

**TOWN OF AVON, CT**

**CASH MANAGEMENT AND BANKING SERVICES  
REQUEST FOR PROPOSALS 19/20-1 – ADDENDUM ONE (1)**

**Date: July 30, 2019**

This addendum is issued in response to questions raised by interested banking firms regarding the Request for Proposals (RFP).

**General Questions**

**Q1.** On page 2, rights to waive, what are examples of informalities or non-material deficiencies listed here?

**Answer:** Informalities may include typos, and spelling/grammar errors. A deficiency is non-material when its effect on price, quantity or delivery is negligible when compared to the total cost or scope of the services being proposed and is capable of correction through supplemental information or a clarifying response. Any deficiency, which when corrected gives the proposer a competitive advantage over other proposers or is prejudicial to one or more proposers, is not a non-material deficiency.

**Q2.** Does the Town require only one original copy of the pricing proposal?

**Answer:** Yes, one original price proposal is all that is required.

**Q3.** Could the Town please share a copy of a monthly Analysis Statement?

**Answer:** No.

**Q4.** Is there a need for Escrow Account Service for Town and BOE accounts?

**Answer:** No.

**Q5.** For Section 1, Part B, #7 will the Town accept financials in an electronic format, such as CD rom or USB drive in lieu of printing?

**Answer:** Yes, those electronic formats are acceptable to the Town.

**Q6.** Can bidders provide links to annual statements and financial reports in lieu of furnishing this information hard copy?

**Answer:** No, links are not an acceptable format for financial reports and/or annual statements. Please refer to the answer provided to Q5 above for acceptable electronic formats for these documents.

**Q7.** I understand that the Town currently uses a pooled cash concept. Does the Town fund the Board of Education (BOE) directly from the Town's accounts or does it transfer the BOE budget for them to manage?

**Answer:** The Town funds the BOE directly from the Town's accounts.

**Q8.** Within the account structure description on Section 1- General Information, it states that any excess cash remaining within the concentration account earns interest and is applied to bank fees. Is this an earnings credits or interest?

**Answer:** It is an earnings credit.

**Q9.** In Section B - #3 Rating – Northwest Community Bank is not a publicly held company nor does it access the capital markets for debt and therefore is not rated by Kroll Rating Company. Can you use our Bauer Financial rating?

**Answer:** Yes, Bauer Financial ratings are acceptable for banks that are not rated by the Kroll Rating Company, or equivalent agency.

### **Coin & Currency Questions**

**Q10.** What are the average daily cash deposits by location?

**Answer:** Payments received by the Town are most commonly received via check, credit card transaction or ACH. Cash payments are more rarely received and daily cash deposits vary too much to provide a precise average.

**Q11.** What is the Courier Service Frequency (how many pick-ups a day/week)?

**Answer:** The Town does not currently utilize a courier service. The BOE uses a separate contractor (for a group of regional schools) to pick up a bank bag once daily from each of the five school cafeterias during the months that school is in session (10 months per year).

**Q12.** What is the dollar amount of the deposits that would be picked up once or twice per week?

**Answer:** Please see the answers to Q10 and Q11 above. The Town is interested in receiving a general cost for a courier service for a nominal level of activity. Banks may provide the Town with a price range rather than a single price.

**Q13.** How many bags are picked up daily?

**Answer:** Please refer to the answer provided to Q11 above.

**Q14.** How much coin is being deposited per deposit?

**Answer:** The Town and BOE rarely receive coins.

**Q15.** How are coins prepared for deposit?

**Answer:** The Town and BOE rarely receive coins.

### **ACH Origination Services Questions**

**Q16.** Would the Town of Avon need ACH debit origination to pull funds in from another banking institution? If so, how often, how much per transaction?

**Answer:** The Town does not use this process.

**Q17.** What is the total dollar amount of ACH files transmitted to the bank? How often are those files sent to the bank?

**Answer:** The total dollar amount varies upon demand and timing. Files are generally sent to the bank weekly by both the BOE and Town.

**Q18.** How does the Town currently upload ACH files to the bank? Are they uploaded via online banking access (with dual approval) or through direct transmission via a Secure site?

**Answer:** NACHA files using account software and passing them thru online banking.

### **Positive Pay and ARP Questions**

**Q19.** How many checking accounts utilize Positive Pay fraud protection?

**Answer:** Two accounts.

**Q20.** How often are checks issued, and how many check issue files are sent to the bank per month?

**Answer:** Between the Town and BOE, checks are issued once or twice per week. A check file accompanies each check issuance (approximately 4-8 per month).

**Q21.** Number of checks issued among all accounts on Positive Pay?

**Answer:** Please refer to Item 13 of the Preliminary Fee Proposal Form Matrix, "Checks Deposited Banking Center – Unencoded Items."

### **DDA Services Questions**

**Q22.** Please verify the Town will have 6 accounts on a combined analysis?

**Answer:** Yes.

**Q23.** What is the average monthly balance among all non-interest bearing accounts that can be used for offsetting service costs?

**Answer:** Please refer to Attachment B, "Average Balances for Investments." Medical Claims, Revenue, Board of Education, and Accounts Payable & Payroll are non-interest bearing accounts.

### **Remote Deposit Questions**

**Q24.** How many remote deposit scanners does the Town require?

**Answer:** Three scanners are required.

**Q25.** How many accounts utilize the scanner for making deposits?

**Answer:** One account.

**Q26.** Are all checks deposited using the scanner? If not, how are other check deposits made? Branch, night drop, courier, etc.?

**Answer:** Checks are deposited using the scanner or at the branch.

**Q27.** Can you provide information on the current make and model of remote deposit scanners being used? Are these scanners owned or leased by the Town?

**Answer:** Digital Scan TS240, scanners were donated to the Town by a bank.

### **Online Questions**

**Q28.** How many individuals/users have access to the treasury online system?

**Answer:** Eleven, four of which are primary users, have access to the system.

### **Contract Terms Questions**

**Q29.** On page 1, Required Contract Terms, how would unwillingness or modifications of these terms impact the evaluation of the RFP? Along the same lines, how much would clarification of these terms impact the evaluation of the RFP?

**Answer:** Each proposed exception, modification, or clarification to the RFP will be evaluated and may be accepted if it is determined to be in the best interest of the Town.

**Q30.** Will the Town accept proposed changes to the provisions, as presented in the RFP and described under the mandatory terms of the Town's Contract, by responding bidders?

**Answer:** The Town will consider changes to the Town's Required Contract Terms that are proposed by responding banks. Changes may be accepted if they are included in the bank's initial proposal and are determined to be in the best interest of the Town.

**Q31.** Can the Town provide responding bidders with a copy of the current banking services agreement/contract - specifically the current mandatory required contract terms that speak to indemnification and liability?

**Answer:** No.

**Q32.** "Defense, Hold Harmless and Indemnification" - The Town is asking for a liability standard of "negligence". Is the liability/indemnification standard of "negligence" the accepted standard of the current banking services provider?

**Answer:** Unknown.

**Q33.** Engagement letters, terms of service, service level agreements, etc... for banking services will always include indemnities and exculpations from liability and the applicable exceptions are almost always for "gross negligence" of the bank, rather than mere "negligence". This applies equally to contract clauses purporting to exonerate a party from liability and clauses limiting damages to a nominal sum. With the aforementioned in mind, all of our banking, account, service level and cash management related agreements maintain a "gross negligence" standard.

Would the Town be willing to amend the language in this section to a "gross negligence" standard?

**Answer:** The Town will consider changes to the Town's Required Contract Terms that are proposed by responding banks. Changes may be accepted if they are included in the bank's initial proposal and are determined to be in the best interest of the Town.

**Q34.** Would the Town be willing to amend the "Required Contract Terms" to provide for a mutual indemnity agreement whereby, for example: "... each party shall hold harmless, and indemnify the other party against any and all loss, liability, damage, or expense, arising from the actual, direct and provable damages directly arising from the gross negligence of either party..."?

**Answer:** The Town will consider changes to the Town's Required Contract Terms that are proposed by responding banks. Changes may be accepted if they are included in the bank's initial proposal and are determined to be in the best interest of the Town.

#### **Preliminary Fee Proposal Matrix Questions**

**Q35.** Please provide the required "Preliminary Fee Proposal Form Matrix" for completion along with our RFP submission.

**Answer:** The fillable Excel form will be distributed with this addendum for the convenience of proposers.

**Q36.** General ACH Services - Please clarify "ACH LV MO Maintenance"

**Answer:** Proposers will disregard Item 39 "ACH LV MO Maintenance" on the Preliminary Fee Proposal Matrix. No pricing is required to be provided for this item.

**Q37.** Account Reconciliation Services – ARP Recon Output File – Please describe what is included in this file.

**Answer:** Proposers will disregard Item 52 “ARP Recon Output File” on the Preliminary Fee Proposal Matrix. No pricing is required to be provided for this item.

**Q38.** Information Reporting Services – Please provide a description of the following:

- i. Customer Payment Order Positive Pay
- ii. Customer Payment Order Online
- iii. Customer Payment Order Information Detail
- iv. Customer Payment Order PDR Account
- v. Customer Payment Order CDR Item Stored
- vi. Customer Payment Order Account
- vii. Customer Payment Order Research Item

**Answer:** Proposers will disregard Items 57-63 on the Preliminary Fee Proposal Matrix. No pricing is required to be provided for these items.

Please note that all other terms and conditions appearing in the original Request for Proposal remain unchanged. Vendors are asked to sign, date and return this sheet **along with their Proposal** in order to verify their receipt of this addendum prior to the submission deadline. Please fill out all sections below in order to ensure that your response is considered complete.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City State Zip Code

Telephone: \_\_\_\_\_ Date: \_\_\_\_\_

E-mail: \_\_\_\_\_