



**DEPARTMENT OF HUMAN SERVICES  
AND  
DEPARTMENT OF CHILDREN AND FAMILIES  
CONSOLIDATED COLLECTION AND DISBURSEMENT SERVICES**

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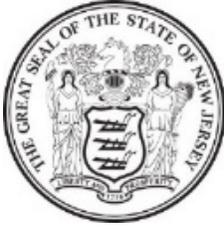
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**DEPARTMENT OF HUMAN SERVICES  
AND  
DEPARTMENT OF CHILDREN AND FAMILIES  
CONSOLIDATED COLLECTION AND DISBURSEMENT SERVICES**

**REQUEST FOR PROPOSAL**

**I. TERMS AND CONDITIONS**

**A. Applicable Rules and Regulations**

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 entire content of this RFP, all addenda, and the bank's proposal will become the basis for any award and contract. These documents, serving as the agreement between the State of New Jersey and the bank, shall, whenever possible, be construed in harmony except in instances when a governing regulatory agency's rules are in conflict, in which case the governing regulatory agency's rules and regulations would apply. If there is a conflict between the terms contained in these documents, the order of precedence shall be: (1) the rules of the governing regulatory agency; (2) the addendum(s); (3) the RFP; and (4) the bank's proposal.

All services must be the responsibility of the primary vendor. The State will not enter into any agreements with subcontractors.

The vendor must be a state or nationally chartered bank, with a branch 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 automated clearing house (ACH) association(s) and ACH operators.

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

The State of New Jersey agrees to comply with all current NACHA Operating Rules and Regulations. The entire content of this RFP, all addenda, and the bank's proposal will become the basis for award and contract and serve as the contractual agreement between *Originator* (State of New Jersey) and *Originating Depository Financial Institution* (bank), as required by NACHA and its Governing Regulators. The State of New Jersey authorizes the Originating Depository Financial Institution, in this case the contracted bank, to receive and originate ACH entries as described in the RFP on behalf of the State of New Jersey.

The State of New Jersey agrees that it will not initiate ACH entries that violate United States law.

The State of New Jersey agrees to cure any breach of the current NACHA Operating Rules and Regulations as soon as it is feasible upon notice of the issue.

The State of New Jersey agrees to permit the Originating Depository Financial Institution the right to audit the State's compliance with NACHA Rules and Regulations.

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 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 State of New Jersey will also not sign any documentation or setup forms that link to bank agreements.

## **B. Contract Administrator**

The Department of the Treasury, Office of Management and Budget, Cash Management Unit is charged with addressing contract related issues.

The Contract Administrator for this program for the State of New Jersey is:

Kyle Morales  
State of New Jersey  
Department of the Treasury  
Office of Management and Budget  
PO Box 221  
Trenton, New Jersey 08625-0221  
Phone: (609) 292-1721  
E-mail: [Kyle.Morales@treas.nj.gov](mailto:Kyle.Morales@treas.nj.gov)

## **C. Project Management**

This Request for Proposal (RFP) has been prepared by the New Jersey Department of the Treasury, Division of Administration, Office of Fiscal and Resources. After contract award, the Department of Human Services and the Department of Children and Families are charged with the responsibility for the administration of their respective bank accounts.

The Project Manager for the Department of Human Services Account is:

Sharon Tiesi  
State of New Jersey  
Department of Human Services  
Office of Finance, Client Banking Services  
222 South Warren Street  
Trenton, NJ 08625  
Phone: (609) 633-3717  
E-mail: [Sharon.Tiesi@dhs.nj.gov](mailto:Sharon.Tiesi@dhs.nj.gov)

The Project Manager for the Department of Children and Families Account is:

Susan Iglesias  
State of New Jersey  
Department of Children and Families  
50 East State Street, 7<sup>th</sup> Floor  
Trenton, NJ 08625  
Phone: (609) 888-7517  
E-mail: [Susan.Iglesias@dcf.nj.gov](mailto:Susan.Iglesias@dcf.nj.gov)

#### D. Timetable of Events

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

EVENT	DATE
Issuance of Request	January 28, 2021
Deadline to Submit Questions	February 11, 2021
Proposal Due Date	March 11, 2021
Anticipated Award Date	April 30, 2021
Implementation & System Testing	June 1, 2021
Contract Commencement	October 1, 2021

#### E. RFP Questions from Bidders

The Office of Fiscal and Resources will accept questions and inquiries from all qualified potential bidders electronically via e-mail. This will be the only opportunity potential bidders will have to submit questions pertaining to this RFP.

The deadline to submit written questions pertaining to this RFP ends at **4:00 p.m. E.T.** on the date indicated in the Timetable of Events. Written questions received after the deadline will **not** be recognized or addressed.

Questions must be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP. Each question must begin by referencing the RFP page number and section number to which it relates.

The subject line of the e-mail should include the specific banking RFP name.

Respondents are not to contact the Division of Administration, Office of Fiscal and Resources directly, in person, or by telephone, concerning this RFP.

Division of Administration, Office of Fiscal and Resources will address all questions by posting an addendum on the Office of Management and Budget, Banking Services website. The addendum will include all questions submitted prior to the

submission deadline, along with the State's response to each question. Questions are to be e-mailed to the following address:

[TreasuryBankingServices@treas.nj.gov](mailto:TreasuryBankingServices@treas.nj.gov)

#### **F. Revisions to the Request for Proposal**

If it becomes necessary to revise any part of this RFP, revisions will be made in the form of a written addendum, and vendors will be notified via email.

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

#### **G. Proposal Requirements**

The State will accept proposals in either hardcopy or via email in PDF Format.

**Proposals must arrive prior to or no later than 4:00 p.m. E.T. on March 11, 2021.**

If submitting a proposal in person or overnight delivery, address packages to:

Rochelle Wyckoff  
State of New Jersey  
Department of the Treasury  
Division of Administration  
Office of Fiscal and Resources  
50 West State Street, 8th floor  
Trenton, New Jersey 08625-0221

If submitting a proposal by U.S. Mail, address packages to:

Rochelle Wyckoff  
State of New Jersey  
Department of the Treasury  
Division of Administration  
Office of Fiscal and Resources  
PO Box 211  
Trenton, New Jersey 08625-0221

Along with one proposal, clearly marked "ORIGINAL," signed by an officer who is authorized to bind the respondent contractually, **eight (8) copies of the proposal.**

In addition to the submitted hard copies, vendors must include a CD-ROM copy of their entire bid submission, including all exhibits, financials, attachments, and samples of required documents in the PDF format.

If submitting a proposal by email, send the proposal in PDF FORMAT to:

[TreasuryBankingServices@treas.nj.gov](mailto:TreasuryBankingServices@treas.nj.gov)

Emailed bid submissions must include the entire proposal, including all exhibits, financials, attachments, and samples of required documents in PDF Format. If the attachments are too large, multiple attachments and/or emails will be accepted.

For emailed PDF bid submissions, a confirmation email will be sent notifying receipt of bid submission. IF A CONFIRMATION EMAIL IS NOT RECEIVED, PLEASE RESEND ENTIRE BID PROPOSAL.

It is the bidder's responsibility to clearly identify the sections and pages in its bid proposal that designates to be confidential and/or proprietary.

Please note that faxed proposals will **not** be accepted.

#### **H. Oral Presentation and Vendor Site Visitation/Inspection**

Vendors that submit a proposal 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, Division of Administration, Office of Fiscal and Resources will schedule the presentations.

At the time of proposal evaluation, the State reserves the right to inspect the vendor's non-secure facilities, including any and all subcontractors' non-secure facilities, via a scheduled site visit. Any time after award, the State reserves the right

to inspect the vendor's non-secure facilities, including any and all subcontractors' non-secure facilities, with prior notice by the State. 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 content 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 this 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, Office of Management and Budget, Cash Management Unit. The Department of the Treasury, Office of Management and Budget, Cash Management Unit will be responsible for opening and closing all accounts.

## **K. Contract Extension**

The State will have the option to extend the contract for **four (4) one-year periods**, or any portion thereof if 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 and conditions 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 of 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 its 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. 17:12-3.

For all Office of Fiscal and Resources contract protests, although N.J.A.C. 17:12-3 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 with the State and the new contract vendor to effect a smooth transition, which would include transferring all information needed for the continued operation of the application.

In instances when a governing regulatory agency's rules are in conflict with any agreement entered into as a result of this RFP, the governing regulatory agency's rules and regulations would apply.

#### **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. The bank is required to continue servicing the State at the same cost. During this transitional period, the State is not subject to any price changes. 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 initial scope of this RFP, either through this State agency or another, 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 its 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 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 its products, services, reports, equipment, information, etc. in order to meet the requirements as specified herein.

The successful vendor must 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**

The State defines a subcontractor as a third party that is specifically engaged by the vendor to provide services under this contract to the State.

All subcontractors must be approved by the State. If the vendor has knowledge prior to proposal submission date that any part of the work covered by this request will be subcontracted, the vendor must 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 vendor desires to employ or replace any subcontractor, the vendor 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. The bank must thoroughly research and confirm a subcontractor's ability to deliver services exactly as requested in this RFP. The State will not amend its requirements to accommodate a subcontractor's unwillingness to provide required documents or its inability to deliver services exactly as stated/required in this RFP.

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.

In instances when a governing regulatory agency's rules are in conflict with any agreement entered into as a result of this RFP, the governing regulatory agency's rules and regulations would apply.

#### **S. Cost Liability**

The State of New Jersey assumes neither responsibility nor liability for costs incurred by vendor 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 Transmission

See **EXHIBIT A State of New Jersey OIT File Transfer Guide** for a detailed description of the protocols supported by the State. A bank's ability to support as many of these file transfer methods as possible, thus providing the State with maximum flexibility, will be a positive factor considered during the proposal evaluation.

The State plans to take advantage of all advancements offered by the ACH Network. The bank must be able to demonstrate that it has the ability to support these updates to the electronic funds transfer system.

The bank and all subcontractors will be required to use reasonable care to protect the confidentiality of the data. All non-public data contained in the documents or files supplied by the State are to be considered confidential and shall be solely for the use in connection with the services provided to the State, provided that the following information will not be considered confidential: (1) information that is or becomes generally available to the public other than as a result of an unauthorized disclosure by the bank or its subcontractors; (2) information that is or becomes available to the bank or its subcontractors from a source not known to be under an obligation of confidentiality to the State; or (3) information is independently developed without the use of the State's confidential information. The chosen bank must protect State data and ensure that all State information remains confidential, except for disclosures (1) to employees or subcontractors with a need to know such information in connection with the services provided to the State and who are subject to confidentiality obligations no less protective than those set forth herein, (2) to regulatory officials (including bank examiners) having jurisdiction over bank, (3) required by law or legal process, or (4) authorized by the State in writing.

Any use, loss, sale or offering of this data in any form in violation of the terms of the preceding paragraph 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 subject to the liability provisions of this RFP.

**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 records and other contract-related documentation (e.g., any addendum's, State RFP, and bank's proposal) needed for the execution of any and all contracts. These records must be made available to the State at all reasonable times during the contract term and for a period of **seven (7) years from the date of final payment.**

Vendor-generated transaction records must be made available to the State for a period of **seven (7) years from the date of transaction.**

All paid items must remain on the bank's Web-based Inquiry/Communication System for a **minimum of seven (7) years from the paid date**. State of New Jersey employees must have immediate access to paid items and outstanding checks via the bank's Web-based Inquiry/Communication System.

The State reserves the right to have either 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 accommodations for the State auditors to use when they perform their regular and scheduled audits at non-secure locations.

## **X. Severability Clause**

In the event that any provision of this RFP or the 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's liability to the State for actual, direct damages resulting from the Vendor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 500% of the value of the contract, except that such limitation of liability shall not apply to the following:

The Vendor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the Vendor under the contract caused by negligence or willful misconduct of the contractor.

The State defines the value of the contract as the estimated annual fees multiplied by the contract term. Contract extensions are excluded from this calculation.

The Vendor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in this RFP.

The Vendor shall not be liable for special, consequential, incidental, indirect, and punitive damages.

## **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 that, in the opinion of the Department of the Treasury, has interest, 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**

Information provided in response to this Request for Proposal can be released to the public under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq., (OPRA), however, certain sections may be considered confidential under the statutory exceptions. A bidder may designate specific information and pages of its bid proposal as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion.

Bidders are responsible for clearly defining the sections and pages of their bid proposal considered to be confidential and/or proprietary. The designated sections/materials must be listed on the cover letter and clearly marked at the bottom of each page in the footer section. The State reserves the right to make the determination and will advise the bidder accordingly.

The State will not honor any attempt by a bidder either to designate its entire bid proposal as proprietary and/or to claim copyright protection for its entire proposal. In the event of any challenge to the bidder's designation of confidential and/or proprietary materials, the bidder shall be solely responsible for defending its designation, and the State shall have no responsibility therefor.

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list.

All bid proposals, with the exception of information determined by the State or the Court to be confidential and/or proprietary, are available for request after the Letter of Intent-to-Award is issued. At such time, interested parties can request a copy of a bid submission by visiting the following link <http://www.state.nj.us/opra/>. Users should select the link titled State Request Form, and in the first drop-down menu that reads Choose a Department, users should select Treasury. In the second drop-down menu that reads Choose a Division, the user should select Government Access Unit and complete the request form according to the instructions.

**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

## II. OTHER MANDATORY REQUIREMENTS

### A. Financial Statements

As part of the proposal, 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, for the most current year.

The Original Proposal and proposal copies should include a working link to the bank's most recent audited financial statements. If the bank cannot provide a working link to the State, the bank must include a hard copy of the bank's audited financial statements for the Original Proposal.

The Original Proposal and proposal copies should include a working link to a subcontractor's audited financial statements or financial comments if a privately held company. If the bank cannot provide a working link to the State, the bank must include a hard copy of the subcontractor's audited financial statements or financial comments if a privately held company.

### B. Ownership Disclosure Form

As part of the proposal, the prime vendor and all its known subcontractors must complete the enclosed Ownership Disclosure Form and submit 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. Collateralization of Deposits**

The State Treasurer shall require from this bank a deposit of bonds, notes, certificates of indebtedness or bills 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 obligations now or hereafter authorized by law as security for public deposits. In addition, a current Security Agreement should be on file with the State of New Jersey.

For the total bank balances resulting from the account, the collateralization requirement must adhere to **EXHIBIT C Policy Statement: Department of the Treasury Collateralization Requirements for State Held Deposits.**

#### **E. 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 and Enterprise Services.

The Division of Revenue and Enterprise Services' 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 N.J.S.A. 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 prior to the time of contract award.

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

The registration process involves filing Form NJ-REG. An overview of the filing requirements can be found by visiting the DORES website at <https://www.nj.gov/treasury/revenue/busregcert.shtml>. To file a Form NJ-REG online, visit <https://www.njportal.com/DOR/BusinessRegistration/>.

Any questions in regard to business registration requirements can be directed to the Division of Revenue and Enterprise Services at (609) 292-9292.

**F. 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:
  - 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
  - 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
  - The Treasurer determines that a failure to use the vendor's and/or subcontractor's services would be inconsistent with the public interest.

Bidder may perform certain general information technology and other “back-office” support activities and ancillary processes for its own general benefit in support of its obligations to its customers from non-U.S. locations. These functions and processes include, but are not limited to, database maintenance on the Bidder's database applications and servers, technology infrastructure support for Bidder's technology hardware and system components, programmatic operations information processing on digital data (such as interest calculations) for the Bidder's general benefit, IT services' asset management, programmatic transaction processing, systematic account maintenance and servicing functions, and information analytics for the Bidder's general benefit.

## 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:

The location by country where services under the contract will be performed; and

The location by country where any subcontracted services will be performed.

State prefers the vendor submit with its bid proposal ***EXHIBIT D N.J.S.A. 52:34-13.2 Source Disclosure Certification Form***, completed with the sourcing information required for the vendor 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 of 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, which 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.

## **G. Two-Year Chapter 51 Certification & Disclosure of Political Contributions**

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, Public Law 2005, Chapter 51 was signed into law on March 22, 2005 (this law supersedes Executive Order 134 (2004)).

On September 24, 2008, former Governor Jon S. Corzine issued Executive Order No. 117 to further enhance the State of New Jersey's efforts to protect the integrity of the procurement process.

Pursuant to the requirements of Public Law 2005, Chapter 51 / Executive Order No. 117 (2008) the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

### **1. Vendor Certification and Disclosure**

Prior to awarding any contract or agreement to procure services or any material, supplies or equipment from, or for the acquisition, sale, or lease of any land or building from or to, any business entity, the State or any of its purchasing agents or agencies, as the case may be, shall require, as part of the procurement process, the business entity to report all contributions the business entity made during the preceding four years to any political organization organized under section 527 of the Internal Revenue Code that also meets the definition of a "continuing political committee" within the meetings of section 3 of P.L. 1973, c.83 (C.19:44A-3).

The submission of **EXHIBIT E Information and Instructions for Completing the "Two-Year Vendor Certification and Disclosure of Political Contributions" Chapter 51 Form** will be required **five (5) business days** from the date on the "Intent to Award" letter issued by the Division of Administration, Office of Fiscal and Resources.

## 2. State Treasurer Review and Approval

The State Treasurer or his/her designee shall review the Certification and Disclosure submitted pursuant, 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.

Please access the Purchase and Property website for additional information on Public Law 2005, Chapter 51, at the following site:

<http://www.nj.gov/treasury/purchase/execorder134.shtml>.

Upon approval by the State, the Certification and Disclosure of Political Contributions form is valid for a two (2) year period. Thus, if a vendor receives approval on January 1, 2020, the certification expiration date would be December 31, 2021.

## 3. Ongoing Vendor Responsibility

All business entities awarded a State contract on or after October 15, 2004, in an amount in excess of \$17,500, have a continuing obligation to disclose any changes in the vendor's ownership status and/or political contributions made during the term of such contract, and any extensions thereof.

**NOTE:** Vendors are contractually obligated to report all ownership changes and political contributions to the Division of Administration, Office of Fiscal and Resources by submitting updated Vendor Certification and Disclosure forms. All changes and forms are subject to review by the Treasurer.

If the State Treasurer determines that any such contribution poses a conflict of interest, such contribution shall be deemed a material breach of such contract or agreement.

## H. Disaster Recovery

### 1. Disaster Recovery

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. An overview of the bank's disaster recovery plan, contingency, and backup procedures should be provided in the bank's bid proposal.

The bank must be able to demonstrate within their overview that State operations will be minimally affected and State records recovered intact. Given the worst-case scenario, the vendor must be completely functional **within 48 hours of a major disaster**.

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, CD-ROM. In addition, the bank must be able to demonstrate that sufficient safeguards are in place to prevent test files from being loaded into a production environment.

### 2. Disaster Recovery Test Requirements

The bank must fully cooperate during any and all disaster recovery testing operations initiated by the State. The bank must identify in its bid proposal if there are any organizational production and/or testing shutdown timeframes during the calendar year when it would be unable to participate in State tests.

The State will run a Disaster Recovery Test pertaining to the accounts contained in this RFP, although not all accounts may be included in the test. The test is required to be performed once a calendar year and must mimic full simulation of the production environment in order to meet auditing requirements. Testing will be conducted at the State of New Jersey, Office of Information Technology Disaster Recovery site, which simulates a parallel production environment at a different location from where the normal State test and production activities occur.

Currently, the State's Disaster Recovery center is evolving. Connect:Direct Secure+ will become available at this site in the future; however, an exact date has yet to be determined. Therefore an alternative method must be established to transfer data between the Disaster Recovery site and the bank. The established connectivity method must be mutually agreed upon by the State and the bank. By developing an alternate method, both parties will be creating the capability to provide an alternate means of communication between the bank and the State in the event the main file transfer mechanism is unavailable.

The State's Disaster Recovery Test is a full simulation test, as close as technically feasible to the production environment. In order to satisfy audit requirements, the State of New Jersey, Office of Information Technology (OIT), must be able to simulate the production environment as closely as possible, thereby demonstrating to the auditors the State's ability to recover from a disaster.

The bank must have a process and security in place to ensure that any test files sent as part of the disaster recovery test do not get processed in the bank's production environment. In addition, the State may require that its print agency's Disaster Recovery Site be included in the Disaster Recovery Testing.

### **3. Disaster Recovery Test Files**

The bank must be prepared to receive and validate test files transmitted or delivered from a State of New Jersey disaster recovery exercise.

The following list of Disaster Recovery Test items, not necessarily all-inclusive, will be required and considered during contract award:

- Accept and return test files;
- Validate that the received files are properly formatted and useable as if they were production files;
- Provide the State with written documentation as to the correctness of the data;

- Validate the legibility of printed “voided” checks, which are replications of production checks produced from a Disaster Recovery test.

All test checks mailed to the bank must be returned to the State after the bank validation is complete.

#### **I. Destruction Requirements for State Records and, if applicable, Canceled Checks**

The New Jersey Department of the Treasury’s Division of Revenue and Enterprise Services (NJDORES) is responsible for ensuring that all public records are managed, preserved, and destroyed in accordance with public law.

The bank should destroy all public documents in accordance with State regulations and the retention schedule promulgated by NJDORES in consultation with the appropriate State agency and approved by the State Records Committee (SRC).

Physical destruction of State records should comply with the existing (applicable) State standards. These standards will apply to any sub-contracted vendors the bank may utilize for destruction services.

See **EXHIBIT F *Destruction Requirements for State Public Records and Canceled Checks*** for paid check destruction requirements.

### III. PAYMENT METHOD AND PROVISIONS

A cost analysis will be required each month detailing the costs associated with the required banking services. The State will pay for vendor-banking services with compensating balances when they exist.

#### A. Compensating Balances

The compensating balance must be considered as the total average collected balance of the account(s) less the non-earning Federal Reserve requirement in effect during the course of the contract term. The basis for the earnings rate will be determined from the average of each month's 13-week Treasury bill yield auction results. All auctions for which the settlement date falls in that month will be included in the month's simple average. At a minimum, the **coupon yield** of each auction will be used.

The earnings rate will be applied each month against the average daily net collected balance of each account 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 State requests that a premium be applied to those excess balances. This feature will enable the agencies to offer a small amount of interest to their clients. Interest, if any, will be credited monthly to each agency account respectively.

\*The premium rate submitted by the bank, if any, will be taken into consideration as part of the technical proposal evaluation.

#### B. Payment Terms

The bank must 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. The standard State of New Jersey payment voucher and instructions for preparation of the form will be provided to the bank after contract award.

### C. Monthly Analysis

Together with the invoice, the bank must provide a monthly analysis that will contain on one page of the analysis report, and the monthly average collected balance for the accounts. On the same page, the total monthly activity for each billable category will be presented so that every category of activity appears on one line of the report. The balance 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, if one is required by the Federal Reserve, will be applied against the total collected balance of the account, with the monthly average Treasury bill coupon 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. All applicable costs are to be billed in this manner. No charges can be directly debited against the account(s).

Monthly Analysis and Invoices for the Department of Human Services Accounts must be addressed to:

Sharon Tiesi  
State of New Jersey  
Department of Human Services  
Office of Finance, Client Banking Services  
222 South Warren Street  
Trenton, NJ 08625  
Phone: (609) 633-3717  
E-mail: [Sharon.Tiesi@dhs.nj.gov](mailto:Sharon.Tiesi@dhs.nj.gov)

Monthly Analysis and Invoices for the Department of Children and Families Account must be addressed to:

Susan Iglesias  
State of New Jersey  
Department of Children and Families  
50 East State Street, 7<sup>th</sup> Floor  
Trenton, NJ 08625  
Phone: (609) 888-7517  
E-mail: [Susan.Iglesias@dcf.nj.gov](mailto:Susan.Iglesias@dcf.nj.gov)

See ***EXHIBIT G Monthly Analysis Sample Format*** for an example of the desired monthly analysis format.

#### IV. PURPOSE AND INTENT

The purpose of this request is to solicit proposals from qualified New Jersey banking vendors for the placement of **two (2) State accounts** for the daily client banking needs for the DHS and DCF, and the accurate and timely processing of all services associated with these accounts.

The State would prefer to establish **two (2) accounts** in the vendor bank with the ability to earn interest on balances remaining after compensating balances have been used to offset banking service fees.

1	Department of Human Services Consolidated Client Fiduciary Account
2	Department of Children and Families Client Fiduciary Account

There are currently **eleven (11) agencies** run by the Department of Human Services throughout the State of New Jersey. There is currently **one (1) agency** run by the Department of Children and Families located in Trenton, New Jersey. Both departments will maintain individual client sub-account records for clients serviced by the **twelve (12) locations** through separate internal accounting systems.

See **EXHIBIT H** for a complete list of the **Department of Human Services and Department of Children and Families Agency List**.

Each of the **twelve (12) agencies** will have direct access to their clients' individual account activity through their respective internal accounting systems. Each department will oversee the day-to-day operations of their respective accounts. DHS, Office of Finance will manage the day-to-day operations of its **eleven (11) agencies** in order to centralize accounting and reporting functions. DCF, Office of Revenue and Financial Reporting will manage the day-to-day operations of its agency in order to centralize accounting and reporting.

During Calendar Year 2019, the monthly average collected balance held in the Department of Human Services Consolidated Client Fiduciary Account was approximately **\$7.0 million.**

During Calendar Year 2019, the monthly average collected balance held in the Department of Children and Families Client Fiduciary Account was approximately **\$1.1 million.**

See **EXHIBIT I** for more detail concerning the **Average Collected Balances In Calendar Year 2019.**

The State reserves the right to add additional accounts, as the need arises, during the course of the contract term.

The State reserves the right to add and delete agencies, as the need arises, during the course of the contract term.

Below is a summarized list of the 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** of this RFP.

Payee Positive Pay services and reporting
Electronic Transmissions (sending and receiving capabilities)
Teller assisted deposit services (cash and check deposits)
Teller assisted check-for-cash exchange services
9 Remote Deposit Scanners - maintenance agreements for the contract term and supplies
Web-based Inquiry Communication System (access to perform account inquiries and initiate transactions)
Full Account Reconciliation services
Monthly Bank Statements (including detail and summary information) and Monthly Account Analysis
ACH Sending and Receiving capabilities

ACH Debit Block Services (with ACH Debit Filter capabilities)

Automated Daily Balance Reporting (prior day)

Timely reports per RFP specifications

Timely, reliable customer service

Paid Check Imaging (access to paid check items for 7 years) and  
document destruction (for returned paid checks)

## V. SCOPE OF WORK

### A. General Account Requirements

The State's requirements include the establishment and maintenance of **two (2) State accounts**, and the accurate and timely processing of all banking services related to the accounts including, but not limited to; payee positive pay, earnings credit rate, possible added premium on remaining balances, ARP services, ACH sending and receiving capabilities, ACH debit blocks, teller assisted depository services including check and cash deposits, teller assisted check-for-cash exchange services, Remote Deposit Capture Services, document destruction, access to the bank's Web-based Inquiry Communication System to complete inquiries (i.e. account detail and summary look ups, paid check images and transaction detail information) and the ability to process transactions (i.e. stops, cancels, issues, and fund transfers) along with a variety of electronic reporting and communication needs.

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

The Department of Human Services and the Department of Children and Families will oversee the day-to-day operations related to their respective accounts.

Due to the nature of the business being conducted for these **two (2) accounts**, the chosen bank must maintain a **strong branch presence throughout the State** and commit to providing teller assisted deposits as well as check-for-cash exchange services. In addition, the bank must commit to providing free check cashing services for non-bank customers.

The bank must be a member of the National Automated Clearing House Association (NACHA) and follow the rules and regulations as outlined in the latest published ACH operating manual.

### B. Accounts to be Established

The State will establish **two (2) accounts** in the vendor bank as follows:

1	Department of Human Services Consolidated Client Fiduciary Account
2	Department of Children and Families Client Fiduciary Account

The State’s initial requirements will include the establishment and maintenance of the above **two (2) accounts** and the accurate and timely processing of all banking services and reports related to these accounts.

See **EXHIBIT J** for a detailed description of the **Account Structure and Funds Flow** related to this RFP.

The accounts must be established as “Preferred Status” accounts; that is, to establish a credit line that will be sufficient to cover all daylight overdrafts without penalty or additional charge to the State, and honor all checks presented for payment regardless of the current balance in the accounts. In the rare situation that an overnight overdraft occurs, the State requests that the bank honor all checks without penalty or additional charge to the State. In particular, the bank will cover overdrafts on those occasions when there is a non-bank holiday (i.e., State holidays, State/Agency closings or mandatory State furlough days). Some of the State holidays listed below are not bank holidays.

New Year's Day
Martin Luther King Jr. Day
President's Day
Good Friday
Memorial Day
Juneteenth
Independence Day
Labor Day
Columbus Day
Election Day
Veteran's Day

Thanksgiving Day
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Christmas Day
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**It is important to note, that since the inception of the current Client Banking Services contract, the accounts listed above have never been overdrawn.**

The State reserves the right to consolidate, increase or decrease the accounts and the transactions associated with these accounts in order to accommodate program changes during the course of the contract term.

All accounts will be established as payee positive pay accounts.

All accounts must be protected against unauthorized ACH debit activity.

## **C. Deposit Credit - Deposit Adjustments and Required Reporting**

### **1. Deposit Credit and Availability**

All deposits must be processed for collection and credited to the State's account(s) the same day, provided that the deposit is made prior to the close of the bank business day. If the deposit is made after the close of the bank business day, the account will be credited the next bank business day. Availability of check deposits must, at a minimum be in accordance with the appropriate Federal Reserve District Availability Schedules.

Cash and "on-us" checks must receive same day availability as the deposit date.

### **2. Deposit Discrepancies and Adjustments**

For all deposits, 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 memorandum with a corresponding debit or credit to the account.

Information regarding all discrepancy adjustments must be delivered to the respective agency within **three (3) business days** of the deposit date or the return of a deposited check. The following detail information must be included in the adjustment memorandum (debit or credit advice) for each discrepancy and/or adjustment:

1	Bank Account Number
2	Agency's Two-Digit Location Number
3	Original Deposit Date
4	Original Deposit Total
5	Adjustment Date
6	Adjustment Amount
7	Adjustment Type
8	Item(s) that contained the error

**3. Dishonored Checks**

The bank must immediately redeposit checks that are not honored the first time because of insufficient funds. The bank will only be permitted to debit the appropriate State account, after a check has been returned a second time due to insufficient funds.

**Within three (3) business days of receipt** of a dishonored check, the bank must provide the respective State agency with electronic notification consisting of a debit memo and an image (front and back) of the returned check. The bank must provide all electronic debit memos and check images via email or the bank's Web-based Inquiry Communication System.

The following information must be included in the debit memo:

1	Bank Account Number
2	Agency's Two-Digit Location Number
3	Original Deposit Date
4	Return Date
5	Return Amount
6	Return Reason
7	Debit Amount Charged to Account
8	Date of Debit to the Account

The bank must provide in its proposal, a sample debit memo and check image (front and back) for verification and evaluation purposes.

In Calendar Year 2019, there were **nine (9) returned items** for the Department of Human Services Consolidated Client Fiduciary Account totaling **\$4,149.75**.

In Calendar Year 2019, the Department of Children and Families Client Fiduciary Account did **not** experience any returned items.

#### **D. Remote Deposit Capture (RDC) Services and Equipment**

All **twelve (12) agencies must have access to the vendor bank**, or a correspondent bank, within close proximity of each agency to accommodate their day-to-day banking needs. The bank must provide, with its proposal the approximate distance, in miles, from your closest branch to each of the agencies.

For a list of agency addresses, see **EXHIBIT H the Department of Human Services and Department of Children and Families Agency List**.

Currently nine (9) of the agencies utilize Remote Deposit Capture Services to perform daily check deposits. In the new contract, the bank must provide **nine (9) Remote Deposit scanners** appropriately sized to meet the daily deposit needs of each of the nine (9) agencies. Due to the expense of purchasing these scanners outright, the agencies may elect to utilize a phase in approach to implement Remote Deposit Capture Services over the course of several months.

In addition, the bank will be required to provide maintenance agreements to cover the Remote Deposit scanners for the life of the contract term, **at no cost to the State**.

On a daily basis, **nine (9) agencies will utilize Remote Deposit Capture scanners** as their primary method to perform check deposits, however the agencies must maintain their ability to conduct teller assisted check deposits as a contingency plan.

On a weekly basis, **ten (10) agencies will perform cash deposits** by visiting a local bank branch.

On an as needed basis, **nine (9) agencies will conduct check-for-cash exchange transactions** at a local bank branch. In addition, the agencies will call their respective bank branches to arrange for a check-for-cash exchange. Some agencies may require as much as \$10,000 in cash per visit.

The bank must provide the State with web-based Remote Deposit Capture (RDC) Services. This service will provide agencies with the ability to deposit checks into their respective accounts from a location outside of the bank, without having to physically deliver the checks to the bank. This is accomplished by scanning the check and creating a compliant, digital image of the check at the agency location. This image must then be transmitted to the bank via a secure internet connection.

The bank must provide all necessary software, hardware (scanner) and related maintenance to accommodate Remote Deposit Capture Services for the term of the contract. The bank must also provide initial set-up support and user instruction, as well as on-going product support. The Web-based Inquiry Communication System should be user-friendly and compatible with current operating systems. The Web-based Inquiry Communication System must also be compatible with current web browsers.

- Prior to contract commencement, the DHS and DCF will require the installation of Remote Deposit Capture Scanners.
- The bank must provide scanner equipment that is new, appropriately sized and configured to reasonably accommodate the number of agency based check deposits.

- The systems should have sound, built-in controls over deposit preparation and should provide the customer with automated deposit acknowledgement and reporting capability.
- The bank must supply warranties for the Remote Deposit Capture Scanners, **at no cost to the State**.
- The system should minimally provide DHS and DCF with access to transaction history and deposit images for the **most recent ninety (90) days of business**. After that time frame, the agencies should be able to access transaction history and deposit images for **seven (7) years from the date of deposit** either via the bank's Web-based Inquiry Communication System or some other bank archive system.
- Upon receipt of the check images, the bank must validate each image and determine how to optimally clear each check in the most cost and time efficient manner available. Checks must be cleared in one of the following ways:
  - Image Exchange
  - Substitute Check
  - "On-us" Deposit
- ACH conversion of checks is not an option for deposits at this time.
- The bank's appropriate funds availability schedule should be applied for all deposited items.
- **Within twenty-four (24) hours of receipt of a dishonored check**, the dishonored check, together with the debit memo, must be forwarded to the respective agency.

## **E. Deposit Supply Requirements**

### **1. Encoded Deposit Slip Requirements**

Prior to contract commencement, the bank must supply each of the twelve (12) agencies with **1,500 multi-part encoded deposit slips** and replenish this supply as needed during the term of the contract. The encoded deposit slips and delivery must be provided, **at no cost to the State**.

It will be the responsibility of each agency to request deposit slips as the need arises. Delivery of the slips must be within **ten (10) business days** of the request. The bank must identify in its proposal a contact person for reordering. Contact information must be updated as changes occur, or no less than annually.

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 agency.

Each deposit slip must include the following information:

- State of New Jersey
- Account Name: (example: Department of Human Services Consolidated Client Fiduciary Account)
- Agency's Name (example: Ancora Psychiatric Hospital)
- Agency's Two-Digit Location Number (example: 04)
- Agency's Address

Each deposit slip must be MICR encoded with:

- Agency's Two-Digit Location Number
- Bank ABA Number
- Bank Account Number

See **EXHIBIT H** for the **Department of Human Services and Department of Children and Families Agency List.**

## **2. Endorsement**

Prior to contract commencement the bank must supply each of the twelve (12) agencies with **two (2) endorsement stamps, at no cost to the State.**

The stamps must include the account name, account number and the agencies' two-digit location number. The initial endorsement stamp order and delivery must be provided, **at no cost to the State.**

The bank must include in its proposal, the cost to order additional endorsement stamps. The bank must identify in its proposal a contact person for endorsement stamp reordering. Contact information must be updated as changes occur, or no less than annually.

All checks presented for deposit will be stamped for endorsement by the agency. The bank must be able to capture (scan or key enter) the agency's two-digit location number for editing/verification and reporting purposes. The agency's two-digit location number, defining each deposit, must appear on all web-based and electronic file bank statements.

See **EXHIBIT H** for the **Department of Human Services and Department of Children and Families Agency List.**

## **F. Teller Assisted Transactions**

### **1. Check Cashing Services**

Authorized agency personnel and clients must have the ability to cash system generated checks at all vendor bank locations or correspondent bank locations. The bank's commitment to providing check cashing services over the contract term is very important. Check cashing services must be provided; **at no cost to authorized agency personnel and clients.**

The vendor bank must specify in its bid submission what constitutes "acceptable identification" for check cashing purposes. Upon presentation of acceptable identification by the named check payee, the vendor bank or correspondent bank must cash all system generated checks except for the following irregularities:

1	Postdated checks
2	Improperly endorsed checks
3	Checks missing endorsement
4	Checks with incorrect/missing "authorized signature(s)"
5	Altered check issue amount
6	Stale dated checks (unless the check was submitted by the State for redeposit with an official date extension on the back of the check)

## 2. Check-for-Cash Exchange Services

On an as needed basis, DHS agencies will conduct check-for-cash exchange transactions at local bank branches. Designated DHS employees will call the bank branch to schedule a check-for-cash exchange visit. The bank must provide, with its proposal the approximate distance, in miles, from your closest branch to each of the nine (9) DHS agencies that require this service:

1. 04-Ancora Psychiatric Hospital
2. 07-Ann Klein Forensic Center
3. 08-Green Brook Regional Center
4. 01-Greystone Park Psychiatric Hospital
5. 15-Hunterdon Developmental Center
6. 12-New Lisbon Developmental Center
7. 02-Trenton Psychiatric Hospital
8. 09-Vineland Developmental Center
9. 11-Woodbine Developmental Center

The bank must also provide, with its proposal the bank's procedures to perform a teller assisted check-for-cash exchange including but not limited to:

- Contact information (primary and secondary) for the local bank branch representatives authorized to schedule a check-for-cash exchange.
- The lead time required to perform a check-for-cash exchange.
- The identification required for a DHS employee to perform a check-for cash exchange.

It is important to note that some agencies may require as much as \$10,000 in cash per visit, the total amount and the desired denominations will be established when the check-for-cash exchange is scheduled.

While currently DCF does not participate in check-for-cash exchange transactions at local bank branches, the agency reserves the right to do so in the future.

See **EXHIBIT M** for a list of the **Department of Human Services Consolidated Client Fiduciary Account Check for Cash Exchanges for Calendar Year 2019.**

### **G. Check Imaging, Storage, Retrieval and Destruction Services**

The State requires that the vendor provide the following services: check imaging, storage and retrieval services as well as destruction services for returned paid check items. All checks must be imaged, stored on computer media, and made accessible via the bank's web-based system. When applicable, the contracted vendor will also be responsible for the storage of any canceled checks that are returned to the vendor by the bank of first deposit. In these rare instances, the contracted vendor will be responsible for storing the original canceled checks until the State authorizes the contracted vendor to destroy these items.

See **EXHIBIT F Destruction Requirements for State Public Records and Cancelled Checks.**

The bank must store the electronic image and canceled checks (or its legal equivalent) until authorized for destruction by the State. Essentially, the bank's image storage system becomes the repository for official State records. Therefore, the bank is responsible for retaining and disposing of public records.

Images should be stored in a manner that allows immediate retrieval via the bank's web-based system.

In Calendar Year 2019, the DHS and the DCF retrieved a combined **48 paid check images** via the bank's Web-based System.

## 1. Check Image Retrieval

The front and back of a check must constitute **one (1) image**. The majority of image retrieval activity usually occurs within **one (1) year** from check issue date; however, the State occasionally needs to retrieve images dating back up to **seven (7) years from the date of check issue**. Internet retrieval of documents should be through the bank's web-based application.

Only authorized State or bank personnel should be permitted to initiate inquiries. In order to adequately protect State records security features should be built into the application; including a secure Internet connection between vendor and State servers, password required access to the bank's website and the ability to limit user access by bank account.

Images retrieved should display both front and back of check, print locally as a single document, and include a certification of authenticity statement such as: *"This is a legal copy of your check. You can use it the same way you would use the original check."*

The bank's paid check image retrieval web application must provide the State with the ability to perform successful searches based on the following criteria:

Individual and multiple check searches
Information contained in MICR line including:
a. Bank Account Number
b. Check Amount
c. Check Number and Check Number Range
d. Date and Date Range

## 2. Image Retrieval Performance

The State recognizes that Internet usage and bandwidth between the State and Bank impact response times; however, the State expects the following processing time performance once an inquiry has been received by the bank system:

For search inquiries of checks(s) imaged (paid) within 90 days of the inquiry date, the bank system should return the first image within **20 seconds** for the request.

For search inquiries of check(s) imaged (paid) greater than 90 days from the inquiry date, the bank system should return the image within **40 seconds** of receiving the request.

If at any time the bank system projects retrieval times greater than above specifications, bank system should present option to batch process with completion no later than **9:00 a.m.** the next business day.

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 check from the bank of first deposit. The image must be provided to the requesting agency electronically **within three (3) business days**.

## **H. ACH Requirements**

The bank must be a member of the National Automated Clearing House Association (NACHA) and follow the rules outlined in the latest published ACH manual. The bank must have electronic transmission sending and receiving capabilities.

The bank must demonstrate its ability and willingness to support advancements offered by the ACH Network. It is the State's intention to take advantage of all advancements offered by the ACH Network.

All necessary security procedures must be followed to ensure the protection of the data and the integrity of the ACH system when data is received or transmitted electronically to the vendor bank or by the vendor bank.

The bank must have a documented contingency plan in place, either manual or other, as a backup to send and receive ACH data as it relates to the services requested in this RFP. The contingency plan documentation or procedure should be available for the State to review upon request.

All ACH transaction items must be accessible to the State via the bank's Web-based Inquiry Communication System the same day of settlement.

All other transaction items (i.e. Pre-notes, Pre-note Failures, NOCs and ACH Fails) must be accessible to the State via the bank's Web-based Inquiry Communication System the morning after the transaction item is received by the bank. Users must have the ability to search for ACH Fail items by selecting an account number and return date.

## 1. ACH Security Procedures

The chosen bank must use reasonable care to protect all State data contained on/in (i.e. bank statements, internal documents, file transmissions, emails and on the bank's Web-based Inquiry Communication System). All State data must be considered confidential and shall be solely for the use of the State of New Jersey.

Any use, loss, sale or offering of this data in any form by the bank, its employees, subcontractors, or assignees may be considered cause for contract termination and legal action to be taken by the State of New Jersey, **with all cost of such legal action to be absorbed by the bank.**

The bank must ensure the highest level of security is utilized when electronically transmitting or receiving files to or from the State. All necessary security procedures must be followed to ensure the protection of the data and the integrity of the ACH system.

## 2. ACH Debit Block Requirements

The bank's system and procedures must safeguard the State's account(s) against unauthorized ACH Debit activity. If at any point unauthorized attempts are made to access State funds the bank must notify the respective agency immediately via email (contacts will be established after contract award).

The bank will be responsible for cooperating with the respective agency personnel and other State officials to identify violators and to protect the integrity of all State bank accounts.

### 3. ACH Transaction Details

The Department of Human Services Consolidated Client Fiduciary Account and the Department of Children and Families Client Fiduciary Account will receive monthly ACH credits from the Federal Government. The majority of deposits will be received on the first and third days of the month.

Additional ACH credits may also be received throughout the month but the volume is minimal. Some clients receive more than one ACH per month, while other clients still receive checks. When possible, the agencies take the steps necessary to convert the receipt of benefit payments to the ACH format.

In Calendar Year 2019, the Department of Human Services Consolidated Client Fiduciary Account received a monthly average of **2,005 ACH credits** representing a monthly average of approximately **\$1.7 million in benefit payments**. These payments consist of Social Security payments, Railroad Retirement Pension payments and Veteran Benefits.

In Calendar Year 2019 the Department of Children and Families Client Fiduciary Account received a monthly average of **396 ACH credits** representing a monthly average of approximately **\$264,300 in benefit payments**. These payments consist of Social Security benefit payments.

The Federal Government will send ACH Credits in a NACHA file format that contains the following client specific identifying information:

1	Bank Account Number
2	Transaction Date
3	Settlement Date
4	Transaction Type (Credit or Debit)
5	Six-Digit Client Identification Number
6	Transaction Amount
7	Claim Number (SSN)

Currently, the receipt of the daily ACH credits initiated by the Federal Government include the bank account number along with a six (6) digit client identification number as a prefix to the account number, for a total of seventeen (17) digits. The seventeen (17) digits are positioned in the DFI Account Number field of the Entry Detail Record and contain the maximum number of characters allowed by NACHA regulation. The vendor bank must have the ability to strip off the first/last six (6) digits of the DFI Account Number field to process the file in the vendor bank system.

If the bank is unable to comply with the format requested above, vendors are encouraged to provide an alternative method that is clearly detailed in their proposal. It is important to note that both DHS and DCF require that the client identification number be captured and transmitted.

See **EXHIBIT R** for the **Required Data Elements and File Formats**.

Please note that in addition to ACH credits, occasionally ACH debits are included on the daily file initiated by the Federal Government.

All ACH items (including exception items) must be accessible to the State via the bank's Web-based Inquiry Communication System the same day of settlement.

#### **4. Federal Reclamations**

When the bank receives a Notice of Reclamation (FM-133) (request for the return of Federal benefit payments), the bank must forward copies of such notices to the respective agency **within three (3) business days via email**; the original should follow via regular mail. Upon receipt of the documentation, the DHS or the DCF will begin researching the request.

The bank must not take action on the Federal Reclamation until they are notified in writing, via email by the DHS or DCF to do so. The State estimates that the majority of notices will be researched and a response will be provided within fifteen

(15) business days. Prior to contract commencement, both the bank and the agencies will be required to exchange contact information to address Federal Reclamations.

Given that all accounts are required to have ACH Debit Blocks services; the bank will not be permitted to allow ACH Debits against the account without prior written consent from the account owners (either DHS or DCF).

## **I. Account Details**

### **1. Department of Human Services Consolidated Client Fiduciary Account**

The State will establish the Department of Human Services Consolidated Client Fiduciary Account to address the daily banking needs of clients residing in **eleven (11) State run agencies**. The Department of Human Services, Office of Finance will oversee the day-to-day operations related to this account.

The Department of Human Services, Office of Finance will also use this account to address central office banking needs.

Each of the **eleven (11) Department of Human Services agencies** will be identified by a unique two-digit location number. The location number must be included on all hard copy, electronic and web-based reports and bank statements. The two-digit location numbers are as follows:

1. 04-Ancora Psychiatric Hospital
2. 07-Ann Klein Forensic Center
3. 17-Division of Developmental Disabilities Community Services
4. 08-Green Brook Regional Center
5. 01-Greystone Park Psychiatric Hospital
6. 15-Hunterdon Developmental Center
7. 12-New Lisbon Developmental Center
8. 99-State of New Jersey Office of Finance
9. 02-Trenton Psychiatric Hospital
10. 09-Vineland Developmental Center
11. 11-Woodbine Developmental Center

Each of the **eleven (11) agencies** will have direct access to their clients' individual account activity via the Department of Human Services CompuTrust Client Banking System (CBS).

On a daily basis, the Department of Human Services Consolidated Client Fiduciary Account will be funded by check and cash deposits and ACH credits.

On a daily basis, the **nine (9) agencies** will utilize Remote Deposit scanners as their primary method to perform check deposits, however the agencies must maintain their ability to conduct teller assisted check deposits as a contingency plan. The bank must provide, with its proposal the approximate distance, in miles, from your closest branch to each of the agencies.

During Calendar Year 2019, the monthly average collected balance held in the Department of Human Services Consolidated Client Fiduciary Account was approximately **\$7 million**.

See **EXHIBIT I** for a detailed list of the **Average Collected Balances in Calendar Year 2019**.

During Calendar Year 2019, there were **29,189 deposits** into this account consisting of checks, cash, and ACH credits totaling approximately **\$24.8 million**.

See **EXHIBIT K Department of Human Services Consolidated Client Fiduciary Account Deposit Activity for Calendar Year 2019** for a detailed breakdown of the transaction types and dollar amounts.

During Calendar Year 2019, there were **10,247 checks issued** from this account totaling approximately **\$25 million**.

See **EXHIBIT L Department of Human Services Consolidated Client Fiduciary Account Disbursement Activity for Calendar Year 2019** for a detailed breakdown of the transactions and dollar amounts.

## 2. Department of Children and Families Client Fiduciary Account

The State will establish the Department of Children and Families Client Fiduciary Account to process social security benefits for clients that are in the Department of Children and Families' care and custody. The State in turn uses the funds to offset the cost of care for the clients.

The Department of Children and Families, Office of Finance will oversee the day-to-day operations related to this account.

The Department of Children and Families will be identified by its own two-digit location number. The location number must be included on all hard copy, electronic and web-based reports and bank statements. The two-digit location number is as follows:

- 19-The Department of Children and Families

The agency will have direct access to their clients' individual account activity via the Department of Children and Families NJSpirit Banking System.

During Calendar Year 2019, the monthly average collected balance held in the Department of Children and Families Client Fiduciary Account was approximately **\$1.1 million**.

See **EXHIBIT I** for a detailed list of the **Average Collected Balances in Calendar Year 2019**.

Deposits to the Department of Children and Families Client Fiduciary Account will be made on a daily basis. However, this account will experience increased volumes at the beginning and the end of the month.

Deposits will be made in the form of checks and ACH credits. This account will not experience cash deposits.

On a daily basis, the agency will utilize Remote Deposit Capture Scanners as their primary method to perform check deposits, however the agencies must maintain

their ability to conduct teller assisted check deposits as a contingency plan. The bank must provide, with its proposal the approximate distance, in miles, from your closest branch to the DCF agency.

During Calendar Year 2019, there were **4,817 deposits** into this account consisting of checks and ACH credits totaling approximately **\$3.3 million**.

See **EXHIBIT O** the **Department of Children and Family Client Fiduciary Account Deposit Activity for Calendar Year 2019** for a detailed breakdown of the transaction types and dollar amounts.

During Calendar Year 2019, there were approximately **4,122 checks issued** off of this account totaling approximately **\$2.6 million**.

See **EXHIBIT P** the **Department of Children and Families Disbursement Activity for Calendar Year 2019** for a detailed breakdown of the transactions and dollar amounts.

A historical review of this account revealed returned deposit items are a rare occurrence and miscellaneous credits are minimal.

## **J. Check Disbursements – Payee Positive Pay Services**

### **1. Check Issue File**

On a daily basis, the State will transmit a check issue file to the bank prior to 10:00 a.m. The State will transmit one file per account. The method of transmission will conform to transmission protocol depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide**.

A backup file will be kept by the State for seven (7) working days for use in the event of a faulty or failed transmission. In the event of a faulty transmission, the State will initiate second or subsequent transmissions until a successful transmission is completed.

The bank will be notified immediately in the event of a transmission failure; likewise, the bank must notify the State if the transmission is not received every working day by **10:00 a.m.** All files will remain the property of the State.

When data is received or transmitted electronically to the bank or by the bank, the bank must utilize adequate security techniques in order to insure the protection of the data and the integrity of the system.

For each day, the State will transmit to the bank a check issue file, which will include the following information:

1	Bank Account Number
2	Issue Date
3	Check Number
4	Check Amount
5	Item Status
6	Payee Name
7	Payee Address

See **EXHIBIT R Required Data Elements and File Formats** for the check issue reporting elements and file formats.

If there is a discrepancy between the summary information and the transmission data, the bank must immediately notify the respective department (DHS or DCF) by phone.

**2. Web-based Payee Positive Pay**

The check issue information will be processed on the bank's computer to establish an outstanding check file. Items such as adjustments, stop payments, cancellations, etc., must be processed as they are received. Each day, as the bank clears the checks, a computer match will be made against the outstanding file by check number, dollar amount, and payee name. The bank must reconcile the account(s) and maintain a daily outstanding check file for both accounts.

All presented checks must be processed through the bank's payee positive pay system. With payee positive pay service, paid-no issue, debit/credit items or rejects should not exist on the bank reconciliation. The bank must research these conditions, and if they are then found to be valid items, they are to be stripped and re-entered into the system or corrected as required.

Checks that do not exactly match the issue file are exception items. If the exception amount cannot be corrected by the bank, the item(s) will be presented to the State via the bank's Web-based System for review and "pay/no pay" instructions. The bank must reject all exception items unless the State indicates otherwise. A "no pay default" will be set in the event the State fails to provide "pay/no pay" instruction. Items such as adjustments, stop payments, cancellations, etc., must be processed as they are received.

### **3. MICR Testing**

The State will initially provide the bank between 10 and 25 checks per account for testing purposes. If the bank requires more than 25 checks, please stipulate the quantity required in your proposal submission. Test checks will be made available to the bank when requested. The State should not incur cost for MICR testing services. MICR testing results should be available to the State **within five (5) business days**.

The State continuously monitors its current processes and procedures in order to evaluate the cost effectiveness of its current systems and to explore the viability of alternatives in the industry. Therefore, the State reserves the right to make enhancements and changes to its current check printing equipment and check stock. The State also reserves the right to outsource all or part of the check printing process. The bank must support the State in its efforts to enhance its check printing process and be willing to MICR re-test all checks impacted **at no cost to the State**.

### **4. Check Paid File**

All paid items must immediately be made available for viewing via the vendor bank's Web-based System. All check paid activity must remain on the bank's

Web-based System for a period of **eighteen (18) months**. All outstanding checks must remain on the Web-based System for a minimum of **eighteen (18) months** or until the bank is advised to remove them by the State. All paid check images must remain on the Web-based System for a period of **seven (7) years** from the paid date.

On a daily basis, the bank must provide DHS and DCF with an electronic file of the check paid items for the previous day. The file should contain, at a minimum the following information:

1	Bank Account Number
2	Check Number
3	Check Paid Date
4	Check Amount
5	Check Issue Date

See **EXHIBIT R Required Data Elements and File Formats** for the check paid file format.

On a daily basis, the State will send an email to the bank containing the total number of checks issued and the total value of the checks issued. On a daily basis, the bank must send an email to the State containing the total number of checks paid and the total value of the checks paid.

**K. Check Forgery Investigations and Improperly Endorsed Checks**

The vendor bank will be responsible for the prompt investigation of all forgery claims and subsequent payment(s) to the State for all resolved claims.

The State will initiate all forgery investigations by forwarding an original notarized forgery affidavit and an imaged copy of the original check to the vendor bank. Note: The State will not provide a bank issued “Affidavit of Forgery” document unless one is demanded by the cashing bank responsible for conducting the forgery investigation.

Upon the receipt of a forgery claim, the vendor bank must immediately begin its investigation and assign each forgery claim with a unique case/reference number. The bank must acknowledge the receipt of each forgery claim by sending an email to the respective department (DHS or DCF) containing the unique case/reference number, the name of the payee and the check number.

The vendor bank must complete each forgery investigation **within sixty (60) calendar days of receipt of the forgery affidavit**. If it is found that a thorough investigation cannot be completed within the aforementioned time frame (e.g. the cashing bank fails to make restitution or provide a "Letter of Denial") the vendor bank must issue a cashier's check(s) to the State for the amount of the outstanding forgery claim(s).

If the vendor bank neglects to complete a forgery investigation **within sixty (60) calendar days of receipt of the forgery affidavit**, the State of New Jersey reserves the right to withhold the total check amount under investigation from the bank's monthly invoice.

If a forgery claim is found to be legitimate, the vendor bank must notify the respective department (DHS or DCF) via email and send a cashier's check made payable, as directed by the department.

- The payee (claimant) with the case and check number referenced (**or**)
- The State of New Jersey, with the name of the payee (claimant), case and check number referenced.

If a forgery claim is found to be not legitimate, the vendor bank must notify the respective department (DHS or DCF) via email and forward the original forgery affidavit, image copy of the canceled check and "Letter of Denial" along with a detailed explanation of the bank's findings. The cause for denial of the forgery claim must be consistent with the general law of negotiable instruments and accepted by the State of New Jersey.

If the bank accepts/cashes an improperly endorsed check (i.e. not endorsed as drawn) or altered check (i.e. changed payee name or address) the bank **must not** treat the *improperly endorsed check(s)* as a **forged item**. Instead, the bank must issue the State a credit for the entire amount within **ten (10) banking business days**.

On a monthly basis, the bank must provide the respective department (DHS or DCF) with a *Forgery Investigation Status Report* via email. The bank must provide a sample *Forgery Investigation Status Report* with its proposal for evaluation purposes. The forgery claims must be listed in account number order and contain the following details:

1	Payee Name
2	State bank account number
3	Check issue date
4	Check number
5	Check amount
6	Date check was cashed
7	Receipt date of forgery affidavit
8	Status of forgery claim
9	Name of cashing bank
10	Response of cashing bank
11	Vendor bank assigned case number

The bank must not charge the State of New Jersey or the payee/claimant a fee for issuing or replacing a previously issued cashier's check.

In Calendar Year 2019, there were **zero (0) forgeries investigations** initiated for all accounts contained in this RFP.

#### **L. Web-based Inquiry Communication System**

The bank must provide representatives from DHS and DCF with access to its Web-based Account Inquiry Communication System.

The bank's system must grant users the ability to enter search parameters and qualify search parameters via additional drop down menus. Search qualifiers for numeric fields must include equals, ranges, greater than, greater than or equal to, less than, less than or equal to. Search qualifiers for alpha fields must include equals, begins with, ends with or contains.

The search parameters must allow the user to drill down to view the daily details of any given month. In addition, all data must be accessible in detail and summary form by calendar year and fiscal year to view monthly and year to date totals.

The bank must provide the proper security measures to prevent other bank clients from accessing the State information and conversely, to prevent State personnel from accessing information other than their own.

Only authorized State personnel will be permitted to initiate inquiries. The authorized personnel from DHS and DCF will be identified after contract award.

Prior to contract commencement, the bank must properly train representatives from DHS and DCF in all its system applications and security features. A system manual must be provided to both departments and updated as system enhancements occur.

The bank must have a viable disaster and recovery plan in place and utilize dual hot sites to back up all account data.

The bank's Web-based Inquiry Communication System must provide the following features:

1	View prior days' deposit slips and deposited items by 10:00 a.m.
2	7 year paid check image archive (front & back) both paid & rejected
3	Download/save/print check images (front & back) on one (1) page
4	View most recent eighteen (18) months of historical data
5	View most recent eighteen (18) months of outstanding items
6	View most recent eighteen (18) months of paid items
7	Multiple standard/configurable/expandable search functions (<, >, =)
8	View agency's two-digit location number on all web-based reports
9	Ability to issue stop payments and remove stop payments
10	Ability to download data to be used in Excel and PDF formats
11	View ACH details (including fail/rejects) same day as settlement
12	Web-based payee positive pay capabilities

## 1. Checks Deposited and Checks Paid Inquiry System

### a. Check Deposit Inquiry System

State personnel must have the ability to view images of the prior day's deposit slips and deposited items, for all deposits, via the bank's Web-based Inquiry Communication System. The deposit slips and deposited items should be available for viewing **by 10:00 a.m.** the day following the deposit. The bank's system should provide search capability by:

1	Bank Account Number
2	Agency's Two-Digit Location Number
3	Deposit Date
4	Deposit Amount

It is the State's preference to have immediate web-based access to all deposit slips and deposited items for a minimum of **eighteen (18) months with archive access for seven (7) years.**

For all RDC deposits the system should minimally provide access to check deposit images for the most recent **ninety (90) business days** of deposit activity. After that time frame, the agencies should be able to access transaction history and deposit images for **seven (7) years from the date of deposit** either via the bank's Web-based Inquiry Communication System or some other bank archive system.

**b. Check Inquiry System**

State personnel must have the ability to view all check disbursement activity for both accounts and any additional accounts added. The bank must capture all paid check images (front and back). The Web-based Check Inquiry System must be updated daily to reflect new issues, paid items, rejected items, canceled items and stop payments.

Paid check activity should be stored and accessible via the bank's Web-based System covering a minimum of **eighteen (18) months**. Outstanding items should remain on the bank's Web-based System covering a minimum of **eighteen (18) months** or until the State instructs the bank to remove them.

The bank's Web-based System must offer check images (front and back) of all paid checks. Check images must be archived for **seven (7) years**. The bank's Web-based System must, provide an image and data archive, enhanced search and user capabilities and provide multiple users access to the system at one time. All account data must be stored and accessible within **24 hours**. All paid check images (front and back) must be stored and accessible within **48 hours**.

Inquiries will include, but not be limited to a check's status regarding the following classifications:

1	Bank Account Number
2	Date Period Covered
3	Beginning Check Number
4	Check Issue Date
5	Check Paid Date

6	Outstanding (Not Paid)
7	Stop
8	Not Found

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 deposited check within **three (3) business days**.

**c. Web-based Stop Payments**

State personnel must have the ability to issue stop payments and remove stop payments via the bank’s Web-based Check Inquiry Communication System. Users must be able to place stop payments on checks either for a sequential range of numbers or a specific serial number without the need to sign on for each individual stop payment request or range request.

The State requests that stop payments not be labeled or treated as cancellations or voids on bank reports or on the Web-based Inquiry Communication System. Rather the stop payments items should clearly be labeled as a “stop payment”.

Stop payments must be effective immediately upon receipt by the bank and continue in effect until released by the State. The bank must confirm all stop payment orders via the bank’s Web-based Inquiry Communication System no later than **10:00 a.m.** the following day.

In the event of a web server failure, a back-up stop payment procedure (email, telephone or facsimile transmission) should be maintained. The stop payment order will be considered effective for that day's clearances and continue in effect until released by the State.

In the event of a TELEPHONE stop payment order, the bank should record the date, the time, the name of the bank representative receiving the order, and the name of the State representative placing the stop order. The bank should

confirm all telephone and facsimile stop payment orders by facsimile transmission no later than **10:00 a.m.** the following day.

There were **zero (0) stop payment requests** submitted in Calendar Year 2019.

## 2. ACH Inquiry System

The bank must provide an ACH Web-based Inquiry Communication System for the reporting of all ACH transactions. All ACH items must be accessible to the State via the bank's Web-Based Inquiry Communication System the same day of settlement. The following information must be accessible via the bank's Web-based ACH System:

1	Bank Account Number
2	Transaction Date
3	Settlement Date
4	Transaction Type (Credit or Debit)
5	Transaction Amount
6	Claim Number (SSN)
7	Benefit Type (i.e. SSI, SSA, RR, VA)
8	ACH Trace Number
9	Any Other Addenda Supplied

The ACH Web-based Inquiry System should be capable of generating reports that can be downloaded by State personnel into both Microsoft Excel and PDF formats.

### a. ACH Exception Item Report

All ACH exception items (fails/rejects/NOC) must be accessible via the bank's Web-based Inquiry Communication System. In the event of a system failure, the following should be available as a backup for reporting purposes:

- An e-mail containing the ACH (fail/reject/NOC) as an attachment file.

- Telephone notification with hard copy to follow within **two (2) business days**.

The ACH exception notification must contain the following information:

1	Bank Account Number
2	Claim Number (SSN)
3	ACH Trace Number
4	Fail Date
5	Fail Reason
6	Debit or Credit Amount

On a daily basis, the bank must provide each department with a daily file containing summary information for all ACH items received for the day. The summary must contain the total dollar amount and total item count of the file to ensure every item on the file has been counted.

#### **M. Bank Statements Requirements**

The State requires a monthly bank statement be provided for each account on a “calendar month basis” via the bank’s Web-based System or via an electronic file in the PDF format. The State must have the ability to download and save the monthly bank statements in the PDF format (for auditing purposes the State cannot accept a file that can be altered in any way).

The **unique two-digit agency location numbers** must be included on all web-based or electronic bank statements and support documents when provided to the vendor bank. Each department must also have access to its bank statement, reconciliation report and support documents no later than **3:00 p.m. three (3) working days** after the months’ end.

All transaction types must be clearly identified on the bank statement (i.e. ACH Credits, ACH Debits, Federal Reclamation, RDC Deposits, Check and Cash Deposits, Checks Paid, Returned Items, Debit Items and Credit Items). All credit and debit transactions must be supported by debit and credit memos, with detailed explanations.

All bank statements must include the following information:

1	Bank Account Number
2	Agency's Two-Digit Location Number
3	Opening Balance
4	Closing Balance
5	Total of each deposit
6	Total number of deposited items
7	List of all debits and credits
8	Checks Paid
9	Bank Sequence Number
10	ACH Trace Number
11	Grand Total

Reports provided must include, but are not limited to, the following:

**1. Daily Automated Balance Reporting**

All accounts identified in **EXHIBIT J Account Structure and Funds Flow** and any future accounts established will require daily prior day balance reporting. The bank must deliver the file containing data in unencrypted BAI2 format directly to the State's vendor, Fidelity National Information Services, Inc., using Secure File Transfer Protocol (SFTP).

The bank must provide the account balance information in unencrypted BAI2 format every working day by **7:30 a.m. ET.**

For each account the report must include at a minimum the following data fields:

1	Ledger balance
2	Collected balance

3	Total credits
4	Total debits
5	1-day float
6	2-day float

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 and balance retrieval methods change, the State requires that the chosen bank remain flexible throughout the term of this contract as it relates to the method of securing balance reporting in unencrypted BAI2 format.

## 2. Paid Check File

On a weekly basis, the bank must provide DHS and DCF with an electronic file of the check paid items for the previous week. The file must contain, at a minimum the following information:

1	Bank Account Number
2	Check Number
3	Check Paid Date
4	Check Amount
5	Check Issue Date

See **EXHIBIT R Required Data Elements and File Formats** for the check paid file format.

## 3. ACH Receipt File

On a daily basis, the bank must provide each department with a daily file containing summary information for all ACH items received for the day. The summary must contain the total dollar amount and total item count of the file to ensure every item on the file has been counted.

1	Bank Account Number
2	Transaction Date
3	Settlement Date
4	Transaction Type (Credit or Debit)
5	Six-Digit Client Identification Number
6	Transaction Amount
7	Claim Number (SSN)
8	Benefit Type (i.e. SSI, SSA, RR, VA)

**N. 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, email addresses 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	ARP reconciliation
2	Check/ACH inquiries
3	Daily balance reporting
4	Check testing
5	Bank Statements, credits and debits
6	Invoice and bank analysis
7	Training

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

## **O. Training**

The bank must provide adequate training both initially and ongoing to ensure that State personnel thoroughly understand how to use all equipment and services including but not limited to remote deposit scanners and the bank's web-based system. In addition, State personnel must be able to identify the codes used on all web-based and hard copy reports.

All systems and services should be explained and demonstrated to representatives from the Department of Human Services and the Department of Children and Families during the implementation and testing phases. Training must be provided at a central Trenton office site.

A training outline, schedule and synopsis of the major training categories must be included in the bank's proposal. The bank must submit the name(s) of the individual(s) who will be conducting the training along with a profile of their training experience.

A minimum of **two (2) sets** of operating manuals must be provided to the State preferably in hard copy, with any subsequent additions, deletions or revisions to the manuals forwarded to the State promptly.

The bank must be certain that all equipment and services are functioning properly and that State personnel have been properly trained on their use.

## **P. Implementation and Testing**

The bank must provide a detailed implementation and testing schedule starting on the date of contract award and ending prior to **October 1, 2021**.

The implementation and testing schedule must highlight all critical RFP elements including, but not limited to: the opening of accounts, establishing account administrators, establishing State access to all required modules of the bank's Web-based Inquiry Communication System, equipment installation (RDC Scanners), file transfer testing, MICR testing, State approval of bank reports and bank statements and the training of necessary State personnel.

A start date and end date for each critical RFP element along with the amount of State personnel time and resources must be included on the implementation and testing schedule.

During the implementation and testing phases, bank personnel must be available for weekly status conference calls. If warranted, the State may request the bank send representatives to meet with State personnel at a centralized Trenton location.

The bank must be willing and capable of attending multiple post implementation meetings at a centralized Trenton location if there are contractual concerns. The implementation and testing schedule must include at least one face to face post implementation meeting.

All costs associated with initial programming, testing, training and post implementation meetings must be bundled into the banking fees and not shown as a separate line item on the Cost Schedule.

**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 RFP. The State reserves the right to obtain any information from an independent source to evaluate bid proposals in accordance with the stated criteria. Selection of other than the apparent low bid will be fully documented. An award will be made to that responsible bidder whose bid, confirming 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 <b>SECTION VII. Vendor Response.</b>
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 and 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.
ACH receiving and reporting capabilities.
Check cashing and Remote Deposit Capture capabilities.
The State's overall assessment of client references.
Quality of customer service resources provided and turnaround for problem resolution.
Completeness and feasibility of the bank's implementation, testing and training plans.
Check imaging capabilities (check images front and back).
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.
13-week Treasury bill yield for earnings rate. Possible premium added to balances when compensating balances exceed the value of total bank services.
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 I. TERMS AND CONDITIONS, SECTION II. OTHER MANDATORY PROVISIONS** and **SECTION III. PAYMENT METHODS AND TERMS** will be considered materially non-responsive and therefore rejected.

Vendors are instructed to clearly identify any requirement(s) 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. Confirm the bank understands and accepts all the **TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS** and **PAYMENT METHOD AND TERMS** of this Request for Proposal (RFP).
2. Confirm the bank maintains a branch presence throughout the State of New Jersey. Include a detailed list of all bank locations throughout the State; broken down by county. In addition, the bank must provide, with its proposal the approximate distance, in miles, from the closest bank branch to each of the **12 agencies**.

If a branch location closure/merger has recently occurred or been announced prior to or during the vendor's proposal preparation period, the bank must disclose that information.

3. Identify any and all subcontractors, its officers, the contractual arrangements made therewith and state what services will be subcontracted. Confirm the bank will provide the State **with 90 days written notice** prior to employing or replacing a subcontractor. Confirm that no replacement firm will begin work without prior State approval.

Confirm the bank thoroughly researched and confirmed the ability of its sub-contractor(s) to deliver services exactly as requested in this RFP. Confirm the bank's understanding that the State will not amend its requirements to accommodate a sub-contractor's inability to deliver services exactly as stated/required in this RFP.

4. Confirm the bank understands 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.

Confirm the bank understands that the State of New Jersey reserves the right to contract unanticipated services with another vendor if the State and bank are unable to agree upon fees and/or the work plan.

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

6. If a merger/acquisition has recently occurred or 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, and ALL operational changes that could affect or impact the State's required services, if known at the time of bid submission.

Confirm the bank and any successor vendor (in the event of merger/acquisition or other change in operating status), will assume sole responsibility for the complete effort of any contract(s) awarded to the bank 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.

Confirm the bank and any successor vendor (in the event of merger/acquisition or other change in operating status) will assume sole responsibility for providing in person training to essential State employees.

7. The Bidder must disclose if it has had a contract terminated for default **within the last five (5) years**. Termination for default is defined for these purposes as notice to stop performance delivery due to non-performance or poor performance and non-performance was either: not litigated due to inaction of the Bidder; or, litigated and determined that the Bidder was in default.
  - a. If the Bidder has had such a contract termination, the proposal should contain full details including the party's name, address and telephone number. The Bidder should explain the action taken to correct the problems involved prior to contract termination.
  - b. If the Bidder has not had a contract terminated for default in the last five (5) years state this fact clearly.
8. Confirm the bank's understanding of the State's file protocol and methods of file transmission depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide**. The bank must clearly identify any/all methods of file transmission depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide** that it can support.

The bank must clearly identify any/all methods of file transmission depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide** that it cannot support; failure to do so will

result in the mutual understanding that all methods of file transmission in **EXHIBIT A State of New Jersey OIT File Transfer Guide** are supported by the bank.

The bank must define the methods of file transmission it plans to utilize to deliver services as requested in the Client Banking Services RFP and include sample file layouts.

9. Confirm that bank will maintain all records and other documentation needed for the execution of this contract. Confirm the records will be made available to the State during the contract term and for a period of **seven (7) years from the date of final payment.**

Confirm all bank-generated transaction records, including but not limited to: transaction detail, bank generated reports, deposit slips, bank statements and invoices and paid check images will be made available to the State for a period of **seven (7) years from the date of transaction.**

Confirm all paid items will remain on the bank's Web-based Inquiry Communication System for a **minimum of seven (7) years from the paid date** and State of New Jersey employees will have immediate access to paid items and outstanding checks via the bank's Web-based Inquiry Communication System.

10. Respond to **SECTION II. OTHER MANDATORY PROVISIONS:**

- a. Financial Statements: The 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: The 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: The 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., 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 there under.

- d. Collateralization of Deposits: Confirm the bank's ability to adhere to the Department of the Treasury Collateralization Policy. Refer to **EXHIBIT C Policy Statement: Department of the Treasury Collateralization Requirements for State Held Deposits.**
- e. Proof of Registration Requirements: The Bank and all subcontractors must submit a copy of the Business Registration Certificate(s) prior to the time of contract award.
- f. N.J.S.A. 52:34-13.2: Confirm the bank 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 D N.J.S.A. 52:34 -13.2 Source Disclosure Certification Form,** completing all sourcing information required of the bank 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. Public Law 2005, Chapter 51 / Executive Order 117 (2008) Dual Certification: Vendors must complete and submit **EXHIBIT E Information and Instructions for Completing the "Two-Year Vendor Certification and Disclosure of Political Contributions" Chapter 51 Form** **within five (5) business days from the date on the "Intent to Award" letter** issued by the Office of Management and Budget, Cash Management Unit.
- h. Disaster Recovery Plan: Vendor must include a summarized Disaster and 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 would affect services or reporting of data. Confirm that the bank's system will be completely functional **within 48 hours of a major disaster.**

Confirm the bank is able to receive and process data files from the State in the following formats: electric transmission, CD-ROM and DVD-ROM.

Confirm the bank will fully cooperate during any and all disaster recovery testing operations initiated by the State. Indicate any organizational production and/or

testing shutdown timeframes during the calendar year that would forbid the bank from participating in State disaster recovery testing.

Confirm the bank's willingness and ability to work with the State's Disaster Recovery Site to establish a mutually agreed upon connectivity method to transfer data in the event the main file transfer mechanism is unavailable.

Confirm the bank's ability to receive and validate test files transmitted or delivered from a State disaster recovery exercise. Confirm the bank's ability to accept and run test files, validate received files as if they were production files, provide documentation as to the correctness of the data, confirm the legibility of replica production checks and return test checks to the State.

Confirm the bank has safeguards in place to prevent test files from being loaded into the production environment.

- i. Confirm the bank will destroy all public documents in accordance with State regulations and follow the retention schedule promulgated by NJDORES.

11. Confirm the compensating balance will be considered as the total average collected balance of each account less the non-earning Federal Reserve requirement in effect during the course of the contract term. Confirm the earnings rate will be determined from the average of each month's 13-week Treasury bill yield auction results.

Confirm that if the earnings of the compensating balances exceed the value of total banks services provided in any month, the bank will provide the State will be granted with a premium on the remaining balances. This feature will enable the agencies to offer a small amount of interest to their clients. If applicable, define the premium the bank will provide in your answer to this question. The premium, if offered, must be presented as an annual percentage (%) rate.

12. Describe in detail the bank's customer service operation, procedures, turnaround/response times, and staffing levels. 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.

13. Provide the names and contact information for the officers and management personnel (including any subcontractors' personnel, if applicable) who will be responsible for the fulfillment of the services requested herein; e.g. daily operations, hard copy reports, electronic reports, file transmission issues, daily balance reporting, invoices/analysis, bank statements, earnings credit rate, payee positive pay services, remote deposit capture services (hardware and service related issues), ACH services (ACH Fails, NOCs, federal reclamations and debit blocks), teller assisted check-for-cash exchange services, Web-based Inquiry Communication System (access and services), disaster recovery, technology issues, customer service, supply orders, implementation and testing, and training.
14. The designated liaisons should be exclusive to each category. Specifically identify and include the following information for each of the primary contacts and backup individuals who will be responsible for responding to communications from the State:

1	Contact name and title
2	Physical location and mailing address
3	Contact numbers: office, cell, fax
4	Email address
5	Office hours
6	A backup or alternate contact for each of the service categories listed

15. For reference purposes, provide the names, addresses, contacts and telephone numbers for **three (3) of your present customers** for whom the bank is providing similar services as those requested herein; depository accounts, earnings credit rate, ACH sending and receiving services, remote deposit capture services, check disbursement services, check cashing services, check-for-cash exchange services, payee positive pay services, bank reconciliation, daily balance reporting, access to the bank's Web-based Inquiry Communication System to complete inquires and to perform/initiate transactions. If possible, provide references with activity volumes equal to or greater than those depicted in this RFP. Include any other information concerning the bank's experience that would assist the State in evaluating the bank's capabilities.

16. Acknowledge the bank understands that the State reserves the right to increase or decrease the number of accounts and change the type of payments deposited into these accounts and issued from these accounts during the course of the contract term. Acknowledge the bank understands the State will require prior day reporting for all accounts established as a result of this RFP.
17. Confirm that all accounts established as a result of this RFP will be established as "Preferred Status" accounts. Confirm that all accounts will be established with a credit line sufficient to cover all daylight overdrafts without penalty or additional charge to the State, and all checks and wires will be honored regardless of the current balance in the account(s). Confirm the bank will cover overdrafts on those occasions when there is a non-bank holiday.
18. Confirm that all deposits processed will receive same day credit, provided that the deposit is made prior to the close of the bank business day. Confirm that check deposits will, at a minimum be in accordance with the appropriate Federal Reserve District Availability Schedules. Confirm that Cash and "on-us" checks will receive same day availability as the deposit date.
19. Confirm that all deposit adjustments will be reflected on separate adjustment memorandum with a corresponding debit or credit to the account.
20. Confirm the bank can comply with the dishonored checks requirements depicted in the **SCOPE OF WORK, SECTION V**. Specifically acknowledge that dishonored checks returned the first time because of insufficient funds will be immediately re-deposited and that State accounts will not be debited until after a check is returned a second time.
- Confirm all dishonored checks (hard copy or image) will be delivered to the respective State agency along with a debit memo **within three (3) business days**. Confirm the debit memos will contain the account number, the depositing agency's two digit location number, the debit amount and the date the debit hit the account.
21. Confirm the bank's ability to provide the State with **nine (9) web-based Remote Deposit Capture Scanners** including: all the necessary software, hardware (scanners), and related maintenance for the term of the contract. Confirm the bank is prepared to provide initial set-up support, user instruction and on-going product support.

Confirm the bank understands that the State reserves the right to utilize a phase in approach to implement Remote Deposit Capture Services over the course of several months.

22. Clearly list and explain the Remote Deposit Capture Scanner equipment the bank is proposing to accommodate the check deposit volumes depicted in this RFP. Detail the scanners' recommended minimum and maximum daily imaging volume thresholds. Describe the initial RDC set-up support and on-going support the bank will provide to the State.

Confirm the Remote Deposit Capture Scanners are user-friendly and compatible with current operating systems and web browsers. Confirm the RDC systems/software can be upgraded so they are compatible with newer operating systems and web browser versions.

23. Detail the RDC user deposit controls and the deposit acknowledgments that will be provided at the time of deposit completion. Define the cut-off time for same-day ledger credit? Confirm the two-digit agency location number be captured at the time of deposit.

Confirm the systems will allow access to view transaction history and deposit images for the most recent ninety (90) days of business and that after that time frame, transaction history and deposit images will be available for seven (7) years from the date of deposit either via the bank's Web-based Inquiry Communication System or some other bank archive system.

24. Confirm the bank is willing to provide the DHS and the DCF with encoded deposit slips that meet the specifications and quantities depicted, **at no cost to the State**. Confirm the bank is willing to replenish this supply as needed, **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 (1) copy will remain with the depositing agency. Confirm the established two-digit agency location number, defining each deposit, will be captured on all web-based and electronic file bank statements.

For evaluation purposes, bidders must provide sample multi-part deposit tickets (one for original and each proposal copy) with your proposal for review by the State. The bank must identify in its proposal the fee for additional endorsement stamps and provide a contact person for reordering.

25. Confirm the bank will provide two (2) self-inking endorsement stamps for each of the twelve (12) locations as depicted on **EXHIBIT H Department of Human Services and Department of Children and Families Agency List**, **at no cost to the State.**

The bank must identify in its proposal the fee for additional endorsement stamps and provide a contact person for reordering.

26. Confirm that authorized agency personnel and clients will have the ability to cash system generated checks at all vendor bank locations or correspondent bank locations. Acknowledge the bank's commitment to providing check cashing services over the contract term; **at no cost to authorized agency personnel and clients.**

Define what constitutes "acceptable identification" for check cashing purposes.

27. Confirm the bank's ability and willingness to conduct check-for-cash exchange transactions at local bank branches. Bidders must provide, with its proposal the approximate distance, in miles, from your closest branch to each of the nine (9) DHS agencies that require this service.

Detail the bank's procedures to perform a teller assisted check-for-cash exchange including but not limited to: contact information (primary and secondary) for the local bank branch representatives authorized to schedule a check-for-cash exchange, the lead time required to perform a check-for-cash exchange, and the identification required for a DHS employee to perform a check-for cash exchange.

Confirm the bank's ability to supply some agencies with as much as \$10,000 in cash per visit, given the total amount and the desired denominations are established when the check-for-cash exchange is scheduled.

28. Confirm the bank is a member of the National Automated Clearing House Association (NACHA) and will follow the rules and regulations as outlined in the latest published ACH operating manual. Confirm the bank's ability and willingness to support advancements offered by the ACH Network. Confirm the bank has electronic CCD, CCD+, PPD and CTX file transfer sending and receiving capabilities.
29. Confirm that all ACH transaction items will be accessible to the State via the bank's Web-based Inquiry Communication System the same day of settlement. Confirm that all other ACH transaction items (i.e. Pre-notes, Pre-note Fails, NOCs and ACH Fails) will be accessible to the State via the bank's Web-based Inquiry Communication System by **8:00 a.m. E.T.** the morning after the transaction item is received by the bank. Confirm that users will have the ability to search for ACH Fail items by selecting an account number and return date.
30. Confirm that all accounts established as a result of this RFP will be protected against unauthorized ACH debit activity. Confirm the bank will notify the respective agency immediately via email if unauthorized attempts are made to access State funds. Confirm the bank will cooperate with the respective agency personnel and other State officials to identify violators and to protect the integrity of all State bank accounts.
31. Confirm the bank's ability to electronically provide the daily required automated balance reporting (prior day) as defined in the RFP **by 7:30 a.m. E.T.** in the unencrypted BAI2 format directly to the State's vendor, Fidelity National Information Services, Inc., using Secure File Transfer Protocol (SFTP).
32. Describe the bank's ability to accept the State's defined check issue file format as provided in **EXHIBIT R Required Data Elements and File Formats**. What is the banks required timeframes for receipt of the check issue file?
33. Describe the bank's MICR Rejection Standards and what penalties, if any, will be incurred by the State if these standards are not met.
- Define the number of checks that will be required for initial MICR testing purposes and how often will testing be required? Confirm the State will not incur a fee for MICR testing services (both initially and on-going).

34. Confirm the bank will deliver MICR testing results to the State **within five (5) business days**. Define how the bank will deliver the MICR testing results (i.e. hardcopy, email or secure web page format).
35. Confirm that the bank can provide a daily paid check file in the format defined in **EXHIBIT R Required Data Elements and File Formats**.
36. Confirm the bank can meet the Check Forgery Investigation and Improperly Endorsed Check requirements as stipulated in the RFP text including the stipulated **sixty (60) day turnaround time** for payment to the State.

Describe the assurances the bank can provide the State that your bank will be proactive/aggressive regarding forgery investigations?

37. Confirm the bank's ability to email DHS or CDF a monthly Forgery Investigation Status Report containing the details required in this RFP. The bank must provide a sample Forgery Investigation Status Report for evaluation purposes.
38. Confirm that authorized agency personnel and clients will have the ability to cash system generated checks at all vendor bank locations or correspondent bank locations. Include a statement that the bank will cash all properly endorsed checks presented for payment, at all vendor bank locations or correspondent bank locations, **at no cost to authorized agency personnel and clients**.

Define the bank's check cashing identification requirements.

39. Detail the bank's payee positive pay procedures. Confirm if exception items will be scrubbed prior to requesting the "pay/no pay" decision from the State?

Confirm the default for all check disbursements will be for the bank to return all exception items unless the State indicates otherwise.

Confirm the bank will not permit checks to be resubmitted after a determination/decision has been reached by the State to return the item. Define the cut-off time for the State to make payee positive pay decisions.

40. Confirm that checks will not be cashed if any one or more of the following conditions exist: postdated checks, stale dated checks, improperly endorsed, endorsement missing, incorrect or missing authorized signature, check amount altered or payee name altered.
41. Describe in detail the bank's Automated Reconciliation Service (ARP). The bank should include in its proposal a sample report or mock-up of its key ARP reports it can provide with explanations for codes, abbreviations, etc. Please indicate the bank's ability to provide the reports on the specified media (i.e. web-based and electronic transmission).
42. Explain in detail, the features of the bank's Web-based Inquiry Communication System and reporting system. Specifically, address with screen samples the available functions for stop payments, check status inquiry, transaction search/check image copy, ACH and check transaction inquiry, payee positive pay and account reconciliation reporting. For evaluation purposes, bidders must provide either a CD-ROM or web-based tutorial demonstrating the bank's Web-based Inquiry Communication System capabilities.
43. For the Web-based Inquiry Communication System, how extensive is the history file maintained for online access to check disbursements including: stop payments, paid and outstanding checks and miscellaneous ARP items? Online check disbursement data should be stored and available for web inquiry covering a minimum of **eighteen (18) months of the most recent outstanding items**, and a minimum of **eighteen (18) months of paid activity**, and paid check images must be made available online to the State for a period of **seven (7) years from the paid date**. Confirm the bank can meet these requirements.
44. Confirm the bank's Web-based Inquiry Communication System contains a Stop Payment Module that permits authorized State employees to electronically issue stop payments and remove stop payments via the bank's Web-based Inquiry Communication System. Confirm users will have the ability to select an account number and enter either a single check serial number or a range of check serial numbers without the need to sign in for each individual stop payment request.

Confirm that all electronic and manual stop payments will be clearly identified on the bank's Web-based Inquiry Communication System and on bank statements as "outstanding" and having a "stop payment" in place. Confirm the stop payments will

become effective for that day's clearance and will remain in effect until instructed by the project manager to remove the "stop payment". Confirm the bank will not use stop payments to reduce outstanding checks balance.

45. Confirm the bank has a stop payment contingency plan in place that functions the same as electronic stop payments. Confirm the bank will acknowledge all electronic and manual stop payments orders **no later than 8:00 a.m. E.T.** the following day.
46. The bank must provide an ACH Web-based Inquiry Communication System for the reporting of all ACH transactions. How extensive is the history file maintained for online access to ACH transactions? List the time frames that ACH data is available for web inquiry.
47. Confirm the bank's ability to meet ALL the requirements outlined in this RFP, including but not limited to: payee positive pay, ACH services, RDC services, ARP and bank reporting, document destruction, report specifications, security levels, turnaround times and access to a web-based inquiry and processing system as stipulated in the RFP. **The bank must reveal any/all services defined in the RFP that it cannot provide according to the specifications.** The bank should explain why they cannot deliver the service or standard requested and offer reasonable alternatives.
48. Include a training outline and schedule specifying topics to be reviewed, the time allocated for each, and identify the trainer(s). Training must include reviews and demos of ALL web-based modules and reporting functions.
49. Provide a detailed implementation and testing schedule to achieve the **October 1, 2021 contract commencement requirement**. Provide beginning and end dates for each of the elements the bank defines as critical implementation steps. Include timeframes for opening of bank accounts, establishing account administrators, MICR testing, installing RDC scanners, training State personnel, providing access to the bank's Web-based Inquiry Communication System (including: account data information, check disbursement and deposit detail, ACH detail information and stop payments). The implementation and testing schedule must include a least one face to face post implementation meeting.

Provide a detailed breakdown of the timeframes and resources required to establish and test the information exchange communications between the State and the bank pertaining to file transfer testing, automated balance reporting testing, MICR testing. Define both State and bank personnel commitment requirements during the conversion process. Disclose any factors that may impact the proposed deliverable schedule.

## **VIII. COST SCHEDULE**

All prices submitted must remain firm and fixed for the term of the contract. All prices proposed must be inclusive of all bank supplies, postage and delivery fees, equipment costs, server space, storage fees, travel expenses, overhead, FDIC charges, profit, etc. as needed to fulfill the RFP specifications.

All costs associated with initial programming, testing, training, and post-implementation meetings must be bundled into the banking fees and are not permitted to be listed as separate line items on the Cost Schedule.

All bank-specific service acronyms and abbreviations must be clearly defined.

All methods of measurements that differ from the pre-established methods listed below must be clearly identified for each priced item.

All services that supplement or extend beyond the State's basic Scope of Work service requirements must be clearly identified as "optional services." All optional service pricing should be clearly listed in a separate cost schedule, and the optional service clearly explained.

Following are the pricing categories that are appropriate for this RFP. It is not necessary to provide pricing for each category. When completing the pricing schedule, place an "NA" in each category for which a charge is not applicable. Banks, however, must bundle their pricing categories to best accommodate the pricing categories contained on the current Cost Schedule. If a bank must add a new pricing category, the bank must clearly define the new category of service, explain any association the new category has with existing pricing categories on the Cost Schedule and provide a clear method of measurement for the additional pricing element.

The bank is not permitted to initiate debits against the State's account for any services.

	<b>Account Services and Maintenance</b>		
1	Account Maintenance Fee	\$	/Account/Month
2	Daily Balance Reporting (Automated Prior Day BAI2)	\$	/Month
	<b>ACH Services</b>		
3	ACH Credit Received	\$	/Per Item
4	ACH Debit Block	\$	/Account/Month
5	ACH Debits	\$	/Per Item
6	ACH Returns	\$	/Per Item
	<b>Check Disbursement Services</b>		
7	Check Paid – Payee Positive Pay	\$	/Per Check
8	Stop Payment Web-based	\$	/Per Stop
9	Stop Payment Manual	\$	/Per Stop
	<b>Teller Assisted Services</b>		
10	Teller Assisted Deposits (Checks and Cash)	\$	/Per Deposit
11	Teller Assisted Deposited Item (Check)	\$	/Per Check
12	Teller Assisted Cash Deposit	\$	/Per Deposit
13	Teller Assisted Check-for-Cash Exchange Processing	\$	/Per Order Fulfilled
	<b>Remote Deposit Capture Services</b>		
14	Remote Deposit Capture Services Implementation Fee	\$	/Per Scanner
15	Remote Deposit Capture Scanners (cost per unit)	\$	/Per Scanner
16	Remote Deposit Capture Services Monthly Maintenance	\$	/Per Scanner/Month
17	Remote Deposit Item Imaged	\$	/Per Item
	• IRD Clearing	\$	/Per Item
	• “On-us” Items	\$	/Per Item
	• Image Clearing	\$	/Per Item
	<b>Deposit Services and Deposit Supplies</b>		
18	Checks Re-deposited	\$	/Per Check
19	Returned Item (Check)	\$	/Per Check Returned

20	Deposit Tickets (MICR encoded) (beyond annual requirement)	\$	/Per Ticket
21	Endorsement Stamps (beyond initial stamp- replacement stamp)	\$	/Per Stamp
	<b>Web-based Services</b>		
22	Web-based Product Maintenance (If applicable)	\$	/Month
23	Web-based Account Inquiry	\$	/Per Inquiry
24	Web-based ACH Inquiry	\$	/Per Inquiry
25	Web-based ARP Inquiry	\$	/Per Inquiry
26	Web-based Paid Check Image Maintenance	\$	/Month
27	Web-based Paid Check Image (All Checks Processed)	\$	/Per Item Imaged
	<b>(OR)</b>		
	Web-based Paid Check Image (Per Item Viewed)	\$	/Per Image Viewed
	<b>Programming Fees</b>		
28	Programming Fees (If Applicable) indicate number of hours	\$	/Per Hour