



## OFFICE OF PAYROLL ADMINISTRATION

One Centre Street, Room 200N, New York, New York 10007

[www.nyc.gov/payroll](http://www.nyc.gov/payroll)

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**SOLICITATION TITLE: BANKING SERVICES**  
**PIN #: 1312013BANKRFP**  
**LOCATION: DCAS PRE-BID ROOM, 1 CENTRE STREET, 18<sup>TH</sup> FLOOR. NYC 10007**  
**DATE/TIME: AUGUST 19, 2014; 10:30 AM—NOON**

### QUESTIONS/COMMENTS

Below are the questions that were received by Friday, August 15, 2014 with the Office of Payroll Administration (“OPA”) responses.

1. Although not discussed in the RFP itself, Attachment B lists a volume of 5,271,379 Fedwire payments. I'm looking to understand the purpose of these payments and how the instructions are delivered to the bank. Any clarification is greatly appreciated.

**Response: This volume is not correct. This volume represents the repetitive ACH credits made to the employees' accounts when payroll files are processed.**

**Non-repetitive Fedwire-Outgoing is 0.**

2. Exception Processing—Is the OPA willing to negotiate the requirements proposed in section 2.7 which relates to fraud prevention?

**Response: Some of the terms and conditions may be conditional upon final contract negotiations.**

3. Please provide the amount of fraud (forged/altered checks etc.) losses which have occurred in each of the last five years. If the current Bank provider has absorbed the losses stemming from fraud, would you please provide the information by obtaining it from the Bank?

**Response: The City has not incurred any fraud loss.**

4. Who currently provides these services?

**Response: JPMorgan Chase Bank (“Chase”).**

5. What is the anticipated aggregated average daily balance?

**Response: The closing balance at the end of each day should be zero for all of the Zero Balance Account (“ZBA”) disbursement accounts. There are also currently four pension employee funding accounts which do hold balances of approximately \$1.5MM.**

6. Will OPA compensate the Bank through balances or fees?

**Response: The City will compensate the bank(s) through fees, as described in Section II, D of the RFP.**

7. What are the OPA's collateral requirements if any?

**Response: OPA does *not* have any collateral requirements. Since OPA will not be holding cash balances in the OPA accounts, it will not be necessary to post collateral. The Department of Finance ("DOF") Treasury Division ("Treasury") is responsible for posting collateral to cover the balances for all the City's accounts. In your proposal, please include the FDIC pass through charges.**

8. Other requirement and contract issues – Is certain instances we may request modifications to the stated requirements. Also, it is certain that we will offer modifications to Appendix A for your review. Additionally, there are certain Banking agreements which are required when we establish Banking relationships. We would ask that the OPA review these agreements. We would like to proceed with this understanding. Is this acceptable to the OPA?

**Response: No, the City will *not* accept any modifications to Appendix A. We will review your banking agreements and make a determination accordingly. Please refer to the Procurement Policy Board ("PPB") Rules.**

9. It is mentioned that the OPA may issue 3 contracts; payroll processing by paper check, EFT payroll and Operational Services. Does this imply that a Bank can bid on only one or two components and is thus not required to bid on all three?

**Response: Yes. Please propose to all or any parts of the RFP as you prefer.**

10. To help determine the ACH credit facility to support the payroll business, what is the peak ACH dollar value on any single business day?

**Response: \$550 million (approximately).**

11. Through the course of this procurement, what is the probability that the City will make a contract award for each of the optional services?

**Response: The City *cannot* provide a probability.**

12. Page 8, Section 2, F (Payroll Volumes) Will the City please provide a breakdown of the number of payroll checks, Medicare Part B Reimbursements and FICA refunds that constitutes the approximately 2.1MM check issued annually?

**Response: In FY'14, the Office of the Comptroller ("OTC") issued 5,117 Medicare Part B checks. In FY'15 (to-date), OTC has issued 5,002 checks totaling \$8,026,323.10. For FY'14, the number of PMS payroll checks was \$1.7 million (approximately), and 5,400 (approximately) FICA refund checks.**

13. Please confirm on what business day in relation to payroll due date that Central Treasury transfers payroll monies into the various payroll funding accounts. Is the total for checks and ACH transferred to each funding account as one amount?

**Response: The DOF Treasury Cash Management Unit funds the total amount of each payroll per instructions from OPA on the date of the payroll. The funds are wired to the Central Treasury pool account and the funds are automatically transferred to the payroll subaccounts, which are ZBA, when the payroll payments are made. OPA requests DOF wire transfer(s) on the pay date. The wire transfer amounts are done by pay cycle, even if multiple pay cycles occur on a single pay date.**

14. Is there any average monthly DDA balance that results across the various payroll funding accounts?

**Response: All of the OPA payroll accounts are zero balance accounts (ZBA) and do not hold funds.**

15. Check Disbursements, Page 8. The RFP requests check paid pricing be tiered as 1 – 35,000, 35,000 50,000 and 50-65,000. However, in reviewing the Attachment 2 Price proposal table, it appears that check volume is approx. 145,000+ items per month. Would you be interested in incremental/higher tiers being offered?

**Response: Yes, we will consider incremental/higher tiers.**

16. If possible, please provide the file record layout for the check issuance file the City will be sending.

**Response: The City may conform to the bank issue file record layout.**

17. If possible, please provide the paid check file record layout required from the bank.

**Response: The City may conform to the bank issue file record layout.**

18. Remote Deposit Services (page 16, 2.3)—How many locations will perform scanning?

**Response: 3 locations; 5-10 machines.**

19. Will the scanning be performed by NYC staff or external providers?

**Response: Scanning will be performed by the City's staff.**

20. Are there any instances where you receive a check not in USD drawn on a US bank (i.e., a foreign check)? If so, please describe.

**Response: No.**

21. Please confirm the type of scanners used today.

**Response: Currently, OPA is using EPSON TM-S1000 scanners.**

22. Optional Services—Payroll Check printing—What is the volume of checks and the application (department) that is considering use of a pressure-sealed mailer form?

**Response: Volume of checks on pressure-sealed mailer form was 450,000 for FY 2014. Volume of direct deposit advices on pressure-sealed mailer form was 541,641 for FY 2014.**

23. Forms Preparation and Printing. This is referred to on page 26, 2. Optional Services. Please provide details regarding type of printing (form types), frequency, and anticipated annual volumes per form type.

**Response: No answer at this time.**

24. Payroll Card—Will the City please elaborate on its process to determine whether or not optional payroll related services will be deployed?

**Response: The City cannot provide an answer.**

25. Does the City have estimated timelines for implementation of the optional payroll related services? If so, please provide.

**Response: The City cannot provide an answer.**

26. Section 2, F (Payroll Volumes)—Will the City please provide the average net payment amount of a payroll check, Medicare Part B Reimbursement check and a FICA refund check?

**Response: Net payment amount for Medicare Part B reimbursement check is \$1,600.00. Net payment amount for a FICA refund check is \$550.00. The City cannot provide an answer to the average net payment amount of a payroll check.**

27. Attachment B– Price Proposal—On Attachment B- Price Proposal—The 2<sup>nd</sup> column is entitled “estimated annual volume” yet some of the product categories seem to represent monthly volumes. For the cost calculation, do you want the volumes that are shown to be considered annual numbers – or will you be providing amended volumes?

**Response: Monthly.**

28. On Attachment B- Price Proposal – “Online Service Maintenance per account”. This category shows in both the Daily Balance and Transaction reporting and Reconciliation sections. Is this a duplicate? Please describe what this feature is.

**Response: The “Online Service Maintenance per account” in Daily Balance and Transaction reporting is a monthly maintenance charge per account for delivery of ARP reconciliation reports and bank statements. The “Online Service Maintenance per account” in Reconciliation is a monthly charge for each account on the Full Reconciliation service.**

29. Is it assumed to be a binding commitment that we are in agreement to all the terms and conditions by submitting a response for this RFP?

**Response: Please refer to the PPB Rules.**

30. Is the City open to negotiating the terms and conditions stated in the RFP post bid?

**Response: Please refer to the PPB Rules.**

31. We have several questions regarding the operational requirements as detailed in the RFP, will the bidders be given an opportunity to submit questions in advance of the Pre-Bidder Conference on August 19, 2014 and receive a response?

**Response: OPA will attempt to address all questions asked. Our final response to questions asked will be posted on OPA’s website.**

32. What ERP system(s) does NYC OPA use?

**Response: Payroll Management System (Payroll System designed by CGI), Financial Management System (City's centralized accounting and budgeting system, designed by CGI), and NYCAPS (Human Resources system designed by PeopleSoft).**

- 33.** Can you please explain how FISA and OPA work together, what is each responsible for related to payroll banking services? Who initiates payment files? Who reconciles accounts?

**Response: OPA is the business owner. FISA houses the applications that calculate the payroll, generate/print the checks/direct deposit statements and transmit/receive payment files.**

**OTC calculates the payments, generates/prints the checks, and transmits files for the OPA Reimbursement account.**

**OPA calculates the payments, generates the check print file, and transmits such files for the OPA FICA/LODI Refund account. OPA through DOF and OTC funds the payroll accounts. OPA reconciles the bank accounts. DOF manages the Central Treasury Master Demand and Pool accounts.**

- 34.** Can you please explain your physical processing environment?

**Response: No answer at this time.**

- 35.** What are the biggest challenges with your current process?

**Response: Please refer to Section E of the RFP.**

- 36.** What is the most important improvement you are looking to realize?

**Response: Please refer to Section E of the RFP.**

- 37.** The structure chart details more than the 18 accounts referenced in the RFP. The pricing section discusses 12 accounts, can you please review the account structure.

**Response: Volumes in the pricing section are for the number of estimated controlled disbursement accounts. Currently, OPA has 12 Controlled Disbursement Accounts and 6 Demand Deposit Accounts.**

- 38.** The OTC accounts are funding the pension payrolls, are separate accounts required to receive this funding or should funds be deposited directly to the disbursement accounts, eliminating the funding accounts? Same for Water Authority.

**Response: Please refer to Section E. These accounts are used to pay the employees who work for the Pension agencies. These are *not* the retirees.**

- 39.** Why is a check drawn on the OPA Payroll ABC account to fund the Central Treasury Pool Account only to sweep back via ZBA?

**Response: This is the current process. Please refer to Section E of the RFP.**

- 40.** What are the referenced Imprest Accounts?

**Response: This is a small account Demand Deposit Account that OPA maintains to pay for minor expenditures.**

41. The RFP mentions 2 accounts are not part of the ZBA structure, what is the purpose of these accounts? Are these the accounts that cannot be co-mingled with the others?

**Response: These accounts are currently the Imprest Fund Account and the EFT Funding Account which are *not* Controlled Disbursement accounts.**

42. What time do you fund the Central Treasury Pool Account from your Citibank Central Treasury Master Account?

**Response: DOF Treasury Cash Management team, initiates a wire transfer to the pool account to fund the payrolls the day before the payroll is paid for value the date of the payroll. Therefore, the pool account is funded by 10:00 AM on the date of the payroll.**

43. Is the Central Treasury Pool Account at Chase only used to fund payroll and related transactions or does this account fund other needs?

**Response: The Central Treasury Chase Pool account is used to fund the OPA Chase payroll accounts and at least eight other Agency accounts.**

44. Is there only one funding wire to the Central Treasury Pool Account per day?

**Response: Multiple funding wires may occur per day.**

45. Are all direct deposits payments debited to a single OPA EFT Employee Funding Account or is there a combination of checks and ACH direct deposit payments from the Dept of Ed and Housing Authority accounts?

**Response: Currently, there is a single OPA EFT Funding Account.**

46. Would you like a check block service on accounts with ACH transactions only?

**Response: The City seeks to secure our accounts the best way possible. Please refer to Section E of the RFP.**

47. Are you looking to consolidate payment files (integrated payables) or do you prefer to keep ACH/checks files separate?

**Response: Please refer to Section E of the RFP.**

48. Other than NACHA what other file formats is the City capable of sending to their bank provider?

**Response: The City will consider conforming to the proposer's bank file record layouts.**

49. Do you separate ACH transaction types by file or include all in a single file, i.e. CCD+ (Child Support) and PPD?

**Response: Currently, the City creates one file.**

50. What are the non-payroll related payments referenced in the optional services section?

**Response: Currently, DOF has contracts for services with financial institution(s) to execute/generate payments for Federal, State and/or local withholding taxes, excise taxes, etc. on behalf of the City. These payments may be made by ACH Debit, ACH Credit and/or Fedwire. OPA and OTC file Federal, State and/or local tax forms on behalf of the City. This RFP solicits responses from Proposers as to which of these services they are able to perform and to demonstrate how they would perform these services.**

51. Would a daily bank standard output file of all transactions i.e. BAI2 or SWIFT MT940 satisfy your requirements for daily files or do you need all of the individual files/reports? Can you leverage your ERP system to work with these daily transactional files?

**Response: The City will evaluate this as part of the Proposer's submitted response to the RFP.**

52. Do you need the recon files daily or can you work with a weekly file if we provide you with a file of daily transactional information i.e. BAI2?

**Response: The City will evaluate this as part of the Proposer's submitted response to the RFP.**

53. You mention a daily paid transmission of check and ACH, the checks will be listed individually, but the ACH will only be the batch offset without details (the way transactions post to your account on your statement). The BAI2 file combined with your "echo" file of ACH transactions should satisfy this request, would this work for you?

**Response: The City will evaluate this as part of the Proposer's submitted response to the RFP.**

54. How would you prefer the recon files/reports to be delivered? FTP/File Download?

**Response: The City will evaluate this as part of the Proposer's submitted response to the RFP.**

55. Can you elaborate on daily charged vs. daily paid checks?

**Response: Daily charge and daily paid checks may be the same, but with certain exception items that require research after the Full Reconciliation – Per Item.**

**Check Exception Return is a charge for a check that is returned based on a request made by an Account Reconciliation Processing client.**

56. The requirement for an "echo-back" confirmation file states first that required timing is within 15 minutes of file receipt and then goes on to indicate that the confirmation file can be generated upon presentment of the file or upon the effective date of the ACH transactions. Would delivery on a same day basis, subsequent to an email confirmation of successful processing meet OPA's requirements?

**Response: The City requires an "echo-back" confirmation file.**

57. Can you expand on the optional replacement check service to track and link replacement checks back to the original check?

**Response: The City seeks efficient ways to match a replacement check number/amount to an original check number/amount.**

58. You mention specifically for Reimbursement of SSI and Medicare taxes to employees, are you also considering for all of your payroll related check issues?

**OPA's Response: Yes.**

59. Can you provide a sample of a mailer?

**Response: No answer at this time.**

60. Can you estimate the ACH exposure limit requirement based on your highest direct deposit payroll cycle?

**Response: Our highest direct deposit payroll cycle amount is \$550 million (approximately).**

61. What intra-day overdraft limit is required to support you overall payroll?

**Response: No answer at this time.**

62. What checks are you depositing if the accounts are funded from Central Treasury via wire and then a ZBA structure?

**Response: Currently, OPA is making check deposits into the EFT Funding account. Additionally, OPA deposits checks into the Central Treasury accounts.**

63. How many scanning locations/scanners do you have?

**Response: Currently, we have approximately 3-5 machines between 3 locations.**

64. How many checks are you depositing?

**Response: No answer at this time.**

65. You mention consolidating accounts and sites for a daily upload to a receivables program, can you please explain this requirement?

**Response: Please refer to Section E of the RFP.**

66. On the pricing attachment it appears that transactional volumes are annualized, but monthly maintenance service charges are not, how would you like the pricing and volumes represented in our response?

**Response: Monthly.**

67. The City suggests that the mandate may be awarded to more than one supplier, is there a preference to deal with one supplier?

**Response: Yes, potentially we will accept more than one supplier.**

68. What is the timing for a decision?

**Response: It is not possible to provide timeframe at this point.**

69. Does The City plan to hold "best in final" presentations or will the decision be based on the RFP response?

**Response: Yes, the City plans to ask for "Best and Final" offers, and yes it will be based on the RFP response. Please refer to PPB Rules, Section 3-03, Competitive Sealed Proposals.**

70. Will the City be using a scoring system or other means to evaluate the responses? Can you please provide details?

**Response: Please refer to Section V, B of the RFP.**

71. How soon after your decision to you anticipate implementation to begin?

**Response: It is not possible to provide a timeframe at this point.**