovery is made during normal work hours, the bank must contact the Division of Revenue by telephone either immediately upon discovery, or no later than 10:00 a.m. the next business day. The bank must specifically identify the discrepancy as to wrapper or special envelope; note the initials on the wrapper or the envelope, what denomination(s) is in dispute, identify the original deposit slip amount and the bank deposit amount.

Revenue must have the ability to dispute the bank's correction and upon request, schedule an appointment with the vendor's money room to view the videotape of the money counting operation pertaining to the deposit. Only State authorized individuals will be allowed to request and view this operation. The vendor's money room security procedures must provide good quality video for reviewing purposes. The process must include a clear view of the sealed bag, then the bag being cut and the contents removed and subsequently being counted without any disruption in the tape.

The bank must maintain all money room tapes for three months after the deposit date. During an investigation, the State must have access to the tape for a period of no less than three months with the option to extend this timeframe if necessary to complete the investigation. Please specify in your proposal the length of time tapes are retained by the money room and available for review.

It will be the responsibility of the contract vendor to provide the proper standard and industry specific security controls to prevent any unethical tampering of the cash bags and its contents from initial pickup at the agency to the final cash-counting operation.

O. Deposit Credit and Availability

Deposits must be processed for collection and credited to the State's account(s) the same day as deposit pickup and/or deposit date. Availability of check deposits must, at a minimum be in accordance with the appropriate Federal Reserve District Availability Schedules.

It will be the responsibility of the bank to ensure timely pickup and delivery of all deposit items to guarantee same day processing and credit to the State. Cash and "on-us" checks must receive same day availability as the deposit pickup date. Any delay in deposit credit based on this procedure will result in the bank compensating the State for lost earnings at the **91 day T-bill rate**.

Credit must be given for the amount shown on the deposit slip. No changes are to be made to the original deposit slip. Any adjustments are to be reflected on separate adjustment memoranda with the corresponding credit to the account.

P. Dishonored Checks

The bank will immediately redeposit checks that are not honored the first time because of insufficient funds. Only after a check is returned a second time, will account(s) be permitted to be debited.

In the event the original returned check is lost or mutilated, the bank must provide the State with an indemnified photocopy stating that this photocopy is to replace the original check. Within 24 hours of receipt of a dishonored check, the dishonored check, together with the debit memo must be forwarded to the

Department of the Treasury, Cash Accounting Unit. There must be one identified dishonored check per debit memo.

In Fiscal Year 2005, there were approximately **18,926 combined returned items** for Accounts 1, 2 and 3 and approximately **5,259 return items** for Account 5. Account 4 experienced less than 25 returned items and Account 6 experienced no returned items.

Q. Deposit Slip Requirements

After contract award and prior to contract commencement, the bank must supply the Division of Revenue/ACS with loose encoded deposit slips that meet the specifications and quantities listed below and in **EXHIBIT P** the **Division of Revenue Encoded Deposit Slip Requirements.**

The specifications and quantities depicted represent an annual supply of deposit slips; this supply must be replenished prior to the beginning of each calendar year for the contract term. The cost of all deposit slips represented in this RFP will be absorbed by the bank. The cost of all additional quantities not represented in this RFP will be absorbed by the State.

During the term of the contract, additional deposit slip quantities will be ordered, in writing, by the Department of Treasury, OMB Cash Management Unit. It will be the bank's responsibility to fill the orders within ten (10) business days of the request. The bank must identify in its proposal the contact person for the reordering of deposit slips, and will be responsible for updating this contact information as changes occur and/or no less than annually.

The Locator Codes and/or Locator Names discussed below must be captured either on the Web based bank statements or on the hard copy bank statements. The bank must determine the multi-copy requirement of the deposit slip to meet the bank's internal processing functions, taking into account one copy will remain with the Division of Revenue/ACS.

1. Division of Revenue Deposit Slip Requirements for Location One:

- Location One
(Accounts 1, 2 and 3)
Division of Revenue
160 South Broad Street
Trenton, New Jersey 08625

After contract award and prior to contract commencement, the bank must supply the Division of Revenue with loose encoded deposit tickets that include the information listed below and meet the quantities and specifications listed on **EXHIBIT P** the **Division of Revenue Encoded Deposit Slip Requirements:**

- State of New Jersey
- Department of the Treasury
- Division of Revenue
- 160 South Broad Street
- Trenton, New Jersey 08625
- Locator Code and/or Locator Name
- Account No:

2. Division of Revenue Deposit Slip Requirements for Location Two:

- Location Two
(Account 3)
Division of Revenue
225 West State Street
Trenton, New Jersey 08625

After contract award and prior to contract commencement, the bank must supply the Division of Revenue with **550 loose encoded deposit tickets** that include the following information:

- State of New Jersey
- Department of the Treasury
- Division of Revenue
- Commercial Recording - 25061
- 225 West State Street
- Trenton, New Jersey 08625
- Account No:

3. ACS Deposit Slip Requirements for Location Three (Account 4):

- Location Three
(Account 4)
ACS-Affiliated Computer Services
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

After contract award and prior to contract commencement, the bank must supply each of the three (3) law firms listed below with **500 loose encoded deposit tickets** that include the following information:

- State of New Jersey
- Department of the Treasury
- Division of Revenue
- Marvel & Maloney – 3333
- Auto Insurance Surcharge – CC Acct
- Account No:

- State of New Jersey
- Department of the Treasury
- Division of Revenue
- Weinstock & O'Malley – 4444
- Auto Insurance Surcharge – CC Acct
- Account No:

- State of New Jersey
- Department of the Treasury
- Division of Revenue
- Goldman & Warshaw – 5555
- Auto Insurance Surcharge – CC Acct
- Account No:

4. ACS Deposit Slip Requirements for Location Three (Account 5):

- Location Three
(Account 5)
ACS-Affiliated Computer Services
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

After contract award and prior to contract commencement, the bank must supply ACS with **1,500 loose encoded deposit tickets** that include the following information:

- State of New Jersey
- Department of the Treasury
- Division of Revenue
- Auto Insurance Surcharge – LB Acct
- P.O. BOX 224
- Trenton, New Jersey 08625-0224
- Account No:

R. Claim Procedures

The bank must describe its procedures for all of the following items and any other item(s), which the bank deems appropriate to define:

- ◆ Missing whole or partial deposits
- ◆ Counterfeits
- ◆ Other

The bank will be held liable for the total amount of any missing deposit provided that Revenue, or any of its third party contractors relative to the accounts noted herein, can produce a manifest log of the deposits and a signed receipt by the bonded courier/armored car personnel, or a validated deposit slip. The bonded courier/armored car personnel must maintain the signed receipts for a minimum of three (3) years. Any and all receipts applicable to this deposit procedure must be maintained by the primary vendor and all subcontractors for a minimum period of three (3) years. The State and/or its contractors will cooperate with the bank in researching missing deposits or deposit items.

The counterfeit procedure and liability issues must be clearly defined in the bank's proposal. If the audit trail cannot be clearly traced back to a Revenue deposit, the State will reject any imposed liability.

S. Web based inquiry/communication system

The bank must provide the State with Web based access to the accounts established as a result of this RFP.

Only authorized State personnel will be permitted to initiate inquiries. The authorized personnel will be identified after contract award. The State estimates **15 employees** will require Web based account access.

1. Validated Deposit Tickets and Deposit Items

For Accounts 1 thru 5, the Department of the Treasury, Cash Accounting Unit must have the ability to view images of the prior day's validated deposit tickets and deposited items via the bank's Web based inquiry/communication system. The validated deposit tickets and deposited items should be available for viewing **by 10:00 a.m.** the day following the deposit pickup. The bank's system should provide search capability by deposit date and/or deposit amount.

It is the State's preference to have Web based access to the validated deposit slips and deposited items for a minimum of **six (6) months with archive access for three (3) years.**

2. Image Retrieval Performance

If during the course of retrieval, the bank is unable to produce a legible copy of an image, the bank, at no additional cost to the State, should obtain a copy of the imaged deposit slip and/or the deposited check within **five (5) business days.**

3. Web based Wire Transfer System

The bank should provide to the State a Web based wire transfer system. The system should be capable of warehousing data (for up to two weeks) until the transmission execution date. The system should have the capability of maintaining repetitive wires requiring only date and amount. The wire transfer system should also provide the State the ability to complete draw-downs from State bank accounts located at other banks. The system must contain the proper security features to insure the protection of the data and to maintain the integrity of the system.

The bank should provide adequate operational training to State personnel, including user manual and instruction in its use. The State should have access to a telephone hot line “help desk” during normal State working hours (8:30 a.m. to 4:30 p.m.). The bank should provide on-going maintenance and emergency service when necessary. The bank must have a manual wire transfer backup procedure established in the event of an electronic failure.

It is the intention of the State to fully fund all electronic payments on transaction date. At any time during the day, as a result of the electronic receipt/payment timing, the State’s account(s) could be placed in a temporary overdraft position. The State expects the bank to promptly respond to all State wire instructions and disbursements.

T. Report Requirements

The State requires the bank to submit manual and computer generated reports reflecting the checks and ACH transactions processed. The Web based inquiry/communication system should have report generating capabilities allowing reports to be generated which include **three (3) months of activity**. The user should be able to create queries so the report can be sorted by the following headings:

Account Number
Date/Period Covered
Deposit/Check #
Dollar Amount Range
Pay Date

The types of reports provided must include, but are not limited to, the following:

1. Daily Automated Balance Reporting

All accounts identified in **EXHIBIT H Division of Revenue Depository Accounts Structure and Funds Flow** and **EXHIBIT I Motor Vehicle Commission Depository Accounts Structure and Funds Flow** and any future accounts established will require daily automated balance reporting in unencrypted BAI2 format via the Internet without the use of a secure card random assigned personal identification number (PIN), or other means that would inhibit the automated retrieval of the bank data. Any encryption format required by the bank must be compatible with the automation of the retrieval process of the bank report, such that a bank report can still be retrieved and unencrypted in an automated fashion.

Every working day by **7:30 a.m.**, the bank must electronically provide access to **prior day summary and/or detail** account balance information in unencrypted BAI2 format via the Internet without the use of a secure card random assigned personal identification number (PIN), or other means that would inhibit the automated retrieval of the bank data.

For each account the bank must have the capability of reporting all standard BAI2 codes including, but not limited to, codes depicting the following categories: ledger and collected balances, zero, one and two-day float, total debits and credits, debit and credit detail, deposit item information, adjustment items, funds transfer and ZBA activity.

For all the reporting fields, there should always be data reported. Therefore, if there is no amount reported, the bank should input 00.00 in the specific amount field.

As technology improves, the State requires that the chosen vendor remain flexible, throughout the term of this contract and any extensions, as it relates to the method of balance reporting in unencrypted BAI2 format via the Internet without the use of a secure card random assigned personal identification number (PIN), or other means that would inhibit the automated retrieval of the bank data.

2. Detail and Summary Bank Statements

Treasury, Cash Accounting will require both Web based access to account detail and summary information, as well as, hard copy Bank Statements.

It is the State's preference to be able to view the Location Codes on statements generated via the bank's Web based system however, if the bank can not provide this service, the inclusion of Location Codes on the hard copy Bank Statements is an acceptable alternative.

The following chart depicts the hard copy Bank Statement frequency requirements for each of the accounts.

ACCOUNT#	HARD COPY BANK STATEMENT FREQUENCY
	<u>Daily Bank Statements</u>
1	Taxation General Depository Account
3	Division of Revenue General Collection Master Account
5	Auto Insurance Lockbox Surcharge Collection Account
	<u>Weekly Bank Statement</u>
4	Auto Insurance Credit Card Surcharge Collection Account
	<u>Monthly Bank Statements</u>
2	Division of Revenue Consolidated Account
6	Motor Vehicle Commission Surcharge Collection and Disbursement, Master Account

All debits and credits posted must be supported by debit and credit notices, with full detail explanations. All Bank Statements must include the following information:

- Amount of each deposit (cash and check)
- Listing of all debits and credits (including wires and ACHs)

- Location Code (4 to 6 digit agency locator code)
- Grand total

The hard copy Bank Statements must be received by Treasury, Cash Accounting within **five (5) business days from the activity date.** Appropriate detailed debit and credit memos can be mailed separately.

Treasury, Cash Accounting will also require the ability to download and save the daily Bank Statements from the bank's Web based inquiry/communication system.

U. Vendor Contact Personnel

The bank should appoint a senior officer (vice-president or above) and a qualified substitute as a representative for contact and liaison with the State. This representative will be solely responsible for insuring that the contract requirements are met, implementing State instructions and resolving problems that may arise on a day-to-day basis during the term of the contract.

The bank should provide the lines of communication (proper contact personnel, names, locations and telephone numbers) for immediate response to any request for information pertaining to these accounts.

The State requires that the vendor designate a minimum of two individuals for each category noted below (not necessarily all inclusive) who will be responsible for the daily inquiries, problems, initial and on-going training, etc.

1	Wire Room – Web based wire transfers
2	Daily Balance Reporting
3	Web based inquiry/communication system
4	Bank Statements, credits and debits
5	Deposit discrepancies
6	Reports
7	Invoice and bank analysis
8	Bonded Courier/Armored Car pickup and delivery service
9	Supplies (reorder of check boxes, check box labels, check bags, cash bags, cash deposit envelopes, encoded deposit slips and an updated personnel directory)
10	Implementation and Testing
11	Training and Training Materials

In the event a personnel change results in a different liaison being assigned to the State, written notification should be provided to the Department of Treasury, OMB, Cash Management Unit **15 days** prior to the change becoming effective.

V. Training

The bank must provide adequate training both initially and on-going to ensure that State personnel thoroughly understand all report information and can identify the codes indicated on all reports. All systems should be explained and demonstrated to representatives from Cash Accounting and the Division of Revenue during the implementation and testing phases.

A minimum of **two (2) sets of operating manuals** must be provided and any subsequent additions, deletions or revisions to the manuals must be promptly forwarded to the State, as required.

A training outline, schedule and synopsis of the major training categories and the trainer's name must be included in the bank's response to the State's training requirements.

All relevant deposit preparation procedures and bonded courier and general armored car security procedures must be included in the training agenda.

A combined total of approximately **15 employees** from Cash Accounting and the Division of Revenue will require training.

The bank should be certain that the Web based inquiry/communication system are operating satisfactorily and that State personnel have been properly trained on the operating system.

W. Conversion/Implementation

The bank must provide a detailed implementation schedule to include training and testing starting with the anticipated award date through contract commencement, and beyond if applicable (for any possible follow-up issues). Provide details where relevant. Include both the bank and State personnel resources that will be required to fulfill the tasks or milestones as proposed.

VI. EVALUATION CRITERIA

The State must be satisfied that the bank has the necessary technical expertise, experience and resource capabilities to satisfactorily perform the requisite services stated in this request. The State reserves the right to obtain any information from an independent source to evaluate these criteria. Selection of other than the apparent low bid will be fully documented. An award will be made to that responsible bidder whose bid, conforming to the RFP, will be most advantageous to the State, price and other factors considered.

The following general criteria, not necessarily listed in order of significance, will be used to evaluate the vendors' proposals. A more detailed evaluation worksheet may be developed which may expand on the technical requirements of the RFP. The State reserves the right to request additional information prior to contract award.

➤ The bank's overall response to all questions in SECTION VII .
➤ The bank's overall experience on projects of similar scope and size.
➤ Response to possible follow-up inquiries.
➤ The bank's financial condition and ratings.
➤ Clarity and completeness of the required reports and documents.
➤ Web based inquiry/communication system reliability, capabilities, ease of use.
➤ The adequacy of the security measures, contingency plans and backup procedures.
➤ The bank's commitment to provide adequate technical and personnel resources to satisfactorily meet the requirements of the RFP.
➤ The State's overall assessment of client references and the bank's overall experience with providing similar services.
➤ Quality of customer service resources provided and turnaround times for problem resolution.
➤ Completeness and feasibility of the bank's implementation, testing and training plans.
➤ Deposit Slip and Check imaging capabilities.
➤ Ability to accommodate any future State-mandated program changes within the time frame acceptable to the State.
➤ Any other information that would assist the State in the selection process.
➤ Cost.

VII. VENDOR RESPONSE

The vendor shall prepare responses to the questions listed below which will demonstrate the vendor's understanding, experience and ability to adequately provide the services as required in this Request for Proposal (RFP). The vendor must address each question in its entirety providing details when warranted. The vendor is encouraged, in its response document, to expand upon any issue, RFP statement or RFP requirement that it deems not adequately addressed by this RFP.

Each vendor is given latitude with respect to the detail it elects to offer. However, vendors are cautioned that insufficient detail may result in a determination that the bid proposal is materially non-responsive and will result in disqualification of the bid proposal.

Proposals that do not conform with or that take exception to the State of New Jersey's requirements as set forth in **Section II. Terms and Conditions, Section III. Other Mandatory Provisions and Section IV. Payment Method and Terms** will be considered materially non-responsive and therefore rejected.

Vendors are instructed to clearly identify any requirement listed in **Section V. Scope of Work** of this RFP that the vendor cannot satisfy. Any deviation to the technical specifications must be clearly noted and fully explained. The State reserves the right to accept any minor deviations if it is deemed to be in the best interest of the State.

The vendor assumes responsibility for the complete effort required in this RFP. **No special consideration shall be given after the bids are opened due to a bidder's failure to be knowledgeable of all the requirements of this RFP.** By submitting a proposal in response to this RFP, the bidder represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

It is requested that all pages for the response be numbered and that responses reference the original questions

1. Briefly acknowledge your understanding and **acceptance** of all the **TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS** and **PAYMENT METHOD AND TERMS** as stated in the RFP.
2. Identify any and **all** subcontractors, its officers, the contractual arrangements made therewith and state what services will be subcontracted.
3. Provide the names and contact information for the officers and management personnel (including subcontractors' personnel) who will be responsible for the fulfillment of the services requested herein; e.g., operations, reporting/bank statements, invoices/analysis, ACH functionality, Web-based inquiring/communication system, wire transfer system, bonded courier/armored car services, banking supplies, disaster and recovery, technology issues, customer services, error/and adjustment inquiries. Specifically identify and include the physical location (address), telephone, fax numbers and e-mail addresses for the primary contacts and backup individuals who will respond to the day-to-day communications from the Division of Revenue and the Treasury, Cash Accounting Unit.
4. For reference purposes, provide contact names, addresses, and telephone numbers of three (3) of your present customers for whom the bank is providing similar services as those requested herein; collection and deposit services, wire transfers, ACH services, and Web based inquiry/communication services and bonded courier/armored car services. If possible, provide references with activity volumes equal to or greater than those detailed in this RFP. Include any other information concerning the bank's experience that would assist the State in evaluating the bank's capabilities.
5. Respond to SECTION III. **OTHER MANDATORY PROVISIONS:**
 - a. **Financial Statements:** Bank and any direct subcontractors must include their most recent audited financial statements or financial comments if a privately held company.
 - b. **Ownership Disclosure Form:** Bank and **all** subcontractors must complete an Ownership Disclosure Form and include copies with each bank proposal. See **EXHIBIT B Ownership Disclosure Form.**

- c. Non-discrimination Law: Bank must acknowledge anti-discrimination law N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A 10:5-1 et seq. and N.J.S.A. 10:5-31 through 10:5-38 and N.J.A.C. 17:27-3.4, and abide by all rules and regulations issued thereunder.
- d. Collateralization of Deposits: Confirm the bank's ability to adhere to the Department of Treasury Collateralization Policy, refer to **EXHIBIT G Department of the Treasury Collateralization Policy Statement**.
- e. Proof of Registration Requirements: Bank and all subcontractors must submit a copy of the Business Registration Certificate(s). As mandated by Public Law 2001, Chapter 134, failure to submit a copy of the Business Registration Certificate within the bid proposal will be considered materially non-responsive and result in disqualification of the bid proposal.
- f. N.J.S.A. 52:34-13.2 Confirm the bank's and all subcontractors' ability to adhere to N.J.S.A. 52:34-13.2. The State prefers the vendor submit with its bid proposal **EXHIBIT C N.J.S.A. 52:34-13.2 Certification**, filled out with sourcing information required for them and any proposed subcontractor, identified in its proposal. If the certification was not submitted with the bid proposal, confirm the bank's ability to submit the required document within **five (5) business days** of the State's request for the information.
- g. Executive Order No. 134: Vendors must complete and submit **EXHIBIT D Executive Order 134 Certification** within the bid proposal.
- h. Disaster Recovery Plan: Vendor must include a summarized Disaster and Recovery Plan in the vendor's proposal and detailed plans must be made available for State review. Specifically address your contingency plans for data processing systems, equipment, power, information reporting, or other failures that could affect services or reporting of data.
- i. Image Processing of Public Records and Certification of Image Processing Systems: Please confirm the bank has reviewed the DARM certification and possesses the technical capabilities to become certified.

6. Describe the bank's zero balance account (ZBA) procedures/capabilities. How will the bank ensure all zero balance accounts reflect a \$0.00 opening balance?
7. Provide the depository check volumes for the bank's three (3) largest customers for the months of April and May 2006. (Account holder names are not required). Will the deposits generated by the Division of Revenue be processed at the same facilities? If so, how will the State's depository check volume impact the bank's daily processing operations? Confirm the bank's ability to meet the Encoding and Endorsing Requirements as depicted in the SCOPE OF WORK, SECTION V. What arrangements will be made to adjust staffing levels to handle peak processing periods?
8. Identify the processing facilities that will be utilized to process check and cash deposits for the Division of Revenue. Provide the location addresses, as well as, the distance in miles from the Trenton area pickup locations to the processing facilities. If the processing facilities are located outside New Jersey, describe the bank's procedures to ensure deposits are received and processed for same day credit.
9. Provide a detailed description of the standard reusable check boxes that will be provided for deposit pickup, include construction style and dimensions. Confirm the bank is willing to supply the number of standard reusable check boxes and labels as detailed in the RFP at no cost to the State.
10. Include eight (8) cash bags and eight (8) check bags (one for each proposal copy and original and one spare) with your proposal for review by the State. Identify the manufacturer and provide a full description of the bags. Confirm the bank is willing to supply each pick up location with the number of cash and check bags as detailed in the RFP at no cost to the State. Confirm the bank is willing to supply the cash deposit envelopes as detailed in the RFP at no cost to the State.
11. Confirm the bank will utilize a bonded courier for the check pickups at the three Trenton area locations and acknowledge its ability to meet the established pickup times and additional pickup requirements during the peak tax season. Acknowledge the bonded courier employees will arrive at the pick up locations with the supplies necessary to accommodate the size and scope of each pickup location including: company issued identification, a sequentially numbered receipt book and a hand truck.

Also, confirm the bank's ability to meet the Deposit Pickup Receipt Confirmation Procedures as depicted in the SCOPE OF WORK, SECTION V., including its ability to provide and maintain the three (3) bonded courier personnel directories. Describe the hiring procedures for bonded courier personnel including background checks, qualifications and experience requirements.

12. Confirm the bank's ability to meet the Check Deposit Preparation Procedures as depicted in SCOPE OF WORK, SECTION V. Identify the bank's check bag/box preparation procedures and describe the bank's recommended check deposit preparation procedure. Explain how the Division of Revenue can best minimize deposit discrepancies and disputes.
13. Confirm the bank will utilize an armored car service for the cash pickups at the three Trenton area locations. Acknowledge the armored car employees will arrive at the pick up locations with the supplies necessary to accommodate the size and scope of each pickup location including: company issued identification, a sequentially numbered receipt book and a hand truck. Verify the armored car can meet the required pickup times and define the lead-time required to schedule an "as needed" cash deposit pick up for Location Three. Also, confirm the bank's ability to meet the Deposit Pickup Receipt Confirmation Procedures as depicted in the SCOPE OF WORK, SECTION V., including its ability to provide and maintain the three (3) armored car service personnel directories. Describe the hiring procedures for armored car personnel including background checks, qualifications and experience requirements.
14. Confirm the bank's ability to meet the Cash Deposit Preparation Procedures as depicted in SCOPE OF WORK, SECTION V. Identify the bank's cash bag preparation procedure and describe the bank's recommended cash deposit preparation procedure. Explain how the Division of Revenue can best minimize cash discrepancies and deposit disputes.
15. Explain in detail the bank's secure receipt procedure, including audit trail, of the deposit pickup for both checks and cash, from arrival on the premises to departure and explain the responsibility of agency personnel during pickup as it relates to RFP requirements. Explain in detail how and when the legal responsibility for the integrity of the deposit(s) passes from the State to the bank (as the prime contractor). Confirm the use of sequentially numbered receipt books.

16. Acknowledge the bank can adhere to the State's \$5.00 (plus or minus) Check Deposit Discrepancies and Adjustments procedures as depicted in the SCOPE OF WORK, SECTION V. Define the bank's recommended check deposit discrepancy procedure. Any alternatives proposed will be evaluated, but there is no guarantee of any acceptance to any alternatives proposed.
17. Acknowledge the bank can adhere to the Cash Deposit Discrepancy and Review Procedures as depicted in the SCOPE OF WORK, SECTION V. Define the bank's recommended cash deposit discrepancy procedure. Any alternatives proposed will be evaluated, but there is no guarantee of any acceptance to any alternatives proposed.
18. Explain the money room video surveillance systems in relation to the cash counting operation. Confirm that tapes will be available for viewing for a period of no less than three months with the option to extend this timeframe if necessary. Specify the length of time tapes are retained by the money room and available for review.
19. Acknowledge the bank can meet the required deposit availability requirements as depicted in the Deposit Credit and Availability section of the RFP. Confirm the bank will compensate the State using the 91 day T-Bill rate calculation for any deposit not available per the Federal Reserve District Availability Schedules. Include the bank's latest availability schedule that will apply to State deposits.
20. Confirm the bank can comply with all the requirements depicted in the Dishonored Checks section of the RFP. Specifically acknowledge that dishonored checks returned the first time because of insufficient funds will be immediately re-deposited and that account(s) will only be debited after a check is returned a second time.
21. Confirm the bank is willing to provide the Division of Revenue/ACS with loose encoded deposit slips that meet the specifications and quantities depicted, at no cost to the State. Verify the bank is willing to replenish this supply prior to the beginning of each calendar year at no cost to the State. Confirm that orders for additional encoded deposit slips can be filled within ten (10) business days of the request. Define the multi-copy requirement of the deposit slip to meet the bank's internal processing functions, taking into account one copy will remain with the Division of Revenue/ACS. Define if the established Locator Codes and/or Locator Names will be captured on the Web based bank statements or on the hard copy bank statements.

22. Explain the bank's claim procedures for missing whole or partial deposits, counterfeits and any other item(s) the bank deems appropriate. Confirm the bonded courier and armored car service will maintain the signed receipts for a minimum of three (3) years from the date of deposit.
23. Provide a detailed description of the bank's Web based inquiry/communication and reporting system and include sample reports. Indicate the bank's ability to provide all reports within the timeframes specified and that the reports will be available online for a minimum of three (3) months. Confirm the bank's ability to provide images of the prior day's validated deposit slips and deposited items via the bank's Web based inquiry/communication system for a minimum of six (6) months and include samples.
24. Provide a detailed description of the bank's Web based wire transfer system. Confirm the bank can comply with the requirement to wire transfer funds upon request without regard to the balance in the account? Explain any restrictions that will prevent the bank from immediately complying with the State's request to wire transfer funds. Define the bank's manual wire transfer backup procedures. Describe the security features of the bank's system.
25. Confirm the bank's ability to provide the daily required automated summary and detail account balance information via the Internet by 7:30 a.m. E.S.T. in the BAI2 format without the use of a secure card PIN.
26. Provide samples of all the bank statements requested in the RFP, include a copy of all the bank's standard reports which would be helpful in the State's reconciliation process.
27. Provide a detailed implementation schedule to achieve the January 2, 2007 contract commencement requirement. Highlight delivery dates for each of the elements the bank defines as critical steps towards implementation and include a minimum of one post-implementation meeting. Include time frames for opening bank accounts, establishing access to the Web based inquiry/ communication system, testing and training. Describe the critical factors that may impact this schedule? Define both bank and State personnel commitment requirements during conversion.

28. Describe the bank's customer service operation, procedures, inquiry turnaround/response times, and staffing. Complete customer service capabilities and resources may be reviewed at an oral presentation or viewed and critiqued by the committee if a site visit is requested by the State.
29. Confirm the bank's ability to meet ALL the requirements outlined in this RFP, including: account services and maintenance, collection and deposit services, ACH services (including debit block), check services, Web based services, bonded courier and armored car services, image retention, balance reporting, invoice and analysis, bank statements, manual stop payments, security levels and supplies as stipulated in the RFP. The bank must reveal all services defined in the RFP that it cannot provide according to the specifications. The bank should indicate why they cannot deliver the service or standard requested.

VIII. COST SCHEDULE

Prices submitted are to be firm and fixed for the term of the contract and are to include all charges to meet the specifications of this RFP, such as vendor supplied forms, supplies, boxes, postage, travel, overhead, FDIC charges, profit, etc. Payment by the State will be limited only to those categories for which prices are submitted by the selected vendor. All methods of measurements that differ from the pre-established methods listed below must be clearly identified for each priced item.

Following are the pricing categories that may be appropriate for this RFP. It is not necessary to provide pricing for each category. When completing the pricing schedule, place a "NA" in each category for which a charge is not applicable.

	Account Services and Maintenance		
1	Master Account Maintenance Fee	\$	/Account/Month
2	ZBA Maintenance Services	\$	/Account/Month
3	Funds Transfer (Wires In)	\$	/Per Wire
4	Funds Transfer (Wires Out)	\$	/Per Wire
5	Web based Draw-downs	\$	/Per Wire
6	Daily Balance Reporting (Prior Day Summary and Detail - Automated to Treasury Workstation via Web in BAI 2)	\$	/Account/Month
	Deposit Services		
7	Deposits	\$	/Per Deposit
8	Deposited Items	\$	/Per Item
9	Deposited Items - Pre Encoded	\$	/Per Item
10	Encoded Item reject 0-1.5%	\$	/Per Item
11	Encoded Item reject >1.5%	\$	/Per Item
12	Encoding error adjustment	\$	/Per Adjustment

13	Cash Processing – per \$1,000 in cash	\$	/Per Deposit
14	Encoded Deposit Tickets (beyond annual requirement)	\$	/Per Ticket
15	Clear Check Bags (beyond annual requirement)	\$	/Per Bag
16	Opaque Cash Bags (beyond annual requirement)	\$	/Per Bag
17	Cash Deposit Envelopes (beyond annual requirement)	\$	/Per Envelope
	ACH Services		
18	ACH Credit (CCD, CCD+, PPD)	\$	/Per Credit
19	ACH Debit Block Service	\$	/Account/Month
	Check Services		
20	Check Paid	\$	/Per Check
21	Stop Payment Manual	\$	/Per Stop
22	Redeposit Item	\$	/Per Check
22	Returned Item (Check)	\$	/Per Check
	Web Based Services		
23	Web based Product Maintenance (If applicable)	\$	/Month
24	Web based Funds Transfer Maintenance (If applicable)	\$	/Month
25	Web based Account Inquiry	\$	/Per Inquiry
26	Web based ACH Inquiry	\$	/Per Inquiry
27	Web based Deposit Item Image (All items imaged)	\$	/Per Item Imaged
	(OR)		
	Web based Deposit Item Image (Per item viewed)	\$	/Per Item Viewed
	Bonded Courier and Armored Car Services		
28	Bonded Courier Pickup (Daily Check Deposits all locations)	\$	/Per Month

29	Additional Bonded Courier Pickup (Between April1-May 15)	\$	/Per Pickup
30	Armored Car Pickup (Weekly Cash Deposits all locations)	\$	/Per Month
	Programming		
31	Programming Fees (If Applicable) indicate number of hours	\$	/Per Hour