

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

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**DIVISION OF REVENUE AND ENTERPRISE SERVICES
REVENUE COLLECTION SERVICES**

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

I. PURPOSE AND INTENT

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

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

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

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

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

Zero balance account services
Daily pickup of checks via bonded courier at three (3) Trenton area locations
Weekly pickup of cash receipts via armored car at two (2) Trenton area locations
Daily and monthly electronic bank statements as noted in the Scope of Work
Daily balance reporting (Prior day Summary and Detail – Automated to Treasury Workstation via Web in BAI2)
Web-based daily download of detail transaction reporting (prior day information)
Web-based wire transfer functionality with intra-day reporting
Web-based account inquiry and reporting capabilities
Web-based image delivery (validated deposit slips and check images)
MICR encoding of checks
Endorsement of checks
Encoded deposit slips
Desktop Deposit Scanners and Services
Image Cash Letter Deposit Services
ACH receiving capabilities (CCD, CCD+ or PPD formats)
ACH debit block services on specified accounts
Timely reports per RFP specifications
Check boxes, box labels, disposable check bags, disposable opaque cash bags and cash deposit envelopes as specified
Contingency plan and reliable backup in case of system failure
Timely, reliable customer services, including technical support and training

II. TERMS AND CONDITIONS

A. Applicable Rules and Regulations

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 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 State of New Jersey agrees to comply with all current NACHA Operating Rules and regulations.

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

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.

B. Project Management

The Division of Revenue and Enterprise Services will be responsible for the day to day operational administration of the account(s) and will be the contact agency after contract award.

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

Shirley Williams
State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
200 Woolverton Street, Bldg. #20
2nd Floor
PO BOX 628
Trenton, NJ 08611

Phone: (609) 943-4418

E-mail: <mailto:Shirley.Williams@treas.state.nj.us>

C. Timetable of Events

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

EVENT	DATE
Issuance of Request	May 15, 2013
Deadline to Submit Questions	May 29, 2013

Mandatory Pre-Bid Conference	June 4, 2013
Proposal Due Date	July 1, 2013
Anticipated Award Date	August 26, 2013
Implementation & System Testing	August 27, 2013
Contract Commencement	January 16, 2013

D. Mandatory Bidders' Conference

Attendance at the following bidders' conference is a prerequisite for proposal submission.

DATE: June 4, 2013
TIME: 10:00 a.m.
PLACE: Department of the Treasury
33 West State Street
Purchase Bureau Bid Room, 9th Floor
Trenton, New Jersey

During the conference, the RFP requirements will be reviewed and questions from interested bidders will be addressed. This is the only opportunity for the interested bidders to address any technical questions relative to the RFP document.

Any deferred questions arising from the conference will be responded to in writing, via hard copy or email to all bidders' conference attendees.

Oral explanations given anywhere but at the bidders' conference shall not be binding.

E. RFP Questions from Bidders

The deadline to submit written questions pertaining to this RFP ends at **4:30 p.m. E.T. on May 29, 2013.** Questions received after the deadline will not be recognized or addressed. The State requests that all submissions reference the appropriate page and section of the RFP. Questions should be e-mailed to the following address:

Charlene.Mello@treas.state.nj.us

Written responses will be provided by hardcopy, e-mail or via the Office of Management and Budget's Banking Services website.

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 e-mail.

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

G. Proposal Due Date

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

Charlene Mello, Banking Relations Section Supervisor
State of New Jersey
Department of the Treasury
Office of Management and Budget
PO BOX 221
Trenton, New Jersey 08625-0221

H. Oral Presentation and Vendor Site Visitation/Inspection

Vendors who 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, Office of Management and Budget, Cash Management Unit, will schedule the presentations.

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

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

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

I. Contract Award

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

The State of New Jersey reserves the right to reject any or all proposals, to award to other than the low bidder, to award in whole or in part, and to waive any minor informalities not in compliance with the specifications or terms and conditions of 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 of all accounts.

K. Contract Extension

The State will have the option to extend the contract for **two (2) 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 their response to the State the price increases, from and to, for each of the line item charges, along with supporting Labor Statistics documentation. The State will then independently verify the price adjustment.

L. Vendor Right to Protest

A vendor's right to protest RFP specifications and intent of contract award is governed by N.J.A.C. 17:12-3.

For all Cash Management 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 bank at least **30 days** prior to such proposed termination date unless otherwise provided herein.

At contract termination, the vendor must cooperate fully with the State and the new contract vendor to affect a smooth transition, which would include transferring all necessary databases, files and other information needed for the continued operation of the application.

N. Contract Continuity/Transitional Period

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

O. Unanticipated Services

Should additional State initiated work be required which is beyond the 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 their internal system within **90 days** after State approval. The cost estimate will be based on the hourly rates included in the vendor's response as specified in **SECTION VIII., COST SCHEDULE** of this RFP.

NOTE: In an effort to streamline services, the Department of the Treasury, Office of Management and Budget, Cash Management Unit may extend the services of this contract to additional State agencies. These similar banking services would be added to this contract via this unanticipated service clause.

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 their 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

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

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

The prime contractor is totally responsible for adherence by the subcontractor to all provisions of the contract between the bank and the State. The bank must thoroughly research and confirm a sub-contractor's ability to deliver services exactly as requested in this RFP. The State will not amend its requirements to accommodate a sub-contractor'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.

S. Cost Liability

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

T. Ownership of Material

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

U. File Transfer

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 they have 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 data contained in the documents or files supplied by the State are to be considered confidential and shall be solely for the use of the State. The chosen bank must protect State data and ensure that all State information remains confidential.

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

V. Promotional Use Prohibited

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

W. Accounting Records

The vendor is required to maintain records and other documentation 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, including but not limited to, copies of checks, deposit slips, bank statements and invoices must be made available to the State for a period of **seven (7) years from the date of transaction.**

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 facilities for the State auditors to use when they perform their regular and random audits.

X. Severability Clause

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

Y. Indemnification

The Vendor'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 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, or incidental 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 provision that the insurance provided shall not be canceled for any reason except after **30 days** written notice to the State of New Jersey, Department of the Treasury. All insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater.

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

- Broad Form Comprehensive General
- Liability Products/Completed Operations
- Premises/Operations

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

2. Automobile Liability Insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit.

3. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

- \$100,000 Bodily Injury Each Occurrence
- \$100,000 Disease Each Employee
- \$500,000 Disease Aggregate Limit

AA. Conflict of Interest

No award will be made to a vendor who, in the opinion of the Department of the Treasury, has 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 - Contents of Bid Proposals

Be advised that generally bid proposals are public documents under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 to -13, (NJOPRA), however, certain sections may be confidential under the statutory exceptions to NJOPRA. A bidder may designate specific information that is part of its bid proposal as not subject to disclosure when the bidder has a good faith legal/factual basis for such assertion. The State reserves the right to make the determination and will advise the bidder accordingly. The location in the bid proposal of any such designation should be clearly stated in a cover letter. 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/proprietary materials, the bidder shall be solely responsible for defending its designation and the State shall have no responsibility there for.

By signing the cover sheet of this RFP, the bidder waives any claims of copyright protection set forth within the manufacturer's price list and/or catalogs. The price lists and/or catalogs must be accessible to State using agencies and cooperative purchasing partners and thus have to be made public to allow all eligible purchasing entities access to the pricing information.

All bid proposals, with the exception of information determined by the State or the Court to be proprietary, are available for public inspection after the Letter of Intent to Award is issued. At such time, interested parties can make an appointment with OMB, Cash Management to inspect bid proposals received in response to this RFP.

CC. Single Response

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

III. OTHER MANDATORY PROVISIONS

A. Financial Statements

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.

The Original Proposal must include a hard copy of the bank's audited financial statements. Proposal copies can include a working link to the bank's audited financial statements.

The Original Proposal must include a hard copy of all subcontractors' audited financial statements, or financial comments if a privately held company. Proposal copies can include working links to a 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 Statues.

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 as part of its bid submission. As mandated by this statute, failure to submit a copy of the Business Registration Certificate within the bid proposal will be deemed non-responsive and therefore will result in disqualification of the bid proposal.

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 contract implementation. The law prohibits contractors from entering into a contract with

a subcontractor who has not provided the contractor a copy of its Business Registration Certificate.

The basic registration process involves filing Form NJ-REG. An overview of the filing requirements can be found by visiting the NJ Business Gateway Services website at <http://www.state.nj.us/njbgs/>. The NJ-REG may be filed online or a Business Registration Packet can be downloaded at <http://www.state.nj.us/treasury/revenue/revprnt.shtml>

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.

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 Certification**, completed with the sourcing information required for itself and any proposed subcontractor, identified in its proposal.

If the certification is not submitted with the bid proposal, it shall be submitted **within five (5) business days** of the State's request for the information. **Failure to submit sourcing information when requested by the State shall preclude award of a contract to the vendor.**

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

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

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

G. Two-Year Chapter 51 Vendor 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).

Instructions for completing the Vendor Certification and Disclosure are detailed in **EXHIBIT E Information and Instructions for Completing the Two-Year Vendor Certification and Disclosure of Political Contributions Forms.**

The submission of **EXHIBIT F Two Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions** will be required five (5) business days from the date on the "Intent to Award" letter issued by the Office of Management and Budget, Cash Management Unit.

2. State Treasurer Review and Approval

The State Treasurer or his 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.state.nj.us/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, 2013, the certification expiration date would be December 31, 2014.

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 OMB, Cash Management Unit 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 Plan

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

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

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 and DVD-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 RFP 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 and 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 alternate 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, 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 facility'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, Canceled Checks

The New Jersey Department of State’s Division of Archives and Records Management (NJDARM) is responsible for insuring that all public records are managed, preserved and destroyed in accordance with public law.

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

Physical destruction of state records must comply with the existing (applicable) state standards as described in State Contract T-0387: Records Removal and Destruction Services. These standards will apply to any sub-contracted vendors the bank may utilize for destruction services.

See **EXHIBIT G Destruction Requirements for State Records, Canceled Checks and Electronic Images** for paid check destruction requirements.

IV. PAYMENT METHODS AND TERMS

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

A. Compensating Balances

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

B. Payment Terms

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

C. Monthly Analysis

Together with the invoice, the bank must provide a monthly analysis that will contain on one page of the analysis report, the monthly average collected balance

and average daily ledger balance for the account. 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 **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).

The invoice and analysis are to be sent to:

The Department of the Treasury
Office of Management and Budget
Cash Management Unit
PO BOX 221
Trenton, New Jersey 08625-0221

See **EXHIBIT H** for the **Division of Revenue and Enterprise Services
Collection Services Monthly Analysis Sample format.**

V. SCOPE OF WORK

A. Accounts to be established

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

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

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

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

B. Division of Revenue and Enterprise Services General Collection Master Account #1

The State will establish the Division of Revenue and Enterprise Services Collection Master Account #1 in the vendor bank to serve as a funds concentration account.

On a daily basis, this account will be funded by sweeps from the Taxation General Depository ZBA Account #2 and the Division of Revenue and Enterprise Services Consolidated ZBA Account #3.

Deposits will also be received on a daily basis, via electronic image cash letter. In Calendar Year 2012, **626 Image Cash Letter Deposits** were processed consisting of approximately **2.1 million check images** that totaled approximately **\$136.2 million**.

Deposits will also be prepared for bonded courier pickup and bank processing by two (2) Trenton area locations:

1. 200 Woolverton Street, Trenton*
2. 33 West State Street, Trenton*

*There are no immediate plans to change these locations however the locations are subject to change.

In Calendar Year 2012, **3,831 deposits were prepared** for bonded courier pickup and bank processing. These deposits consisted of approximately **338,909 checks** and totaled approximately **\$97.9 million** in deposits.

This account will also experience a small number of ACH credits and cash deposits. In Calendar Year 2012, a total of **768 ACH credits** were received totaling slightly over **\$39.8 million** and **7 cash deposits** were received totaling **\$636**.

Although there is no historical data to report, this account will require wire out functionality. The State anticipates that it will initiate a daily wire out to transfer funds from the Division of Revenue and Enterprise Services General Collection Master Account #1 to the State's General Treasury Account; which is not part of the DORES Collection Contract.

This account will require an ACH Debit Block.

See **EXHIBIT K** for the **Division of Revenue and Enterprise Services General Collection Master Account #1 Activity for CY 12.**

C. Taxation General Depository ZBA Account #2

The State will establish the Taxation General Depository ZBA Account #2 in the vendor bank for the collection of various taxation funds. In Calendar Year 2012, the average daily deposits ranged between **\$15 million and \$81 million.** The Division of Revenue and Enterprise Services anticipates receipts for this account will peak between April 1 and May 15.

On a daily basis, deposits will be sent to the bank via electronic image cash letter. In Calendar Year 2012, **675 Image Cash Letter Deposits** were processed consisting of approximately **1.8 million check images** that totaled approximately **\$4.4 billion.**

Deposits will also be prepared on a daily basis for bonded courier pickup and bank processing at two (2) Trenton area locations:

1. 200 Woolverton Street, Trenton*
2. 33 West State Street, Trenton*

*There are no immediate plans to change these locations however the locations are subject to change.

In Calendar Year 2012, **8,295 deposits were prepared** for bonded courier pickup and bank processing. These deposits consisted of approximately **132,531 checks** and totaled approximately **\$1.9 billion** in deposits.

Every Friday, cash pickups will be prepared for armored car pickup and processing. In Calendar Year 2012, a minimum number of cash deposits were also made totaling approximately **\$15 thousand.**

This account will also experience a small number of ACH credits and cash deposits. An estimated **6 ACH credits** will be received daily into this account

representing various credit card receipts. In Calendar Year 2012, there were approximately **1,630 ACH credits** received totaling approximately **\$1.6 billion**.

This account will zero balance at the end of each day and will automatically sweep into the Division of Revenue and Enterprise Services General Collection Master Account #1.

See **EXHIBIT L** for the **Taxation General Depository Account #2 Activity for CY 12.**

D. Division of Revenue and Enterprise Services Consolidated ZBA Account #3

The State will establish the Division of Revenue and Enterprise Services Consolidated ZBA Account #3 in the vendor bank for the collection of the employer portion of income tax and labor obligations owed to the State of New Jersey. This account will require the ability to receive incoming wires and ACH credits. It is also possible a small amount of cash may be deposited into this account

On a daily basis, deposits will be sent to the bank via electronic image cash letter. In Calendar Year 2012, **468 Image Cash Letter Deposits** were processed consisting of approximately **375,567 check images** that totaled approximately **\$193.5 million**.

Deposits will also be prepared for bonded courier pickup and bank processing by two (2) Trenton area locations:

1. 200 Woolverton Street, Trenton*
2. 33 West State Street, Trenton*

*There are no immediate plans to change these locations however the locations are subject to change.

In Calendar Year 2012, **756 deposits were prepared** for bonded courier pickup and bank processing. These deposits consisted of approximately **14,356 checks** and totaled approximately **\$97.9 million** in deposits.

Every Friday, cash pickups will be prepared for armored car pickup and processing. There is no historical data to report for Calendar Year 2012 and DORES anticipates the cash deposits for Account 3 will be minimal.

This account will zero balance at the end of each day and will automatically sweep into the Division of Revenue and Enterprise Services General Collection Master Account #1.

See **EXHIBIT M** for the **Division of Revenue and Enterprise Services Consolidated Account #3 Activity for CY 2012.**

E. Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #4

The State will establish the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #4 in the vendor bank to serve as a funds concentration account. On a daily basis, the balances from the Auto Insurance Credit Card Surcharge Collection ZBA Account #5 and the Auto Insurance Lockbox Surcharge Collection ZBA Account #6 will sweep into the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #4. In Calendar Year 2012, this account was funded by an estimated **484 ZBA transfers** totaling approximately **\$151.8 million.**

This account will also be funded by a minimal number of incoming wires from the State's Cash Management Fund; which is not part of this contract. In Calendar Year 2012, there were **4 wires in** totaling approximately **\$17 million.**

A minimal number of manual checks will be disbursed from this account on a daily basis. In Calendar Year 2012, there were an estimated **473 checks disbursed** totaling approximately **\$5.6 million.** At the current time the State is not in the position to send electronic check issuance files to the bank however the State may elect to implement positive pay services in the future. The bank must confirm

its willingness to work with the State's technical staff if the decision is made to implement positive pay services.

Although there is no historical data to report, the State requires the ability to issue concentration wires to move funds from the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #4 to the State's Cash Management Fund; which is not part of this contract.

Several times a month, wires will also be initiated to move funds from the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #4 to various State Trust Fund Accounts; which are not part of this contract. In Calendar Year 2012, **25 wires out** were initiated totaling approximately **\$161.5 million**.

The State must be able to issue manual stop payments and remove stop payments for checks issued from this account. The stop payment and remove stop payment orders will be sent to the bank by email or telephone. The bank will record the date, time, name of the bank representative receiving the order, and the name of the State representative placing the stop order. The bank will confirm all telephone stop payment orders by fax transmission no later than **8:00 a.m. E.T.** the following day.

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

In Calendar Year 2012, approximately **seven (7) manual stop payments** were issued for this account.

This account will require an ACH Debit Block.

See **EXHIBIT N** for the **Motor Vehicle Commission Surcharge Collection and Disbursement Account Activity #4 for CY 12**.

F. Auto Insurance Credit Card Surcharge Collection ZBA Account #5

The State will establish the Auto Insurance Credit Card Surcharge ZBA Collection Account #5 in the vendor bank for the collection of auto insurance surcharge payments. This account will receive ACH credits representing credit card payments processed by Xerox State and Local Solutions, Inc., the credit card processor for the MVC. This account will also receive check deposits from attorneys contracted to perform collections for the MVC. The attorneys will bring the check deposits directly to a local bank branch accompanied by an encoded deposit slip; the encoded deposit slip will identify which attorney made the deposit.

This account will zero balance at the end of each day and will automatically sweep into the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #4.

In Calendar Year 2012, there were **636 ACH credits** totaling approximately **\$72.3 million** and **132 checks deposited** totaling **\$474 thousand**. In Calendar Year 2012, there was an average of **33 monthly ACH debits** representing credit card chargebacks.

See **EXHIBIT O** for the **Auto Insurance Credit Card Surcharge Collection Account #5 Activity for CY 12**.

G. Auto Insurance Lockbox Surcharge Collection ZBA Account #6

The State will establish the Auto Insurance Lockbox Surcharge ZBA Collection Account #6 in the vendor bank for the collection of auto insurance surcharge payments. This account will receive daily check deposits, weekly ACH credits and occasional cash deposits.

On a daily basis, a bonded courier pickup will be required at Xerox State and Local Solutions, Inc., the lockbox processor contracted to perform collections for the Division of Revenue and Enterprise Services located at 3131 Princeton Pike,

Lawrenceville, New Jersey. There are no immediate plans to change this location however the location is subject to change.

Xerox State and Local Solutions, Inc. will prepare checks for deposit by encoding and endorsing checks for deposit and batching items for bonded courier pick up. Approximately 90% of all items deposited into the Auto Insurance Lockbox Surcharge Collection Account #6 will be encoded and endorsed.

In Calendar Year 2012, there were a total **584 deposits** prepared consisting of **227,359 checks** totaling approximately **\$27.7 million**. In Calendar Year 2012, there was an average of **70 returned check items per month**.

On a monthly basis, a minimum number of ACH credits will also be received in this account. In Calendar Year 2012, there were **144 ACH credits** totaling approximately **\$93.9 million**.

This account will zero balance at the end of each day and will automatically sweep into the Motor Vehicle Commission Surcharge Collection and Disbursement Master Account #4.

See **EXHIBIT P** for the **Auto Insurance Lockbox Surcharge Collection Account #6 Activity for CY 12**.

H. Image Cash Letter Electronic Deposit Services

The State requires the use of Image Cash Letter Electronic Deposit Services for Accounts 1, 2 and 3. The State reserves the right to expand Image Cash Letter Electronic Deposit Services to other accounts within this contract. If the decision is made to expand Image Cash Letter Services the bank will be required to work with State technical staff to implement and test the expansion of services to other accounts, **at no cost to the State**.

When data is transmitted to and from the bank, the bank must utilize the proper security techniques to insure the protection of the data and to maintain the integrity of the data.

The Division of Revenue and Enterprise Services must have access to a toll free bank provided hotline, available 24/7, to report and resolve Image Cash Letter transmission problems.

1. Image Cash Letter File Transmission Requirements

On a daily basis, the Division of Revenue and Enterprise Services will electronically transmit Image Cash Letter Deposits to the bank in the X9.37 format. The files will be transmitted using one of the following transmission protocols:

- FTPS over SSL
- SFTP (FTP over SSHv2 or greater)
- HTTPS

The method of transmission must conform with the transmission protocols depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide**.

Bidders are encouraged to submit a list of all the Image Cash Letter file transmission protocols it can support, other than those named above. Bidders must clearly identify any/all methods of file transmission depicted above that it can not support; failure to do so will result in the mutual understanding that all methods of file transmission listed above are supported by the bank.

The State reserves the right to change, add or delete the type of file format and transmission protocol used to transmit files to the bank. The State will provide **sixty (60) days written notice** to the bank before making such a change. Upon receipt of a change in file format or transmission protocol, the contract vendor will be responsible for cooperating and working with the State's contracted vendor and technical personnel to implement the change.

2. Image Cash Letter Deposit Item Requirements

Deposit items within the Image Cash Letter Deposit will include but not be limited to Checks from US Banks, Money Orders, US Treasury Checks,

Convenience checks, Line of Credit Checks, Third-Party Checks, Cashier's Checks and "Starter" Checks (check without a check #).

Each depository item's (front/rear) image sent from the Division of Revenue and Enterprise Services will have a minimum resolution of 200 dpi. Each image sent will be in black and white and in Tiff 6.0 CCITT Group 4 compression format.

3. Image Cash Letter File Transmission Timeframes & Deposit Credit

Daily transmittals will occur **three (3) times a day at 8:00 a.m. E.T., 11:00 a.m. E.T. and 1:00 p.m. E.T.** In addition, the bank must be able to accept deposits on weekends and after hours (after 4:00 p.m. E.T.) during peak processing season (March 15-April 15). Bidders must clearly define the latest time an Image Cash Letter transmission file can be received by the bank for same day processing and credit.

4. Image Cash Letter Contingency Plan

The bank must have a contingency plan in place, using HTTPS or similar protocol, as a back-up procedure to receive transmission data manually. Bidders must identify its backup procedures and contingency plan to receive manual Image Cash Letter deposit transmissions. Bidders must define how it will guarantee same day credit for Image Cash Letter deposits conducted manually.

5. Image Cash Letter File Receipt Confirmation Requirements

Upon successful receipt of an Image Cash Letter file transmission, the bank must send via email, an Image Cash Letter File Receipt Confirmation to the Division of Revenue and Enterprise Services, indicating that the file was accepted. The confirmation must be received **within thirty (30) minutes of the file transmission being sent.** The confirmation must contain the following items for each individual file received:

File Receipt Date/Time
Total Amount of Deposit
Breakdown for amount deposited into each account
Total and breakdown of number of checks deposited

For a sample Image Cash Letter File Receipt Confirmation see **EXHIBIT Q Sample Image Cash Letter File Receipt Confirmation and Deposit Adjustment Advice.**

6. Image Cash Letter Deposit Adjustment Advices

The bank must provide the Division of Revenue and Enterprise Services via email with electronic adjustment notifications for every Image Cash Letter deposit adjustment made. Each account adjustment must have a corresponding Adjustment Advice. The adjustment notifications must be provided the same day the account adjustment is made.

7. Image Cash Letter Virtual Endorsement Stamp

The State requires that checks be accepted for deposit using a virtual (computer generated) endorsement stamp. The computer generated endorsements will include the following information:

Line 1	Pay to the Order of
Line 2	Bank Name
Line 3	All Prior Endorsements Guaranteed
Line 4	NJDORES Account: XXXXXXXXXXXXXXX

The Division of Revenue and Enterprise Services will print via inkjet printer endorsement information and a Document Locator Number (DLN) on either the back or front of each check image.

I. Desktop Deposit Services

The bank must provide the State with web-based Desktop Deposit Services. This service will provide State agencies with the ability to deposit checks into their respective bank 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. There were no Desktop Deposit Services performed in Calendar Year 2012, however, this service will be required for this contract.

The bank must provide all necessary software, hardware (scanners) and related maintenance to accommodate Desktop Deposit 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 have the ability to be upgraded to be compatible with newer versions of the operating system.

- Prior to contract commencement, the State will require the installation of three (3) Desktop Deposit Scanners.
- The State reserves the right to expand Desktop Deposit Services to other State agencies that deposit into the six (6) accounts related to this contract. The bank must include its fee for the purchase of additional Desktop Deposit Scanners (assuming moderate volumes) on its Cost Schedule. Please note: the bank's per item processing fee for items deposited via Desktop Deposit Scanners must remain firm and fixed for the contract term.
- Since there were no Desktop Deposit Services performed in Calendar Year 2012, there are no volume statistics available. The bank must provide scanner equipment that is new, appropriately sized and configured to reasonably accommodate the number of office-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 system should provide State agencies with access to transaction history and deposit images for **the most recent 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.

J. Check Deposit Preparation Procedures

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

1. Division of Revenue and Enterprise Services Check Deposit Preparation Procedures for Location One: (Accounts 1, 2 and 3)

Division of Revenue and Enterprise Services
200 Woolverton Street, Bldg. #20
2nd floor
Trenton, New Jersey 08611

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

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

On a daily basis the bank must deliver a **minimum of 10 assembled check boxes** to the Division of Revenue and Enterprise Services. Delivery must take place at the time the filled check boxes are picked up. The average number of check boxes for daily pickup will range between 5 and 10. Between April 1 and May 15 the bank must be able to accommodate an increase in the number of check box pick ups and deliveries. The Division of Revenue and Enterprise Services anticipates that during the peak tax season, the number of filled check boxes requiring pick up will peak at approximately 25 boxes per day. At the time of pickup, the bank must ensure the bonded courier has enough assembled check boxes on hand to **replenish the same number of filled check boxes** that are picked up.

A label, indicating the content of the check box belongs to the State of New Jersey, will be affixed on the outside of each box.

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

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

2. Division of Revenue and Enterprise Services Check Deposit Preparation Procedures for Location Two: (Account 1 and Account 2)

Division of Revenue and Enterprise Services
33 West State Street, 5th floor
Trenton, New Jersey 08625

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

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

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

For evaluation purposes, the bank must include **one (1) sample check bag** with each proposal submission copy. The bank must also identify the name of its check bag manufacturer, provide a detailed description of the bag and include the bank's recommended check bag preparation procedures. The Division of Revenue and Enterprise Services will

incorporate the bank's check bag preparation procedures into its procedures manual. The bank's check bag preparation procedures must also be included in the bank's training material.

3. Xerox State and Local Solutions, Inc. Check Deposit Preparation Procedures for Location Three: (Accounts 5 and 6)

Xerox State and Local Solutions, Inc.
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

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

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

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

For evaluation purposes, the same sample check bag requested above will be evaluated for Location 3. In addition, it is not necessary for the bank to provide its check bag manufacturer or a detailed description of the bag again. However, since the check volumes differ for Location 2 and 3, the State requests that the bank recommended check bag preparation procedures. Xerox State and Local Solutions, Inc. will incorporate the

bank's check bag preparation procedures into its procedures manual. The bank's check bag preparation procedures must also be included in the bank's training material.

K. Check Deposit Pickup Location Times and Procedures

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

The bank, via a bonded courier, must perform a daily check deposit pickup at the following location: **Location One - (Accounts 1, 2 and 3)**

Division of Revenue and Enterprise Services
200 Woolverton Street, Bldg. #20
2nd floor
Trenton, New Jersey 08611

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

Starting on April 1 and through May 15, no less than **two daily pickups** will be required at Location One. During this time, the first daily pickup must be conducted **between 12:30 p.m. E.T. and 1:00 p.m. E.T.** the second daily pickup must be **between 4:00 p.m. E.T. and 4:30 p.m. E.T.**

The bank, via a bonded courier, must perform a daily check deposit pickup at the following location: **Location Two - (Accounts 1 and 2)**

Division of Revenue and Enterprise Services
33 West State Street, 5th floor

Trenton, New Jersey 08625

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

The bank, via a bonded courier, must perform a daily check deposit pickup at the following location: **Location Three - (Accounts 5 and 6)**

Xerox State and Local Solutions, Inc.
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

The daily check deposit pickup at Location Three must be **between 4:00 p.m. E.T. and 5:00 p.m. E.T.** At no time can a deposit pickup extend beyond the operating hours of the agency which are, 8:00 a.m. to 5:00 p.m. E.T. Generally, no pickups will be required on Saturdays or legal State holidays with the exception of the three (3) following days:

- Good Friday
- Election Day
- Veteran's Day

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

L. Cash Deposit Preparation – Pickup Location Times and Procedures

Every Friday, cash pickups will be required at Locations One and Two. The cash pick up locations may be consolidated or may change during the course of the contract term but will most likely remain within the Trenton government area.

The following illustrates the cash deposit preparation procedures as they apply to the (2) two pick up locations.

The bank must provide the Division of Revenue and Enterprise Services with **industry standard 9" X 12" disposable, secure, opaque cash bags and industry standard deposit envelopes**. The cash bags must contain an outside pouch to hold the cash deposit ticket. After contract award and prior to contract commencement, the bank must supply a year's worth of cash bags and deposit envelopes to the Division of Revenue and Enterprise. A year's supply of cash bags and deposit envelopes must be supplied prior to the beginning of each calendar year for the contract term.

The first year supply will consist of **60 cash bags and 500 deposit envelopes** for the Division of Revenue and Enterprise Services. The cost of all cash bags and deposit envelopes will be absorbed by the bank. Individual locations will contact the bank directly if additional quantities are needed. A per item charge will be acceptable only when the total number of bags or envelopes used annually exceed the total annual deposit bag or deposit envelope requirement by more than twenty-five percent.

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

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

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

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

1. Division of Revenue and Enterprise Services Cash Deposit Preparation Procedures for Location One: (Accounts 1, 2, and 3)

Division of Revenue and Enterprise Services
200 Woolverton Street, Bldg. #20
2nd floor
Trenton, New Jersey 08611

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

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

2. Division of Revenue and Enterprise Services Cash Deposit Preparation Procedures for Location Two: (Account 1)

Division of Revenue and Enterprise Services
33 West State Street, 5th floor
Trenton, New Jersey 08625

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

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

M. Deposit Pickup Receipt Confirmation Procedures

After contract award and prior to contract commencement, the bank must provide **three (3) copies of a bonded courier and armored car personnel directory.** The directory must contain current color photos and legible signatures for each employee assigned to perform one or more of the daily pickups. The photo identification and deposit receipt signatures will be verified each day prior to release of deposit items. Deposit items will not be released to an individual excluded from the current personnel directory. It will be the bank's responsibility to update and maintain the personnel directory as changes occur or at a minimum once every January.

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

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

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

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

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

N. Encoding and Endorsing Requirements

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

1. Division of Revenue and Enterprise Services Encoding and Endorsing Requirements for Location One: (Accounts 1, 2 and 3)

Division of Revenue and Enterprise Services
200 Woolverton Street, Bldg. #20
2nd floor
Trenton, New Jersey 08611

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

2. Division of Revenue and Enterprise Services Encoding and Endorsing Requirements for Location Two: (Accounts 1 and 2)

Division of Revenue and Enterprise Services
33 West State Street, 5th floor
Trenton, New Jersey 08625

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

3. Xerox State and Local Solutions, Inc. Encoding and Endorsing Requirements for Location Three: (Account 5 and 6)

Xerox State and Local Solutions, Inc.
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

The majority of all checks will be endorsed and encoded by Xerox State and Local Solutions, Inc.

O. Check Deposit Discrepancies and Adjustments

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

In Calendar Year 2012, there were approximately **thirty (30) deposit errors per month** for all six (6) accounts. This number does not include the plus or minus \$5.00 (no action) discrepancy activity.

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

- Adjustment memo (debit or credit advice) to include the following:
 1. Bank account number
 2. Deposit date
 3. Original deposit total
 4. Specific discrepancy and the amount
- Adding machine tape or batch total sheet(s)
- When applicable, copy of check (front and back) and deposit ticket when listed for wrong amount
- The deposit lists more or less checks than actual – note the difference between the deposit number and the actual number listed; when more, supply a copy of the adding machine tape or batch total sheet(s)

- The number of checks are correct, but the bank total is different than the deposit/adding machine tape total, e.g. \$163.89 vs. \$136.89 - identify check(s), and supply a copy of the check(s) front and back
- The deposit ticket should never be altered to match the deposit

P. Cash Deposit Discrepancy and Review Procedure

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

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

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

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

Q. Deposit Credit and Availability

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

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

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

R. Dishonored Checks

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

In the event the original returned check is lost or mutilated, the bank must provide the State with an indemnified photocopy stating that this photocopy is to replace the original check. Within 24 hours of receipt of a dishonored check, the dishonored check, together with the debit memo must be electronically forwarded to the Department of the Treasury, Cash Accounting Unit. There must be one identified dishonored check per debit memo.

In Calendar Year 2012, there were approximately **7,871 returned items and 9,370 re-deposited items for all six (6) accounts.**

S. Deposit Slip Requirements

After contract award and prior to contract commencement, the bank must supply the Division of Revenue and Enterprise Services and Xerox State and Local

Solutions, Inc. with loose encoded deposit slips that meet the specifications and quantities listed below and in **EXHIBIT R** the **Division of Revenue and Enterprise Services Encoded Deposit Slip Requirements.**

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

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

The Locator Codes and/or Locator Names discussed below must be captured either on the Web-based bank statements or on the hard copy bank statements.

The bank must determine the multi-copy requirement of the deposit slip to meet the bank's internal processing functions, taking into account one copy will remain with the Division of Revenue and Enterprise Services and Xerox State and Local Solutions, Inc.

1. Division of Revenue and Enterprise Services Deposit Slip Requirements for Location One: (Accounts 1, 2 and 3)

Division of Revenue and Enterprise Services
200 Woolverton Street, Bldg. #20
2nd floor
Trenton, New Jersey 08611

After contract award and prior to contract commencement, the bank must supply the Division of Revenue and Enterprise Services with loose encoded deposit tickets that include the information listed below and meet the quantities and

specifications listed on **EXHIBIT R** the **Division of Revenue and Enterprise Services Encoded Deposit Slip Requirements**:

State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
200 Woolverton Street, Bldg. #20
2nd floor
Trenton, New Jersey 08611
Locator Code and/or Locator Name
Account No:

2. Division of Revenue and Enterprise Services Deposit Slip Requirements for Location Two: (Account 2)

Division of Revenue and Enterprise Services
33 West State Street, 5th floor
Trenton, New Jersey 08625

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

State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
Commercial Recording - 25061
33 West State Street, 5th floor
Trenton, New Jersey 08625
Account No:

3. Xerox State and Local Solutions, Inc. Deposit Slip Requirements for Location Three: (Account 5)

Xerox State and Local Solutions, Inc.
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

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

State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
Marvel & Maloney – 3333
Auto Insurance Credit Card Surcharge Collection ZBA Account #5
Account No:

State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
Weinstock & O'Malley – 4444
Auto Insurance Credit Card Surcharge Collection ZBA Account #5
Account No:

State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
Nudleman, Klemm & Golub – 5555
Auto Insurance Credit Card Surcharge Collection ZBA Account #5
Account No:

4. Xerox State and Local Solutions, Inc. Deposit Slip Requirements for Location Three (Account 6):

Xerox State and Local Solutions, Inc.
3131 Princeton Pike
Bldg. 5, Suite 105
Lawrenceville, NJ 08648

After contract award and prior to contract commencement, the bank must supply Xerox State and Local Solutions, Inc. with **1,500 loose encoded deposit tickets** that include the following information:

State of New Jersey
Department of the Treasury
Division of Revenue and Enterprise Services
Auto Insurance Surcharge – LB Acct
PO BOX 4850
Trenton, New Jersey 08625-0224
Account No:

T. Claim Procedures

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

- Missing whole or partial deposits
- Credit and Debit Adjustments
- Dishonored Checks
- Bank Errors
- Counterfeits
- Other

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

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

U. Web-based Inquiry Communication System

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

Only authorized State personnel will be permitted to initiate inquiries via the Web-based System. The authorized personnel will be identified after contract award.

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 other than their own information.

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.

The State requires the bank to provide web-based reports reflecting all transaction items processed. The Web-based Inquiry Communication System must have report generating capabilities allowing reports to be generated which include **eighteen (18) months of historical activity**.

During the implementation and testing phases, all systems and modules must be explained and demonstrated to representatives from the Division of Revenue and Enterprise Services and OMB, Cash Accounting. The bank must provide adequate training to ensure that State personnel thoroughly understand all web-based system applications, security features, report functions and can identify the codes indicated on all web-based report.

A minimum of **three (3) 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 have a viable disaster and recovery plan in place to back up all account data. Given the worst case scenario, the vendor must be completely functional **within (24) twenty-four hours of a major disaster**.

1. Web-based ACH Inquiry System

The bank's Web-based ACH Inquiry System must provide State personnel access to all ACH activity (i.e. ACH Credits/Debits>Returns) by **8:00 a.m. E.T. the same day of settlement**.

The bank's Web-based ACH Inquiry System must provide users the ability to generate reports that can be downloaded into Microsoft Excel or PDF formats.

Users must have the ability to search for ACH transactions by selecting an account number and return date.

2. Web-based Check Deposit Inquiry System

The bank's Web-based Deposit Inquiry System must provide users the ability to search for the prior day's validated deposit tickets and check images (the front and back of deposited items). The validated deposit tickets and deposited items should be available for viewing by **8:00 a.m. E.T. the day following deposit.** The bank's system must provide search capability by deposit date and deposit amount.

The State must have web-based access to the validated deposit slips and deposited items for a minimum of **eighteen (18) months with archive access for three (3) years.**

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

3. Check Status Inquiry

The State must have the ability to electronically look up the status of a check via the bank's Web-based Inquiry Communication System.

Under a tab titled "Check Status Inquiry" the bank must provide drop down menu where the user can select the account number and enter either a single check serial number or a range of check serial numbers.

A *check status search* must clearly result in the check's status being displayed as either:

- Outstanding –the check issue date must be displayed.
- Paid – the check paid date must be displayed with a link to view, print and save the paid check image. Note: All paid check images must include the front and back of the check.

- Stop – the *stop payment* date must be displayed.
- Not Found
- Cancel
- No information on file

The bank's Web-based Inquiry Communication System must be designed so that the user is not required to navigate through several applications in order to establish the status of an issued check.

4. Paid Check Imaging

The bank must provide the State with web-based access to all paid check images. The bank's Web-based Check Image Search System must provide drop down menus that allow the user to enter the following search parameters:

- Account number
- Check serial number
- Check paid date

The bank's Web-based Check Image Search System must provide immediate access to check images that span back **seven (7) years from the check paid date**. The bank's web-based system must treat and present the front and back of the check as one single image.

The bank must include sample screen shots of paid check images retrieved from its Web-based Inquiry Communication System.

5. Web-based Account Activity Detail and Balance Summary Information

The bank's Web-based Inquiry Communication System must provide State personnel access to account activity detail and balance summary information by **8:00 a.m. E.T.**

The bank's Web-based Inquiry Communication System should provide report generating capabilities with the option to print and download data into Microsoft Excel or PDF formats.

a. Account Activity Detail

The account activity detail must be available for viewing via the bank's Web-based Inquiry Communication System by **8:00 a.m. E.T.**

All ACH Credit and ACH Debit transaction items must be available for viewing via the bank's Web-based Inquiry Communication System the same day of settlement.

All other transaction items (i.e. ACH Returns) must be available for viewing via the bank's Web-based Inquiry Communication System the morning after the transaction item is received by the bank.

All ACH transaction items posted to the account must contain the following details:

1	Account Number
2	Settlement Date
3	Transaction Amount
4	Transaction Type (i.e. ACH Credit, ACH Debit, ACH Returns)

b. Balance Summary Information

The bank's Web-based Inquiry Communication System must provide information reporting that enables the State to view the current day and previous day balances.

The following balance summary information must be available for viewing via the bank's Web-based Inquiry Communication System **8:00 a.m. E.T.** the same day as settlement:

1	Beginning balance
2	Deposits and other adjustments

3	Deductions
4	Ending balance

6. Web-based Wire Transfer System

The bank must provide to the State a Web-based Wire Transfer System. The system must be capable of warehousing data **for up to two (2) weeks** until the transmission execution date. The system should have the capability of maintaining repetitive wires requiring only the date and amount to be entered. The wire transfer system must also provide the State the ability to complete draw-downs from State bank accounts located at other banks. The system must contain the proper security features to ensure the protection of the data and to maintain the integrity of the system.

The bank must adequately train State personnel on the use of its Web-based Wire Transfer System and provide **a minimum of three (3) user manuals**. Additional training and updated user manuals will be required prior to the bank implementing any major Web-based Wire Transfer System changes.

The State must have access to a toll-free telephone “wire transfer help desk” during normal State working hours, **8:00 a.m. E.T. to 5:00 p.m. E.T.** The bank must provide on-going maintenance and emergency service when necessary. The bank must have a manual wire transfer backup system and procedures established in the event of an electronic failure.

The bank will be responsible for the following items relative to the Web-based Wire Transfer System:

1	Successful testing of the bank’s Web-based Wire Transfer System
2	Adequate training of State personnel and follow up training if warranted
3	A minimum of three (3) user manuals and updates if warranted
4	Access to a toll-free telephone “wire transfer help desk” between the hours of 8:00 a.m. E.T. to 5:00 p.m. E.T. Monday-Friday.

5	On-going maintenance and emergency service when necessary
6	A manual wire transfer back-up system and procedures in the event of an electronic or system failure
7	Prompt response to <u>all</u> wire instructions regardless of temporary overdraft position

The bank must promptly respond to all State wire instructions no later than **thirty (30) minutes** after receipt of the instruction from the State. It is the intention of the State to fully fund all electronic payments on transaction date. At any time during the day, as a result of electronic payments, if the account is placed in a temporary overdraft position, the State expects the bank to initiate all electronic payments when requested regardless of its temporary overdraft position.

The bank must explicitly state in its proposal if there are any restrictions, current or anticipated (self imposed or regulatory) that will prevent the bank from immediately complying with the State's request to transfer funds as requested.

The bank will be liable for loss of interest resulting from its error or delay in transmitting an entry when properly instructed to do so. The interest will be calculated by using the 90-day T-bill rate for the period involved.

OMB, Cash Accounting must be able to view the status of a wire immediately after the wire is approved. A daily final *Confirmation Report* must be available to the State via the web-based system **no later than 3:00 p.m. E.T.** The State must be able to download this report into the Excel format and it must include the following details:

- Settlement date
- Type of wire
- Wire amount
- Account number debited
- Account number credited
- Status of the wire
- Federal reference number, if applicable

The bank must immediately notify OMB, Cash Accounting via email and telephone if a wire fails or is rejected. OMB, Cash Accounting contacts will be establish after contract award.

V. Bank Statements and Reporting

1. Daily Automated Balance Reporting

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

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

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

2. **Web-based Report Requirements and Bank Statements**

The bank will be required to provide a variety of electronic and hard copy bank statements and reports. The bank must provide access to its Web-based Inquiry Communication System as well as a variety of electronic reports, CD-ROM backups and hard copy statements when requested; **at no cost to the State.**

The bank's Web-based Inquiry Communication System must provide access to all transaction items and bank statements.

The bank's Web-based Inquiry Communication System must have report generating capabilities allowing reports to be generated which include the past **eighteen (18) of all transaction items.** All credit and debit transactions must be supported by debit and credit memos, with detailed explanations on both the electronic and hard copy bank statements.

OMB, Cash Accounting and DORES must have web-based access to both *Daily and Monthly Bank Statements* and the ability to download the bank statements in their entirety in the PDF format. All transaction types must be clearly identified on both the *Daily and Monthly Bank Statements* (i.e. ACHs, check deposits, checks paid, returned items, debit items, credit items, etc.). Users must have the ability to search online by check number, amount and date; and print, download and save the monthly statements in their entirety in the PDF format. This information must be accessible via the bank's Web-

based Inquiry Communication System by **3:00 p.m. E.T. three (3) business days after the end of the calendar month.**

In addition, the bank must provide a CD-ROM of the entire *Monthly Bank Statement* by **3:00 p.m. E.T. three (3) business days after the end of the calendar month** and if requested by OMB, Cash Accounting a hard copy statement; **at no cost to the State.** All appropriate detailed debit and credit memos must be included with the statement.

The types of reports and bank statements provided must include the following:

1	Bank account number
2	Account name
3	Opening balance
4	Total credits and debits
5	Closing balance
6	List of all debits and credits
7	Checks paid
8	ACH trace number

W. Vendor Contact Personnel

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

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

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

1	Web-based Inquiries (ACHs, Check Deposits and Checks Paid)
2	Web-based Wires Transfers - Wire Room
3	Web-based Reporting and Statements (Daily & Monthly)
4	Web-based Image Delivery (Validated Deposit Slips & Checks)
5	Image Cash Letter Transmissions & Services
6	Image Cash Letter Discrepancies
7	Desktop Deposit Scanners (Services & Maintenance)
8	Daily Balance Reporting (Automated Prior Day Summary and Detail)
9	Monthly Invoice and Bank Analysis
10	Bonded Courier pickup and delivery
11	Check deposit discrepancies
12	Armored Car pickup and delivery
13	Cash deposit discrepancies
14	Supplies (reorder of check boxes, check box labels, check bags, cash bags, cash deposit envelopes, encoded deposit slips and an updated personnel directory)
15	Implementation and Testing
16	Training and Training Materials

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

X. Training

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

A minimum of **three (3) sets of operating manuals** must be provided and any subsequent additions, deletions or revisions to the manuals must be promptly forwarded to the State, as required.

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

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

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

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

Y. Implementation and Testing

The bank must provide a detailed implementation and testing schedule starting on the date of contract award and ending prior to **January 16, 2014**.

The implementation and testing schedule must highlight all critical RFP elements including, but not limited to: the opening of accounts, establishing account administrators, providing account tokens, establishing State access to all required modules of the bank's Web-based Inquiry Communication System, check MICR

testing, file transfer 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 the Division of Revenue and Enterprise Services and OMB, Cash Accounting 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, conforming to the RFP, will be most advantageous to the State, price and other factors considered.

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

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

- Ability to accommodate any future State-mandated program changes within the time frame acceptable to the State.
- Any other information that would assist the State in the selection process.
- Cost.

VII. VENDOR RESPONSE

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

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

Proposals that do not conform with or that take exception to the State of New Jersey's requirements as set forth in **SECTION II. TERMS AND CONDITIONS, SECTION III. OTHER MANDATORY PROVISIONS and SECTION IV. PAYMENT 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. 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 understanding that the State will not amend its requirements to accommodate a sub-contractor's unwillingness to provide required documents or its inability to deliver services exactly as stated/required in this RFP.

3. 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.

4. The Bidder must state whether it has had a contract terminated for default in 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.
5. Confirm the bank's understanding of the State's file protocol and methods of file transmission depicted in **EXHIBIT A State of New Jersey File Transfer Guide**. The bank must clearly identify any/all methods of file transmission depicted in **EXHIBIT A State of New Jersey 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 File Transfer Guide** that it can not support; failure to do so will result in the mutual understanding that all methods of file transmission in **EXHIBIT A State of New Jersey 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 Revenue Collection Services RFP and include sample file layouts.

Confirm the bank willingness and ability to provide and maintain two (2) extranet communications links into the State of New Jersey. Confirm that one of these links will be active and one will be a "hot" spare.

6. 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, 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.**

7. Respond to **SECTION III. 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). As mandated by Public Law 2001, Chapter 134, failure to submit a copy of the Business Registration Certificate within the bid proposal will be considered materially non-responsive and result in disqualification of the bid proposal.
- f. **N.J.S.A. 52:34-13.2:** Confirm the bank 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 Certification**, 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 F Two-Year Chapter 51/ Executive Order 117 Vendor Certification and Disclosure of Political Contributions 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 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 24 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 NJDARM.
8. Confirm the compensating balance will 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. Confirm the earnings rate will be determined from the average of each month's 13-week Treasury bill yield auction results.
 9. 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, electronic reports and bank statements, hard copy reports (if requested), file transmission issues including Image Cash Letter and Desktop Deposit transmission, daily balance reporting, invoices/analysis, earnings credit rate, zero balance accounts, ACH services including debit blocks, Web-based Inquiry Communication System to perform account detail/summary look ups (i.e. ACH credits/debits/returns, paid check images, check deposit images, returned check items and transaction detail information) and to initiate transactions (i.e. wires and fund transfers), disaster and recovery, technology issues, customer services, implementation, testing, and training.

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 above

10. 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; ACH debits/credits and debit block services, Image Cash Letter Services, Desktop Deposit Services, bonded courier and armored car services, zero balance accounts, earnings credit rate, 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.
11. 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.
12. Confirm that the bank is a member of the Federal Reserve Direct Wire System. Provide a detailed description of the bank's Web-based Wire Transfer System and include sample screen shots. Confirm OMB, Cash Accounting will be able to view the status of a wire immediately after the wire is approved. Confirm a daily final *Confirmation Report* will be available to the State via the bank's web-based system **no later than 3:00 p.m. E.T.**

Confirm the bank can comply with the State's requirement to wire transfer funds upon request without regard to the balance in the account? Define and explain any restrictions that will prevent the bank from immediately complying with the State's request to wire transfer funds.

Describe the bank's manual wire transfer backup procedures. Define the security features of the bank's Web-based Wire Transfer System.

13. 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.

14. 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. ACH returns) 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 the bank's Web-based Inquiry Communication System will provide State personnel with online access to the most recent **eighteen (18) months of ACH transaction detail and report generating capabilities.**

Confirm that users will have the ability to search for ACH Returns items by selecting an account number and return date.

15. Confirm that the bank can protect accounts against unauthorized ACH debit activity. Confirm the bank will notify OMB, Cash Accounting immediately via email if unauthorized attempts are made to access State funds. Confirm the bank will cooperate with Cash Accounting personnel and other State officials to identify violators and to protect the integrity of all State bank accounts.
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. Describe the bank's zero balance account (ZBA) procedures/capabilities. How will the bank ensure the accounts reflect a \$0.00 opening balance?
18. Confirm the bank's ability to receive electronically Image Cash Letter Deposits in the X9.37 format using one or more of the following methods: FTPS over SSL, SFTP (FTP over SSHv2 or greater) and HTTPS.

Confirm the bank's ability to abide by the transmission protocols depicted in **EXHIBIT A State of New Jersey OIT File Transfer Guide.**

Define all the Image Cash Letter file transmission protocols the bank can support, other than those named above. Clearly identify any/all methods of file transmission depicted above that it can not support; failure to do so will result in the mutual understanding that all methods of transmission listed above are supported by the bank

19. Confirm the bank's ability to expand Image Cash Letter Electronic Deposit Services to other accounts within this contract. Provide an anticipated implementation and testing schedule (from receipt of the State's request to operational date) to expand Image Cash Letter Electronic Deposit Services to another account. Confirm the bank understands it will be required to work with State technical staff to implement and test the expansion of services to other accounts, **at no cost to the State.**
20. Confirm the bank can accept each depository items' (front/rear) image with a minimum resolution of 200 dpi, in black and white and in the Tiff 6.0 CCITT Group 4 compression format.
21. Confirm the bank's ability to receive Image Cash Letter electronic transmission files **three (3) times a day at 8:00 a.m. E.T., 11:00 a.m. E.T. and 1:00 p.m. E.T.** and on weekends and after hours (after 4:00 p.m. E.T.) during peak processing season (March 15-April 15). Define the latest time an Image Cash Letter electronic transmission file can be received by the bank for same day processing and credit.
22. Confirm the bank will provide the Division of Revenue and Enterprise Services access to a toll free bank provided hotline, available 24/7, to report and resolve Image Cash Letter transmission problems. Identify primary and secondary bank contacts that will be assigned to work with State technical staff to resolve transmission problems.
23. The bank must identify its backup procedures and contingency plan to receive manual Image Cash Letter deposit transmissions using HTTPS or similar protocol, as a back-up procedure to receive transmission data manually. Bidders must define how it will guarantee same day credit for Image Cash Letter deposits conducted manually.
24. Confirm the bank's ability to send **within thirty (30) minutes of a file transmission being sent** an *Image Cash Letter File Receipt Confirmation* via email to DORES. The bank must provide a sample *Image Cash Letter File Receipt Confirmation* in its bid submission. The bank must propose a backup procedure to confirm the bank's receipt

of the State's Image Cash Letter transmission file in the event the Internet or server is not functioning.

25. Confirm the bank's ability to provide the Division of Revenue and Enterprise Services, via email, with an *Image Cash Letter Deposit Adjustment Advice* for each Image Cash Letter deposit adjustment, the same day the account adjustment is made. The bank must provide a sample *Image Cash Letter Deposit Adjustment Advice* in its bid submission.
26. Confirm the bank's ability to except checks for deposit using a virtual (computer generated) endorsement stamp printed by the Division of Revenue and Enterprise Services via inkjet printer endorsement information and a Document Locator Number (DLN) on either the back or front of each check image.
27. Confirm the bank's ability to provide the State with **three (3) web-based Desktop Deposit Scanners** including: all the necessary software, hardware (scanners), related maintenance for the term of the contract, initial set-up support and user instruction and on-going product support.

Describe the bank's Desktop Deposit Scanners, related software and the benefits of both. Include the number of items the scanners can process per minute and disclose if there are volume limits.

Confirm the systems will allow access to 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.

The bank must define how it plans to archive items that are deposited via Desktop Deposit Scanners for retrieval after **ninety (90) days of business**. The bank must also disclose its retrieval procedures and turnaround response times.

28. Provide the depository check volumes for the bank's three (3) largest customers for the months of April and May 2013. (Account holder names are not required). Will the deposits generated by the Division of Revenue and Enterprise Services be processed at the same facilities? If so, how will the State's depository check volume impact the bank's daily processing operations? Confirm the bank's ability to meet the Encoding and

Endorsing Requirements as depicted in the Section V. SCOPE OF WORK. What arrangements will be made to adjust staffing levels to handle peak processing periods?

Identify the processing facilities that will be utilized to process check and cash deposits for the Division of Revenue and Enterprise Services. Provide the location addresses, as well as, the distance in miles from the Trenton area pickup locations to the processing facilities. If the processing facilities are located outside New Jersey, describe the bank's procedures to ensure deposits are received and processed *for same day credit*.

29. Provide a detailed description of the standard reusable check boxes that will be provided for deposit pickup, include construction style and dimensions. Confirm the bank is willing to supply the number of standard reusable check boxes and labels as detailed in the RFP, **at no cost to the State**.
30. **Include seven (7) cash bags and seven (7) check bags** (one for original and each proposal copy) with your proposal for review by the State. Identify the manufacturer and provide a full description of the bags. Confirm the bank is willing to supply each pick up location with the number of cash and check bags as detailed in the RFP, **at no cost to the State**. Confirm the bank is willing to supply the cash deposit envelopes as detailed in the RFP, **at no cost to the State**.
31. Confirm the bank will utilize a bonded courier for the check pickups at the three (3) Trenton area locations and acknowledge its ability to meet the established pickup times and additional pickup requirements during the peak tax season. Acknowledge the bonded courier employees will arrive at the pick up locations with the supplies necessary to accommodate the size and scope of each pickup location including: company issued identification, a sequentially numbered receipt book and a hand truck.

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

Also, confirm the bank's ability to meet the *Deposit Pickup Receipt Confirmation Procedures* as depicted in Section V. SCOPE OF WORK, including its ability to provide and maintain the **three (3) bonded courier personnel directories**. Describe the hiring

procedures for bonded courier personnel including background checks, qualifications and experience requirements.

32. Confirm the bank's ability to meet the Check Deposit Preparation Procedures as depicted in Section V. SCOPE OF WORK. Identify the bank's check bag/box preparation procedures and describe the bank's recommended check deposit preparation procedure. Explain how the Division of Revenue and Enterprise Services can best minimize deposit discrepancies and disputes.
33. Confirm the bank will utilize an armored car service for the cash pickups at the two (2) Trenton area locations. Acknowledge the armored car employees will arrive at the pick up locations with the supplies necessary to accommodate the size and scope of each pickup location including: company issued identification and a sequentially numbered receipt book.

Confirm the bank understands that the primary contract vendor will be totally liable for the security and contents of all deposits as soon as the armored car personnel pick up the deposit items and the Division of Revenue and Enterprise Services or its processor is provided proper receipt(s) for the deposit items.

Confirm the bank's ability to meet the Deposit Pickup Receipt Confirmation Procedures as depicted in Section V. SCOPE OF WORK, including its ability to provide and maintain the **three (3) armored car service personnel directories**. Describe the hiring procedures for armored car personnel including background checks, qualifications and experience requirements.

34. Confirm the bank's ability to meet the *Cash Deposit Preparation Procedures* as depicted in Section V. SCOPE OF WORK. Identify the bank's cash bag preparation procedure and describe the bank's recommended cash deposit preparation procedure. Explain how the Division of Revenue and Enterprise Services can best minimize cash discrepancies and deposit disputes.
35. Explain in detail the bank's secure receipt procedure, including audit trail, of the deposit pickup for both checks and cash, from arrival on the premises to departure and explain the responsibility of agency personnel during pickup as it relates to RFP requirements.

Confirm the use of sequentially numbered receipt books.

36. Acknowledge the bank can adhere to the State's \$5.00 (plus or minus) Check Deposit Discrepancies and Adjustments procedures as depicted in Section V. SCOPE OF WORK. Define the bank's recommended check deposit discrepancy procedure. Any alternatives proposed will be evaluated, but there is no guarantee of any acceptance to any alternatives proposed.
37. Acknowledge the bank can adhere to the Cash Deposit Discrepancy and Review Procedures as depicted in Section V. SCOPE OF WORK. Define the bank's recommended cash deposit discrepancy procedure. Any alternatives proposed will be evaluated, but there is no guarantee of any acceptance to any alternatives proposed.
38. Explain the money room video surveillance systems in relation to the cash counting operation. Confirm that tapes will be available for viewing for a period of **no less than three (3) months** with the option to extend this timeframe if necessary. Specify the length of time tapes are retained by the money room and available for review.
39. Acknowledge the bank can meet the required deposit availability requirements as depicted in the Deposit Credit and Availability section of the RFP. Confirm the bank will compensate the State using the 91 day T-Bill rate calculation for any deposit not available per the Federal Reserve District Availability Schedules. Include the bank's latest availability schedule that will apply to State deposits.
40. Confirm the bank can comply with all the requirements depicted in the Dishonored Checks section of the RFP. Specifically acknowledge that dishonored checks returned the first time because of insufficient funds will be immediately re-deposited and that account(s) will only be debited after a check is returned a second time.
41. Confirm the bank is willing to provide the Division of Revenue and Enterprise Services and Xerox State and Local Solutions, Inc. with loose encoded deposit slips that meet the specifications and quantities depicted, **at no cost to the State**.

Verify the bank is willing to replenish this supply prior to the beginning of each calendar year, **at no cost to the State**. Confirm that orders for additional encoded deposit slips can be filled **within ten (10) business days of the request**. Define the multi-copy

requirement of the deposit slip to meet the bank's internal processing functions, taking into account one copy will remain with the Division of Revenue and Enterprise Services and Xerox State and Local Solutions, Inc. Define if the established Locator Codes and/or Locator Names will be captured on the Web-based bank statements or on the hard copy bank statements.

42. Explain the bank's claim procedures for missing whole or partial deposits, counterfeits and any other item(s) the bank deems appropriate. Confirm the bonded courier and armored car service will maintain the signed receipts for **a minimum of three (3) years from the date of deposit.**
43. Provide a detailed description of the bank's Web-based Inquiry Communication System and include sample reports. Indicate the bank's ability to provide all reports within the timeframes specified and that the reports will be available online for **a minimum of eighteen (18) months.** Confirm the bank's ability to provide images of the prior day's deposit slips and deposited items via the bank's Web-based Inquiry Communication system for **a minimum of eighteen (18) months and include samples.**
44. Confirm the bank's Web-based Inquiry Communication System permits users the ability to search, view, print and download/save transaction items. The bank must provide sample screen shots for each of the web-based reporting modules required by the State.

The sample screen shots will serve as confirmation that the bank's web-based system is capable of providing the transaction detail and reporting elements required by the State. **Failure to provide the required sample screen shots will result in an unfavorable score during the evaluation process.**

45. Provide a detailed description of the bank's Web-based Wire Transfer System. Confirm the bank can comply with the requirement to wire transfer funds upon request without regard to the balance in the account?

Explain any restrictions that will prevent the bank from immediately complying with the State's request to wire transfer funds. Define the bank's manual wire transfer backup procedures. Describe the security features of the bank's system and confirm the system

contains proper security features to ensure the protection of the data and to maintain the integrity of the system.

46. Confirm the bank's Web-based Wire Transfer System is capable of warehousing data **for up to two (2) weeks** prior to the transmission execution date and repetitive wires will require only the date and amount to be entered.

Confirm the bank's Web-based Wire Transfer System will provide State personnel with the ability to complete draw-downs from State bank accounts located at other banks.

47. Confirm the bank will adequately train State personnel on the use of its Web-based Wire Transfer System and provide **a minimum of three (3) user manuals**. Additional training and updated user manuals will be required prior to the bank implementing any major Web-based Wire Transfer System changes.

The State must have access to a toll-free telephone "wire transfer help desk" during normal State working hours, **8:00 a.m. E.T. to 5:00 p.m. E.T.** The bank must provide on-going maintenance and emergency service when necessary. The bank must have a manual wire transfer backup system and procedures established in the event of an electronic failure.

48. Confirm the bank's ability to provide the daily required automated summary and detail account balance information via the Internet **by 7:30 a.m. E.T. in the BAI2 format** without the use of a secure card PIN.
49. Provide samples of all the bank statements requested in the RFP, include a copy of all the bank's standard reports which would be helpful in the State's reconciliation process.
50. Provide a detailed implementation schedule to achieve the January 16, 2014 contract commencement requirement. Highlight delivery dates for each of the elements the bank defines as critical steps towards implementation and include a minimum of one post-implementation meeting. Include time frames for opening bank accounts, establishing access to the Web-based Inquiry Communication System, establishing Image Cash Letter Services and testing file transmissions, establishing Desktop Deposit Services, training State personnel on bank systems, testing and training. Describe the critical

factors that may impact this schedule? Define both bank and State personnel commitment requirements during conversion.

51. Confirm the bank's ability to meet ALL the requirements outlined in this RFP, including: account services and maintenance, collection and deposit services, ACH services, Web-based system access with wire transfer functionality and report generating capabilities, bonded courier and armored car services, deposit adjustment notifications, Image Cash Letter services, file transmission confirmation, Desktop Deposit Services, image retention and access to deposit and paid items, daily balance reporting, invoice and analysis, bank statements, manual stop payments, security levels and supplies as stipulated in the RFP. The bank must reveal all services defined in the RFP that it cannot provide according to the specifications. The bank should indicate why they cannot deliver the service or standard requested.

VIII. COST SCHEDULE

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

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

	Account Services and Maintenance		
1	Master Account Maintenance Fee	\$	/Account/Month
2	ZBA Maintenance Services	\$	/Account/Month
3	Funds Transfer (Wires In)	\$	/Per Wire
4	Funds Transfer (Wires Out)	\$	/Per Wire
5	Internal Book to Book Transfers (if applicable)	\$	/Per Transfer
6	Daily Balance Reporting (Automated Prior Day	\$	/Account/Month

	Summary & Detail BAI 2)		
	Deposit Services		
7	Deposits	\$	/Per Deposit
8	Deposited Items - Not Encoded	\$	/Per Item
9	Deposited Items - Pre Encoded	\$	/Per Item
10	Encoded Item reject 0-1.5%	\$	/Per Item
11	Encoded Item reject >1.5%	\$	/Per Item
12	Encoding error adjustment	\$	/Per Adjustment
13	Cash Processing – per \$1,000 in cash	\$	/Per Deposit
	Deposit Supplies		
14	Encoded Deposit Tickets (beyond requirement)	\$	/Per Ticket
15	Clear Check Bags (beyond requirement)	\$	/Per Bag
16	Opaque Cash Bags (beyond requirement)	\$	/Per Bag
17	Cash Deposit Envelopes (beyond requirement)	\$	/Per Envelope
	Image Cash Letter Services		
18	Initial Image Cash Letter Setup Fee	\$	/Setup
19	Image Cash Letter Maintenance	\$	/Per Month
20	Image Cash Letter File Transmission	\$	/Per Transmission
21	On–Us Imaged Item Cleared	\$	/Per Item
22	Imaged Item Cleared	\$	/Per Item
23	Imaged Item Replacement Document	\$	/Per item
24	Rejects Below 1%	\$	/Per Item
25	Rejects Above 1%	\$	/Per Item
	Desktop Deposit Services		
26	Initial Desktop Deposit Setup Fee	\$	/Per Scanner
27	Desktop Deposit Scanners (3)	\$	/Per Scanner
28	Desktop Deposit Scanner Maintenance	\$	/Per Scanner/Month
29	Deposits	\$	/Per Deposit
30	Deposited Items	\$	/Per Item

	ACH Services		
31	ACH Credits (In) (CCD, CCD+, PPD)	\$	/Per Credit
32	ACH Returned Items	\$	/Per Debit
33	ACH Debit Block	\$	/Per Account
	Check Services		
34	Checks Paid	\$	/Per Check
35	Stop Payment Manual	\$	/Per Stop
36	Returned Item (NSF)	\$	/Per Item
37	Re-deposit Item	\$	/Per Item
	Web-Based Services		
38	Web-based Product Maintenance (If applicable)	\$	/Month
39	Web-based Funds Transfer Maintenance (If applicable)	\$	/Month
40	Web-based Account Inquiry	\$	/Per Inquiry
41	Web-based ACH Inquiry	\$	/Per Inquiry
42	Web-based Check Inquiry (All Deposited Items Imaged)	\$	/Per Item Imaged
	(OR)		
	Web-based Check Inquiry (Per Deposited Item Viewed)	\$	/Per Item Viewed
43	Web-based Paid Check Inquiry	\$	/Per Item Viewed
	Bonded Courier & Armored Car Services		
44	Bonded Courier Pickup (Daily at 3 locations)	\$	/Per Location/Month
44	Additional Bonded Courier Pickup (Between April1-May 15)	\$	/Per Pickup
45	Armored Car Pickup (Weekly at 2 locations)	\$	/Per Location/Month
	Programming		
46	Programming Fees (If Applicable) indicate number of hours	\$	/Per Hour
47	Additional Desktop Deposit Scanners	\$	/Per Scanner

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