



PO BOX 66699; ALBANY, NY 12206
518.437.4360 | nysif.com

November 17, 2020

The following (Q&A) will serve as Amendment #1 to NYSIF's Request for Proposals (RFP) for Banking Services, bid number 2020-88-ADM. Material in this Amendment supersedes any contradictory material in the RFP.

Please note that the due date for the submission of bids **remains unchanged**.

All bids are due December 23, 2020, by 2:00 p.m.(eastern).

Sincerely,

Megan McClune

Megan McClune
Contract Management Specialist

**Banking Services
RFP #2020-88-ADM
Amendment 1**

Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
1			We have multiple banking services contracts with agencies of the State of NY, we have over 430 employees here in NY in several offices, and we are licensed to do business in NY State. However, we do not have branches here in NY State and I wanted to inquire if that could be waived given the banking has largely moved toward electronic banking services.	You must have a branch in New York State
2	P. 40 & P. 44	3.1 Evaluation Criteria & 4.1 Bid Preparation	Section 3.1 Evaluation Criteria notes that bidders will be evaluated on 1) Technical Proposal, 2) Financial Proposal and 3) Business Certifications. However, Section 4.1 Bid Preparation references an Administrative Proposal. To confirm, are bidders submitting only Technical and Cost Proposals, and not an Administrative Proposal?	The "Administrative" proposal would be the required Appendices listed in Section 4.2.7 of the RFP.
3	P. 44	4.1 Bid Preparation	Regarding the Cost/Fee Schedule Proposal, does this simply consist of Appendix Z - Fee Schedule? Does anything else need to be included in the Cost/Fee Schedule Proposal?	Yes, all costs are to be provided on the Appendix Z Fee Schedule.
4	P. 45	4.2 Bid Format	This section makes reference to a USB drive. Given that proposals can be submitted via email, are bidders to simply send the Cost/Fee Schedule Proposal in a separate (email) file?	Bidders are required to provide an electronic copy of the proposal on a USB drive only if they are mailing a hard-copy of the proposal. If a bidder submit their proposal electronically via email, it is acceptable to send a single email as long as the various components of the proposal are submitted as separate files.

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5	N/A	Bidder Certifications, Appendix E & Appendix F	The Bidder Certifications document, Appendix E and Appendix F require notarization. Given the current worsening pandemic, can bidders forego notarization of these documents at this time?	NYSIF cannot waive the notary requirement for these documents; however, at this time, NYS Executive Order 202.7 provides an alternative to in-person notarization using audio-video technology provided that the conditions outlined within the Executive Order are met.
6	p 10	1.8 Insurance Requirements	Our insurance experts are reviewing all insurance clauses. There are always some terms that we customarily negotiate. We would like to put forth the details of our insurance caveats in our proposal submission. Is that approach acceptable approach? We have never had an issue negotiating insurance provisions post award. They tend to be industry standards and are not controversial.	This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.
7	p 36 & 37	2.4 Cost Factors & 2.4.1 Escalation	On p 36 NYSIF notes Bank must guarantee unit prices for 5 years. On p 37 NYSIF notes in two places that after 3 years fees can be increased. Is it acceptable to agree that Bidders have the right to invoke CPI-U increase after 3 years?	The fourth paragraph under section 2.4, "COST FACTORS / FEE SCHEDULE / INVOICING" is revised as follows: NYSIF will compensate the Bank monthly by compensating balances, direct payment, or combination. The Bank must guarantee the unit prices for a minimum of five (5) years in the Fee Schedule Proposal.
8	p 38	2.5 Term	Contract extensions shall require the agreement of both parties, NYSIF and Bank. This is customary. Is that acceptable?	This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
9	N/A	Lockbox - General Question	Can you tell us more about your insurance premium payer community? What is the total number of check payments received per year? Of those please provide information regarding the various payer types and the percent of the total that each type makes up. For example what percent of payments are made by insurance consortiums, small businesses and individuals? And for each, what are the characteristics of their payments? Any details you can offer will help us better understand the profile of your payers as well as the likely characteristics of their checks.	Please see Appendix Z for volumes. Payments are mostly made by the policyholder themselves.
10	N/A	Lockbox - General Question	What percentage of scannable payment volume is single check, single coupon received in a window envelope?	Approximately 80%
11	N/A	Lockbox - General Question	What percentage of the work includes payments that require manual extraction and sorting, such as: -multi-coupon/multi-check -Check only's -check with skirt -envelope too thin/thick -non-windowed envelopes	Approximately 60% (most of these contain a check skirt)
12	N/A	Lockbox - General Question	How much manual data entry is required for envelopes that don't include a scannable coupon?	Approximately 11%

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13	N/A	Lockbox - General Question	Will NYSIF require an in-house scanner? What percentage of the work that will be scanned by NYSIF will be check+coupon vs. check only's?	Please see the RFP - this has been addressed
14	N/A	Lockbox - General Question	Are there any special processing requirements that are not outlined on the attached RFP, such as: -check inspection -payee review -envelope scanning	No - but we are open to hearing about envelope scanning
15	N/A	Appendix Z - Pricing	There is no place to put the pricing related to the concentrator services. Can you add at least one row for that service?	Please refer to the Revised Appendix Z Fee Schedule.
16	N/A	Appendix Z - Pricing	Recommend ACH Credits becomes just ACH so that whether it's a credit or debit, the volume is captured. Is that acceptable?	Please refer to the Revised Appendix Z Fee Schedule.
17	N/A	Appendix Z - Pricing	Are you considering or planning any initiatives that would change how you currently pay any beneficiaries? If so can you describe such initiatives for the benefit of bidders? Would any of these initiatives impact future volumes? If so, how?	We are currently looking at paying foreign claimants via IAT ACH instead of check. The annual volume of checks we are seeking to replace is 10,000.
18	p 26	D. Electronic Payment Network/Group - PayMode Concentrator	Can you please provide the monthly average transaction volume for your existing PayMode Concentrator service.	Monthly average for 2019 is approximately 2,600 items for \$3.2M

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19	p 5	Appendix B, 12. Extraneous Terms & Appendix C 1. Contact Provisions	<p>We see this prohibition of extraneous terms, preprinted forms, etc., being put forth in RFPs with some regularity. Generally in order to set up services Bank's require a (1) Service Terms and Conditions Agreement, (2) a Deposit Agreements, and (3) Signature Cards for the accounts. We would ask these become part of the "Contract Documents" and note that we accept that these documents will fall last in order of precedence. This approach has been acceptable in NYS bids over the past 15 + years. Bidders can provide in their proposal submissions the 3 documents referenced and agree to negotiate them if needed post award. Is this acceptable to NYSIF?</p>	<p>This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.</p>
20	p. 10	Appendix B, 24. e. Best Pricing Offer.	<p>Most pricing is customized per customer, and the bank does not monitor the pricing for individual items and/or services for all of its clients. Each calendar year we will review our prices and determine if they are consistent with the then current market pricing for similar government clients in the market. If specific prices are to be reduced, we will notify the NYSIF and make the pricing adjustment. Is this acceptable?</p>	<p>This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.</p>

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
21	P. 17	Appendix B, Bidder Certification Requirements, Item n.	The Bank notes that this Indemnification provision (n) is not consistent with the Indemnification obligations set forth in Appendix C. If the Bank agrees to the Indemnification provisions set forth in Appendix C in place of this requirement, is this acceptable?	This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.
22	p 39 & 51	subcontractors	The Bank does retain a variety of bank-wide vendors that play a role in the provision of services to a broad array of clients. They are subject to our vendor management vetting process. We do not view these general vendors as subcontractors; subcontractors are hired in support of a single contract. While we would identify any such vendors that would materially support the services provided under this agreement in our response, can you confirm that we would not be expected to provide Appendix Y or V or the "subcontractor" VRQ for these general vendors?	Bidders should make note within the bid submission if they have "Third-party vendors" which provide them with general services. Upon award, NYSIF would work with the Bidder to determine whether third party vendor services are material or immaterial to the Banking Services provided under this RFP. Note, if NYSIF determines these vendors to be "Subcontractors" the requirements outlined under the RFP must be met by the Awarded Bidder.
23	p 51	Bidder Certifications Public Officer Law - item 2	We are a large organization that hires numerous employees. We can agree not to "knowingly" engage a former NYS employee in violation of the Public Officers Law for any role related to this Agreement. Is this acceptable?	NYSIF requests Bidders certify to the statement as it is written.

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24	P. 52	Bidder Certification Item 5	Please explain what is the intent of this requirement and how it would apply specifically to banking services. Is the concern that the security of NYSIF data is secure in the event of a restructure of the business?	If the bank no longer exists in its current structure (as stated) - banking information must still be made available to NYSIF
25	p 52	Bidder Certification Item 6	Will NYSIF agree that the requesting party will be responsible for the costs of supporting the litigation in question and making the personnel available, if so requested?	As stated in RFP - requesting party will be responsible for cost only if this occurs after termination or expiration of contract.
26	P. 52-53	Bidder Certification Item 7	The bank has a Code of Conduct that all employees are required to adhere to. We are unable to agree to provide notice of updates but it is available on our website for review at any time and we can provide a link. Is this acceptable?	Yes
27	P. 53	Bidder Certification Item 8	We can agree to reasonably cooperate in any investigation with NYSIF related to a loss that involves our services under the Agreement. Employee records contain confidential personal information. We are not able to agree to provide that information to third parties except as required by applicable law. Is this acceptable?	Yes

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
28	P 3	Appendix C - Contract Provisions, 2. Termination of Contract	We note that NYSIF has extensive termination rights and we are accustomed to seeing that. We ask that bidders also be afforded certain important termination rights (e.g., termination for cause). Contracts that do not afford bidders any termination rights at all are not feasible. Recommend the negotiation of some level of termination rights post award. Is that acceptable?	This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.
29	p 10	Appendix C 27, Employees, Sub and Agents	We cannot allow our clients the right to conduct background checks on our employees or contractor employees as this is inconsistent with bank policies. We have never in many decades allowed a client that right. Notably, all bank employees have already had background checks upon hire. And our vendors are also put through rigorous screening processes. If NYSIF has concerns about employees or vendors your Client Manager will quickly address same and we feel certain that we will be able to address any of NYSIF's concerns. Is NYSIF willing to accept this limitation?	This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
30	P. 11	Appendix C, 29. Information Security Clause	The Bank proposes that it will give notification within three days of confirmation of a breach and that it will be responsible for notification costs where the breach is the fault of the Bank, and not the customer (for example, the customer gave passwords to people who weren't authorized, or had a breach on their end that allowed inappropriate access). Would this be acceptable to NYSIF?	This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.

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31	P 12	Appendix C, 33. Limitation of Liability	<p>It is customary that the limitation on liability not be a cap per claim, but rather a cap over the life of the contract. As well, we will all be served by clarifying how the language would work. We respectfully suggest we include the words "...in an amount equal to two (2) times the charges incurred by NYSIF for services provided by the Bank for a period of 12 months before the month that the liability event occurs, or (ii) one million dollar (\$1,000,000), whichever is greater." That is the customary lanagage for NYS contracts. The services being provided are very mature thinly margined products that do not generate significant profit; as such it does not make sense for the bidders to take on oversized potential liability. In order to maintain an engaged bidder community, are these suggestions acceptable?</p>	<p>This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.</p>
32	P 13	Appendix C, 37 Performance Bond	<p>Respectfully, this is not a customary requirement for a banking services RFP and we ask it be eliminated. We have never agreed to provide such a bond. Is NYSIF willing to eliminate this requirement?</p>	<p>This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.</p>

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33	N/A	Appendix E - VRQ	We have a VRQ on file with NYS. Typically, we are asked to just indicate so. Is that acceptable? Or, on rare occasions we are asked to include a copy of same. Do you wish to have a copy included?	Yes, the OSC Online Vendor Responsibility System can be used in lieu of the Appendix E. Please note, for the Online Vendor Responsibility Form, it must be recently certified (within 6-months of the bid submission date) for it to be a valid substitution for the Appendix E.
34	P 35	Appendix O - Contractor Consultant Law & Appendix C Contract Provisions	We have never been asked to fill this form out. This is not applicable to banking services. Do you agree? Therefore clause 35 Contractor Consultant Law on page 13 of Appendix C should be struck as it is N/A.	Appendix O is hereby removed from this RFP. In regard to the changes requested to Appendix C: This must be included in the Bidders Proposal under "Comments and Limitations" (see section 4.2.6). This would be addressed during contract negotiations after the award has been made.
35	14	2.1 Mandatory Requirements, #2	Would you consider changing your rating requirement to a lower rating, or accept a long-term rating of A-/A3 or better from at least 1 out of 3 rating agencies?	No
36	31	(10) Treasury Management System	Is the "Treasury Management System" the same as a banks on-line banking platform, or something different?	Yes
37	32	(10) Treasury Management System, 3. Other Services, e. Reclaim process	Can you further explain "Reclaim process" and what this is?	Reclamation is a procedure to recover benefit payments made through the ACH to the account of a recipient who died or a beneficiary who died before the date of the payment(s).
38	16	2.2 Description of Banking Services, 2.2.1 NYSIF Funds, #3	Does the "end of day" automatic transfer of funds currently occur by Wire Transfers or another method, and can you further explain this process?	Wire transfer. At a certain time funds over a set threshold are transferred to our Investment Bank and then a certain time funds are sent back over from our Investment Bank back to our regular bank.
39			Who is your current bank providing the services outlined in your RFP?	Not relevant to this procurement.

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Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
40	14	2.1 Mandatory Requirements	Can you please clarify what is meant in requirement 3 regarding the location of the processing site on the face of the check? Is the requirement related to processing in NY? If not, is this requirement related to the bank printing checks for the State?	If you will be "clearing" the checks outside of NYS we do not want the city and state listed on the check.
41	20	2.2.2 Banking Services Requirements	Requirement 6 states that all checks for the new business lockbox are scanned remotely by NYSIF locations. Are the NYSIF locations using remote deposit scanners to deposit these checks? If not, is the State sending an image cash letter to the bank to deposit these checks.	Yes
42	20	2.2.2 Banking Services Requirements	If the State is using remote deposit scanners for the new business lockbox does the State require an image file for those deposited items?	Please see specifications
43		Appendix Z	Could the State provide three months of account analysis statements from the current provider? The detailed activity is necessary to provide the State with the best possible fee schedule.	No
44		Appendix Z	In the 2013 RFP the State included line items for Account Maintenance, ZBA Master and Treasury Management On-Line Access System in the Appendix Z. Would the State consider adding those three line items into the Appendix Z for this RFP?	Please refer to the Revised Appendix Z Fee Schedule.

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45	47	4.3 Bid Submission & Delivery	If bidders selects email submission will a mailed USB drive still be required? Is NYSIF able to receive a secure encrypted email file?	No, the USB drive is only required if a Bidder is submitting a hard-copy proposal. If the Bidder submits an electronic proposal via email NYSIF does not need another electronic copy submitted via mail.
46	36 & 37	2.4 Cost Factors & 2.4.1 Escalation	Pricing on page 37 of 53 it says firm pricing for 3 years "2.4.1 ESCALATION...The fees shall not be increased during the first three years of the Contract term. Thereafter, the fees may be increased for each subsequent annual period of said term upon the anniversary of the Contract with no less than 60 days' written notice to NYSIF" and on page 36 of 53 it says 5 "The Bank must guarantee the unit prices for a minimum of five (5) years in the Fee Schedule Proposal", <u>please confirm 2.4.1. ESCALATION will be the superseding approach</u> as it relates to pricing.	The fourth paragraph under section 2.4, "COST FACTORS / FEE SCHEDULE / INVOICING" is revised as follows: NYSIF will compensate the Bank monthly by compensating balances, direct payment, or combination. The Bank must guarantee the unit prices for a minimum of five (5) years in the Fee Schedule Proposal.
47	44 & 45	Section 4	Please clarify what sections, forms and information should be included in the Technical, Administrative and Cost proposals. E.g., do you want the sections tabbed and titled as you have listed in this section: 4.2.1 Title page, 4.2.2 Bidder Certification...4.2.7 Appendices? And should the bidder certification form and all appendices forms be included in the Technical or in the Admin proposal?	The "Administrative" proposal would be the Appendices listed in Section 4.2.7 of the RFP. The "Cost" proposal would be the Appendix Z Fee Schedule. The "Technical" proposal would be the remaining information requested under the RFP.

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48	16	2.2.2 Banking Services Requirements Item 1	The requirement states that Lockbox remittances must be mailed to a New York State address. Can you please confirm if this requirement is negotiable to the NYSIF?	No
49	14	2.1 Mandatory Requirements Item 4	Can you please confirm the average overnight balances that will be held across the accounts so we can size the amount of collateral required?	No - varies
50	168	Appendix Z- Fee schedule	Can you please share a copy of the monthly banking account invoice that shows all of the inclusive services and volumes that are utilized by NYSIF. You can redact pricing if you choose.	No
51	15	2.2.1 NYSIF Funds Item 2	Is the Escrow Account part of the scope of the RFP? Can you shared additional background on the requirements of the Escrow account.	Yes - we currently transfer funds into the account on a daily basis - our payment is made from this account.
52	42	12 Forgeries Item 12	Approximately how many forgery claims are submitted on a monthly basis. What is the total monthly dollar amount?	Yearly total for 2019 was 18 for \$36,442.86
53	16	2.2.2 Banking Services Requirements Item 1	This requirement mentions branch deposits. Can you please confirm how many branch deposits you make on a month basis. How many branch locations are utilized and what are the NYSIF office locations that require a need to make a branch deposit.	They have decreased. Branch deposits are only made if the checks aren't accepted remotely.
54	16	2.2.2 Banking Services Requirements Item 1	Can you please confirm the average monthly deposits that are made at the branch. How many NYSIF accounts are used for branch deposit activity.	There would be a possibility to go into each concentration/funding account.



APPENDIX Z

REVISED

**FEE SCHEDULE PROPOSAL
BANKING SERVICES
BID #2020-88-ADM**

Bidder	_____	Contact	_____
DBA, if any	_____	Title	_____
Federal ID #	_____	Email Address	_____
Type of Firm	_____	Telephone #	_____
Address	_____	Fax #	_____
	_____	Web Address	_____

Bidders are required to sign and return all pages of Appendix Z.

Bid prices shall be "all inclusive". All prices shall include all direct and indirect costs, including, but not limited to, Service Agreements and Licensing, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, system maintenance, system trouble shooting and modifications, all documents, reports, forms, reproduction and any other costs. The "all inclusive" bid prices must also include any fees associated with the Desirable services outlined under Section 2.2.3 of the RFP, if offered by the Bidder.

No other add-on costs are permitted. NYSIF may, by amendment to the contract, entertain changes in fees under the following circumstances:

- a. Billings for additional, enhances or modified services requested by NYSIF
- b. Other extraordinary cost increases which are beyond the control of the bank

If the Bidder proposes a zero-value fee for any Service line, that service line should be marked as zero and not left blank. Blank service lines will be evaluated as zero value fees and incorporated into the Contract as such. Bidders are not to change, delete, or make any additions to this form, and are to supply only the bid information that is required. If any changes, deletions, or additions are made by the bidder, or if all of the required bid information is not provided, then at NYSIF's discretion, the bid may be disqualified.

Signature: _____ Title: _____

Typed Name: _____ Date: _____

APPENDIX Z

REVISED

**FEE SCHEDULE PROPOSAL
BANKING SERVICES
BID #2020-88-ADM**

Bidders are required to sign and return all pages of Appendix Z.

	2019 Volume	Bid Price Per Unit
Checks Paid	1,300,000	\$
Items Deposited (Branch)	6,200	\$
Remote Deposit	6,100	\$
ACH	900,000	\$
Fed Wires In/Out/Transfers	1,500	\$
Stop Payment on checks	17,000	\$
Lockbox-Non-Scannable	20,200	\$
Lockbox-Scannable	478,000	\$
Electronic Payment Network/Group Transactions	2,600	\$
Account Maintenance	n/a	\$
ZBA Master	n/a	\$
Treasury Management Online Access System	n/a	\$
Hardware/Software Requirements (if applicable) Bidder must provide a breakdown of costs/items that make up this figure.		\$

Signature: _____ Title: _____

Typed Name: _____ Date: _____