

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

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**DEPARTMENT OF HUMAN SERVICES
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REQUEST FOR PROPOSAL

I. PURPOSE AND INTENT

This Request for Proposal (RFP) for banking services associated with clients' accounts for the Department of Human Services (DHS) and the Department of Children and Families (DCF), has been prepared by the Department of the Treasury, Office of Management and Budget, Cash Management Unit.

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

The required accounts are as follows:

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

There are currently fourteen (14) agencies run by the Department of Human Services throughout the State of New Jersey. There is currently one (1) agency run by the Department of Children and Families located in Trenton, New Jersey. Both departments will maintain individual client sub-account records for clients serviced by the fifteen (15) locations through the CompuTrust automated software Client Banking System (CBS).

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

Each of the fifteen (15) agencies will have direct access to individual client account activity via the CompuTrust System. Each department will oversee the day-to-day operations of their respective accounts. DHS, Office of Finance will manage the day-to-day operations of its fourteen (14) agencies in order to centralize accounting and reporting functions.

During Calendar Year 2008, the monthly average collected balance held in the Department of Human Services Consolidated Client Fiduciary Account was approximately **\$17.6 million**.

During Calendar Year 2008, the monthly average collected balance held in the Department of Children and Families Client Fiduciary Account was approximately **\$815,000**.

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

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

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

Positive Pay account capability and reporting
Electronic transmission and receiving capability
Depository services
Remote Deposit Capture (RDC) services
Check cashing capabilities
Web-based Inquiry Communication System
Full account reconciliation services
Monthly bank statements

ACH receiving capabilities
Automated daily balance reporting (prior day)
Intra-day reporting capabilities
Timely reports per RFP specifications
Timely, reliable customer service
Paid check imaging and document destruction
Armored car services

II. TERMS AND CONDITIONS

A. Applicable Rules and Regulations

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.

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

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 TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS and PAYMENT METHOD AND TERMS of this Request for Proposal (RFP) will supersede any and all conflicting terms and conditions, including bank agreements, submitted by the bank/contractor. The State of New Jersey will not modify its terms and conditions or execute separate bank agreements.

Proposals that do not conform with or take exception to the State of New Jersey's terms and conditions, other mandatory provisions and payment methods and terms, as set forth in this RFP, will be considered non-responsive and therefore rejected.

The entire content of this RFP, all addenda and the bank's proposal will become the basis for any award and contract. These documents shall, whenever possible, be construed in harmony. However, if there is a conflict

between the terms contained in these documents, the order of precedence shall be: (1) the addendum(s); (2) the RFP; and (3) the bank's proposal.

B. Project Management

The New Jersey Department of Human Services, Office of Finance – Central Office, will be responsible for the administration of the contract and will be the contact agency after contract award.

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

Mary Jane Gardner
Department of Human Services
Central Office Personnel
222 South Warren Street
5th Floor
P. O. Box 700
Trenton, NJ 08625

C. Timetable of Events

EVENT	DATE
Issuance of Request	July 30, 2009
Mandatory Bidders' Conference	August 26, 2009
Proposal Due Date	October 1, 2009
Anticipated Award Date	December 10, 2009
Implementation & System Testing	December 11, 2009
Contract Commencement	October 1, 2010

D. Mandatory Bidders' Conference

Attendance at the following pre-bid conference is a prerequisite for proposal submission.

DATE: August 26, 2009
TIME: 10:00 a.m.
PLACE: Department of the Treasury

Purchase Bureau Bid Room
33 West State Street, 9th Floor
Trenton, New Jersey 08608

During the conference, the RFP requirements will be reviewed and questions from interested bidders addressed.

Any deferred questions arising from the bidders' conference will be responded to in writing and distributed only to those vendors in attendance at the conference. Responses will be provided by hardcopy, e-mail or via the Office of Management and Budget's Banking Services website. Oral explanations given anywhere but at the bidders' conference shall not be binding.

E. RFP Questions from Bidders

Before the mandatory bidders' conference, interested bidders should submit written questions regarding this document to the Cash Management Unit, on or before August 17, 2009 to the following address:

Charlene M. Mello, Cash Management Analyst
State of New Jersey
Department of the Treasury
Office of Management and Budget
33 West State Street, 6th Floor
P.O. Box 221
Trenton, New Jersey 08625-0221

Or questions can be e-mailed to the following address, which will be answered at the scheduled bidders' conference:

Charlene.Mello@treas.state.nj.us

F. Revisions to the Request for Proposal

If it becomes necessary to revise any part of the RFP prior to the mandatory conference, time permitting, revisions will be made in the form of a written addendum and made available on the Office of Management and Budget's Banking Services

website. Also, that same addendum will be provided in hardcopy to all vendors who attend the conference.

If revisions are necessary after the mandatory conference, the revisions will subsequently be provided either in hardcopy to the conference attendees, e-mailed to the attendees or through a notice to the attendees that the revisions are on the Office of Management and Budget's Banking Services website.

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 M. Mello, Cash Management Analyst
State of New Jersey
Department of the Treasury
Office of Management and Budget
33 West State Street, 6th Floor
P.O. 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, 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 **three (3) year term**. The bank may not close any accounts until officially notified by the Department of the Treasury, Cash Management Unit. The Department of the Treasury, 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 **three (3) 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 thirty **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 scope of this RFP, 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.

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. 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. Data Transmission

The State of New Jersey can utilize several protocols for data transmission: HTTPS, FTPS (FTP over SSL), SFTP (FTP over SSH), AS2 and Connect: Direct over IP (VPN, Extranet or dedicated line ONLY). See **EXHIBIT B State of New Jersey OIT**

Transmission Capabilities Guide for a detailed description of the protocols supported. A vendor's ability to support as many of these transmission methods as possible, thus providing the State with maximum flexibility, will be a positive factor considered during the proposal evaluation.

The Standard Entry Class (SEC) Codes that may be used by the various accounts are (CCD, CCD+, CTX or PPD). The State plans to take advantage of all advancements offered by the ACH Network. The vendor must be able to demonstrate that they have the ability to support these updates to the electronic funds transfer system.

The vendor 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 vendor must protect State data and ensure that all State information remains confidential.

Any use, 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 shall assume all risk of and responsibility for and agrees to indemnify, defend and hold harmless the State and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property or any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or materials supplied under any agreement, except for those claims, demands, and/or causes of action arising solely out of the negligence or willful misconduct of the State and its employees. This indemnification obligation is not limited by, but is in addition to, the insurance obligations contained in this agreement.

Z. Insurance

The vendor will furnish to the State such evidence of insurance as the State may require at the time of award and for all periods during the term of the agreement and any extensions to the agreement.

For all coverage and renewals, the documents must contain the proviso that the insurance provided shall not be canceled for any reason except after **30 days** written notice to the State of New Jersey, Department of the Treasury. All insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater.

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

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

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

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

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

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

AA. Conflict of Interest

No award will be made to a vendor 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

The entire content of each bid response is a public record and, as required by New Jersey Law, is available for public inspection. Persons who wish to read proposals should make an appointment by calling the Department of the Treasury, Office of Management and Budget, Cash Management Unit at: (609) 292-4468.

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.

B. Ownership Disclosure Form

The vendor and all its known subcontractors must complete the enclosed Ownership Disclosure Form and submit it with the proposal. See **EXHIBIT C** 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 the 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.

For the total bank balances resulting from the account, the collateralization requirement must adhere to **EXHIBIT D 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.

The Division of Revenue's 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.htm>.

Any questions in regard to business registration requirements can be directed to the Division of Revenue 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:
 - a. 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
 - b. 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
 - c. 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 State prefers the vendor submit with its bid proposal **EXHIBIT E 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. Public Law 2005, Chapter 51 / Executive Order 117 (2008) Dual Certification

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 (N.J.S.A 19:44A-20.13-20.25 supersedes Executive Order 134 (2004)) was signed on March 22, 2005. Pursuant to the requirements of Public Law 2005, Chapter 51 (N.J.S.A 19:44A-20.13-20.25), the terms and conditions set forth in this section are material terms of any contract resulting from this RFP:

1. C.19:44A-20.18 Report of contributions by business entities as part of State Procurement process

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).

In order to further simplify the State Contractor Political Contribution Compliance process, one form can now be utilized to report all contributions the business entity made during the preceding four years prior to bid submission and to report any contribution it makes during the term of the contract, and any extension(s) by completing **EXHIBIT F Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions**. Instructions for completing the form are detailed in **EXHIBIT G Information and Instructions for Completing the Two-Year Vendor Certification and Disclosure of Political Contributions Forms**.

Governor Jon S. Corzine recently signed Executive Order No. 117, which is designed to enhance New Jersey’s efforts to protect the integrity of government contractual decisions and increase the public’s confidence in government. The Executive Order builds on the provisions of Chapter 51, which limits contributions to certain political candidates and committees by for-profit business entities that are, or seek to become, State government vendors. Executive Order No. 117 applies **only** to contributions made or contracts executed on or after November 15, 2008. **EXHIBIT F Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions** include the forms that must be completed to certify compliance with Executive Order No. 117.

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.

If the State Treasurer determines that any such contribution, or any other act that would constitute a breach of contract pursuant to section 9 of this act, poses a conflict of interest in the awarding of any contract or agreement, the State Treasurer shall disqualify such business entity from bidding on or being awarded such contract or agreement.

2. C.19:44A-20.19 Written certification by business entities relative to contributions (and continuing obligation)

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 or independent authorities, as the case may be, shall require the business entity to provide a written certification that it has not made a contribution that would bar the award of the contract pursuant to this act. 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 all contributions made during the term of such contract, and any extension(s) thereof.

Such disclosures are to be submitted by the business entity to the Office of Management and Budget, Cash Management Unit. The disclosures are to be made using **EXHIBIT F Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions** and are subject to review by the State 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.

3. C.19:44A-20.21 Breach of terms of government contract concerning contributions

It shall be a breach of the terms of the government contract for a business entity to: (i) make or solicit a contribution in violation of this act; (ii) knowingly conceal or misrepresent a contribution given or received; (iii) make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution; (iv) make or solicit any contributions on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) engage or employ a

lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which is made or solicited by the business entity itself, would subject that entity to the restrictions of this act; (vi) fund contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) engage in any exchange of contributions to circumvent the intent of this act; or (viii) directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of this act.

4. State Treasurer Review

The State Treasurer or his designee shall review the Disclosures submitted pursuant to this section, 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.njleg.state.nj.us/2004/Bills/PL05/51_.PDF.

H. 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.

The bank must fully cooperate during any and all disaster recovery testing operations initiated by the State. It must be ready to receive and validate test files transmitted or delivered from a State of New Jersey disaster recovery exercise.

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

I. Image Processing of Public Records & Certification of Image Processing Systems

The Division of Archives and Records Management (DARM) has set forth the standards, procedures and rules for image processing of public records for the preservation, examination and use of such records, including indexing and arrangement thereof as required by Public Law 1953, c. 410 N.J.S. 47:3-26 et al., and P.L. 1994, c.140 (N.J.S. 47:3- 26 as amended).

Please access the following Department of State, Division of Archives and Records Management websites for standards, procedures and rules for image processing of public records and certification of image processing systems:

<http://www.state.nj.us/state/darm/links/njac-15-3-4.html>

<http://www.njarchives.org/links/njac-15-3-5.html>

Also see **EXHIBIT H Electronic Images – System Certification, Storage, Backup and Disaster Prevention/Recovery** for paid check imaging system certification description and requirements. The bank will also be responsible for the storage of canceled/paid checks until authorized for destruction by the State. See **EXHIBIT I Destruction Requirements for State Records, Canceled Checks and Electronic Images** for paid check destruction requirements.

IV. PAYMENT METHOD AND TERMS

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

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. Considering that the daily average balance in the account(s) will be generally static, the State requests that a premium be offered by the bank to be added to the coupon yield on a monthly basis. The State requests that the rate provided to the State is the 13-week Treasury bill yield **plus a premium**. The offered rate submitted by the bank will be taken into consideration during the evaluation process.

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.

Invoices for items and services required to maintain the entire banking system, including, but not limited to equipment, consulting/technical support and printing supplies will be submitted to the bank on a monthly basis. These invoices are to be paid directly by the bank, via the compensating balances as a pass-through cost to the State.

During Calendar Year 2008, averages of three (3) bills were submitted to the bank monthly for an average of \$16,000 in monthly vendor payments.

B. Payment Terms

It is not anticipated, but 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. The standard State of New Jersey payment voucher and instructions for preparation of the form will be provided to the bank after contract award.

C. Monthly Analysis

Together with the invoice, the bank must provide a monthly analysis that will contain on one page of the analysis report, the monthly average collected 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 **plus any premium** 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 monthly analysis and invoices for both accounts should be accessible via the bank's Web-based Inquiry Communication System or provided electronically in the PDF format. The monthly analysis and invoices for both accounts should be addressed as follows:

Mary Jane Gardner
Department of Human Services
Central Office Personnel
222 South Warren Street
5th Floor
P. O. Box 700
Trenton, NJ 08625

A copy of the monthly analysis and invoice for both accounts are to be delivered to:

Charlene Mello, Cash Management Analyst
Department of the Treasury
Office of Management and Budget
Cash Management Unit
33 West State Street, 6th Floor
P.O. Box 221
Trenton, NJ 08625-0221

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

V. SCOPE OF WORK

A. General Account Requirements

The State’s requirements include the establishment and maintenance of **two (2) State accounts**, and the accurate and timely processing of all banking services related to the accounts including, but not limited to, earnings credit rate plus added premium, depository services (cash and check), Remote Deposit Capture (RDC) services, armored car services, check-for-cash services, check imaging services, document destruction, positive pay services, ARP services, ACH services, Web-based inquiry and processing (i.e., stop payments and paid check imaging) along with a variety of reporting and communication needs.

The State reserves the right to consolidate existing accounts or establish additional accounts as needed during the contract term.

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

New Year's Day
Martin Luther King Jr. Day
Lincoln's Birthday
Washington's Birthday
Good Friday
Memorial Day
Independence Day
Labor Day

Columbus Day
Election Day
Veteran's Day
Thanksgiving Day
Christmas Day

B. Accounts to be Established

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

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

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

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

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

The State reserves the right to add and remove agencies to/from the Department of Human Services Consolidated Client Fiduciary Account to accommodate program changes or cash management needs, during the course of the contract term.

All accounts must be protected against unauthorized ACH debit activity.

During Calendar Year 2008, the monthly average collected balance held in the Department of Human Services Consolidated Client Fiduciary Account was approximately **\$17.6 million**.

During Calendar Year 2008, the monthly average collected balance held in the Department of Children and Families Client Fiduciary Account was approximately **\$815,000**.

See **EXHIBIT K** for a detailed list of the **Average Collected Balances by Account for Calendar Year 2008**.

C. Account Data Information and Requirements

1. Department of Human Services Consolidated Client Fiduciary Account

The State will establish the Department of Human Services Consolidated Client Fiduciary Account to address the daily banking needs of clients residing in thirteen (13) State run agencies. The Department of Human Services, Office of Finance will also use this account to address central office banking needs.

Each of the fourteen (14) depositing agencies will be identified by a unique two-digit location number. The location number must be included on all Web-based bank statements and reports.

Each of the agencies will have direct access to its client account activity via the CompuTrust, Client Banking System (CBS). Through the Client Banking System, the Department of Human Services will also have the ability to maintain each individual client account record.

Deposits to the Department of Human Services Consolidated Client Fiduciary Account will be made on a daily basis. Deposits will be made in the form of checks, cash, RDC deposits and ACH credits.

During Calendar Year 2008, there were **106,423 deposits** into this account consisting of checks, cash, RDC deposits and ACH credits totaling approximately **\$74.7 million**.

See **EXHIBIT L Department of Human Services Consolidated Client Fiduciary Account Deposit Activity for Calendar Year 2008** for a detailed breakdown of the transaction types and dollar amounts.

*The RDC feature was added to this account in October of 2008. The number of RDC deposits, deposit items and dollar amounts are included on **EXHIBIT L Department of Human Services Consolidated Client Fiduciary Account Deposit Activity for Calendar Year 2008** in the Check and Cash Deposit columns. The RDC deposit totals have also been listed separately for illustration purposes.

* Currently five (5) agencies are using RDC to process check deposits. It is the Department of Human Services' intention to convert additional agencies over to using the RDC feature as the need arises and resources become available.

During Calendar Year 2008, there were **39,658 checks issued** from this account totaling approximately **\$75 million**.

See **EXHIBIT M Department of Human Services Consolidated Client Fiduciary Account Disbursement Activity for Calendar Year 2008** for a detailed breakdown of the transactions and dollar amounts.

The Department of Human Services, Office of Finance will oversee the day-to-day operations related to this account.

a. Account Depository Requirements

It is required that all **fourteen (14) agencies** have access to the vendor bank, or a correspondent bank, within close proximity of each agency to accommodate their day-to-day banking needs. Please provide in your proposal the approximate distance, in miles, from your closest branch to each of the agencies. See **EXHIBIT A** for the **Department of Human Services and Department of Children and Families Agency List**.

The agency depository banking needs are identified as daily cash and check deposits and check-for-cash services for the fourteen (14) DHS agencies.

Eight (8) agencies will require regularly scheduled armored car services to address their depository needs. Of the eight (8) agencies that require armored car services, five (5) of those agencies will also require check-for-cash exchange services. The remaining six (6) agencies will utilize Remote Deposit Capture (RDC) and/or local bank branches on an as needed basis to address their depository and check-for-cash needs. See the list provided below.

The six (6) agencies without regularly scheduled armored car services will call their respective bank branches either on the day prior or same day for their check-for-cash needs. The check-for-cash requirements for these locations will not exceed \$10,000 per bank visit.

b. Armored Car Services - Deposit Pickup and Check-for-Cash Delivery

The following eight (8) DHS agencies will require regularly scheduled armored car pickups and deliveries:

- Ancora Psychiatric Hospital (APH 04)
- Ann Klein Forensic Center (AKFC 07)
- Greystone Park Psychiatric Hospital (GPH 01)
- Hunterdon Developmental Center (HDC 15)
- New Lisbon Developmental Center (NLDC 12)
- Senator Garrett W. Hagedorn Center for Geriatrics (HGC 06)
- Trenton Psychiatric Hospital (TPH 02)
- Woodbine Developmental Center (WDDC 11)

See **EXHIBIT A** for the **Department of Human Services and Department of Children and Families Agency List** for details on the current regularly scheduled armored car pickup and delivery days.

No pickups will be required on weekends or legal State holidays. If there is a State agency closing due to a State mandated furlough day or emergency, the agency will notify the bank to cancel the armored car pickup and delivery.

During implementation, each of the eight (8) agencies will establish a regularly scheduled armored car pickup and delivery timeframe. This

timeframe will not exceed one (1) hour and will be scheduled between the hours of 8:30 a.m. and 2:30 p.m.

The eight (8) agencies will notify the bank of their respective cash needs and denomination breakdowns the day prior to their regularly scheduled pickup day (Friday for pickups performed on Monday). This transaction will be a check-for-cash exchange. Agencies may require as much as \$10,000 in small denominations.

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

The State reserves the right to add or remove armored car services (for deposits and check-for-cash) to/from agencies as the need arises.

c. Deposit Preparation Procedures

At the same time that the currency is delivered to the agency(s), the armored car personnel will pick up the deposit(s) for delivery to the bank. The checks and currency (for deposit) will be consolidated in the same bag but banded separately. The deposit ticket and Client Banking System (CBS) generated deposit slip will be placed inside the sealed bag.

Each agency has its own method of preparing deposit slips based on its depositing needs. The methods used are as follows:

- Agency provides a CBS generated deposit slip for checks with the totals on a bank provided deposit slip. Agency provides a bank provided deposit slip for cash. (Agency Location: APH 04)
- Agency provides a completed bank provided deposit slip for cash and check deposits. (Agency Locations: AKFC 07, GRC 08, NJDC 10, NLDC 12, WRDC 14)

- Agency provides a completed bank provided deposit slip for cash and check deposits and attaches a CBS generated deposit slip for reference purposes. (Agency Locations: HGC 06, WDDC 11, HDC 15)
- Agency provides a completed bank provided deposit slip for cash only because the agency uses the RDC feature to deposit checks. (Agency Locations: GPH 01, TPH 02, VDC 09)
- Agency utilizes RDC feature for check deposits. Agency does not make cash deposits. (Agency Locations: DDDCS 17, DCF 19, OFA 99)

See **EXHIBIT N** for a **Sample CBS Deposit Ticket Report**.

Please note: Agencies completing check deposits via the RDC feature are required to have deposit bags and encoded deposit slips on hand in case of system failures.

It will be the responsibility of the contract vendor to insure that the proper standard and industry specific security controls are in place to prevent any unethical tampering with the bags and their contents from initial pickup at the agency to the final disposition of the bags.

The contract vendor will be totally liable for the security and contents of the deposit bag(s) as soon as the agency is given the receipt for the bag(s) and releases the sealed bag(s) to the armored car personnel.

d. Deposit Pickup Receipt Confirmation Procedures

After contract award and prior to contract commencement, the bank must provide **eight (8) copies** of its armored car personnel directory to the DHS agencies requiring armored car services. 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 vendor 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 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 bags noted on the receipt. Separate receipts will be required for separate deposits.

The 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 agency is provided proper receipt(s) for the deposit items.

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 agencies for no less than three (3) years.

At the time of deposit delivery by the armored car to the bank processing facility or money room, the armored car personnel must sign and retain a copy of a time stamped delivery receipt, as proof of deposit bag delivery.

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 to the bank's processing facility or money room. The State may request, and the bank must provide, a copy of this delivery receipt at any time within **three (3) years** of the deposit pickup date.

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.

e. Depository Security Bags

After contract award and prior to contract commencement, the bank must supply a year's worth of security deposit bags to each of the fourteen (14) DHS agencies at no cost to the State.

The bank should assume daily deposits for six (6) agencies that do not utilize armored car services:

- Division of Developmental Disabilities Community Services (DDDCS 17)
- Green Brook Regional Center (GRC 08)
- North Jersey Developmental Center (NJDC 10)
- State of New Jersey Office of Finance (OFA 99)
- Vineland Developmental Center (VDC 09)
- Woodbridge Developmental Center (WRDC 14)

The bank should assume deposits two (2) to five (5) times per week for the agencies that do utilize armored car services:

- Ancora Psychiatric Hospital (APH 04)
- Ann Klein Forensic Center (AKFC 07)
- Greystone Park Psychiatric Hospital (GPH 01)
- Senator Garrette W. Hagedorn Psychiatric Hospital (HGC 06)
- Hunterdon Developmental Center (HDC 15)
- New Lisbon Developmental Center (NLDC 12)
- Trenton Psychiatric Hospital (TPH 02)
- Woodbine Developmental Center (WDDC 11)

A year's supply of deposit bags must be supplied to each agency prior to the beginning of each calendar year for the contract term. The bank must factor in a 25% reserve supply of bags into the total requirements for all the agencies.

Individual agencies will contact the bank directly if additional quantities are needed. A per item charge will be acceptable only when the total number of

deposit bags supplied annually exceeds the total annual deposit bag requirement by 25%.

The deposit bags must be **industry standard 15" X 20" disposable, secure, opaque deposit bags**. The deposit detail will be sealed within the bag; therefore an outside pouch will not be required. The bag must be of sufficient strength to withstand the normal handling of deposits. The bag must show visible evidence of tampering if there is any attempt to reopen the bag once the bag is sealed.

If there are to be any changes in the deposit bag during the term of this contract (e.g., type or manufacturer) the Department of Human Services and the Department of the Treasury, Cash Management Unit must be notified prior to the implementation of any changes or substitutions. The State reserves the right to refuse any changes or substitutions of deposit bags if the item does not meet the established requirements.

The replacement bag must be of the same quality or better. No additional costs will be incurred by the State if a change or substitution is made. The vendor must supply a year's supply of bags to each agency if a change is implemented.

The vendor must specify the proper receipt procedures for the delivery of the deposit bags.

For evaluation purposes, the bank must include **one (1) sample deposit bag** with each proposal submission copy. The bank must also identify the name of its deposit bag manufacturer, provide a detailed description of the bag and include the bank's recommended deposit preparation procedures. The agencies will incorporate the bank's deposit preparation procedures into its training manual.

f. Encoded Deposit Slip Requirements

The bank must supply an adequate number of multi-part encoded deposit slips to each of the fourteen (14) DHS agencies prior to contract

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

The State estimates a supply of **1,500 encoded deposit slips** should serve the depositing needs for each agency that perform daily deposits via local branch deliveries and armored car pickups throughout the contract term.

The bank must factor in a 25% reserve supply of encoded deposit slips into the total requirements for the agency. A per item charge will be acceptable only when the total number of encoded deposit slips exceed the originally required supply plus the reserve requirement.

The bank must determine the multi-copy requirement of the deposit slip to meet the bank's internal processing functions, taking into account one copy will remain with the agency.

Each deposit slip must include the following information:

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

Each deposit slip must be MICR encoded with:

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

g. Endorsement Stamps

Prior to contract commencement the bank must supply each of the fourteen (14) DHS agencies depicted on **EXHIBIT A Department of Human Services and Department of Children and Families Agency List** with **two (2) endorsement stamps**. The stamps must include the account name, account number and the agencies' two-digit location number. The endorsement stamps and delivery must be provided at no cost to the State. The bank must identify in its proposal a contact person for reordering. Contact information must be updated as changes occur, or no less than annually.

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

2. Department of Children and Families Client Fiduciary Account

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

The Department of Children and Families (DCF) will be identified by its own two-digit location number. The location number must be included on all web-based bank statements and reports.

Through the CompuTrust System, the Department of Children and Families will have direct access to its client account activity and the ability to maintain each individual client account record.

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

form of checks via the RDC feature and via ACH credits. Due to Federal Regulations, these funds must earn a rate of return.

This account/location will not require cash deposits or the services of an armored courier. A historical review of this account revealed returned deposit items are a rare occurrence and miscellaneous credits are minimal.

For the physical location of the Department of Children and Families agency and the location code see **EXHIBIT A** for the **Department of Human Services and Department of Children and Families Agency List**.

During Calendar Year 2008, there were **4,479 deposits** into this account consisting of checks, RDC deposits and ACH credits totaling approximately **\$3.1 million**.

*The RDC feature was added to this account in November of 2008. Currently, all checks are being deposited using the RDC feature. The number of RDC deposits, deposit items and dollar amounts are included on **EXHIBIT O Department of Children and Families Client Fiduciary Account Deposit Activity for Calendar Year 2008** in the Check and Cash Deposit columns. The RDC deposit totals have also been listed separately for illustration purposes.

During Calendar Year 2008, there were approximately **285 checks issued** off of this account totaling approximately **\$2.9 million**. See **EXHIBIT P Department of Children and Families Client Fiduciary Account Disbursement Activity for Calendar Year 2008** for a detailed breakdown of the transactions and dollar amounts.

The Department of Human Services, Office of Finance will oversee the day-to-day operations related to this account.

a. Account Depository Requirements

It is required that the Department of Children and Families agency have access to the vendor bank, or a correspondent bank, within close proximity of the agency to accommodate their day-to-day banking needs. Please provide

in your proposal the approximate distance in miles from your closest branch to the DCF agency. See **EXHIBIT A** for the **Department of Human Services and Department of Children and Families Agency List**.

The agency depository banking needs are identified as daily check deposits utilizing the RDC feature. The agency does not deal with cash therefore it does not require the use of an armored car service or check-for-cash exchange services.

In case of a system failure, the agency must have access to a local bank branch to process check deposits. The agency will require a reserve of deposit bags and encoded deposit slips to address its depositing needs during system failures.

b. Depository Security Bags

The State estimates a supply of **250 deposit bags** should serve the agency's needs throughout the contract term. The deposit bags must be supplied at no cost to the State.

The bank must factor in a 25% reserve supply of deposit bags into the total requirements for the agency. A per item charge will be acceptable only when the total number of deposit bags exceed the originally required supply plus the reserve requirement.

The deposit bags must be **industry standard 15" X 20" disposable, secure, opaque deposit bags**. The deposit detail will be sealed within the bag; therefore an outside pouch will not be required. The bag must be of sufficient strength to withstand the normal handling of deposits. The bag must show visible evidence of tampering if there is any attempt to reopen the bag once the bag is sealed.

If there are to be any changes in the deposit bag during the term of this contract (e.g., type or manufacturer) the Department of Children and Families and the Department of the Treasury, Cash Management Unit must be notified prior to the implementation of any changes or substitutions. The

State reserves the right to refuse any changes or substitutions of deposit bags if the item does not meet the established requirements.

The replacement bag must be of the same quality or better. No additional costs will be incurred by the State if a change or substitution is made. The vendor must supply a year's supply of bags if change is implemented.

The vendor must specify the proper receipt procedures for the delivery of the deposit bags.

DCF will contact the bank directly if additional quantities are needed. Delivery of the deposit bags must be within **ten (10) business days** of the request. The bank must identify in its proposal a contact person for reordering. Contact information must be updated as changes occur, or no less than annually.

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 deposit bag manufacturer, provide a detailed description of the bag and include the bank's recommended deposit preparation procedures. The agencies will incorporate the bank's deposit preparation procedures into its training manual.

c. Encoded Deposit Slips

The State estimates a supply of **250 encoded deposit slips** should serve the agency's needs throughout the contract term. The encoded deposit slips must be provided at no cost to the State.

The bank must factor in a 25% reserve supply of encoded deposit slips into the total requirements for the agency. A per item charge will be acceptable only when the total number of encoded deposit slips exceed the amount originally supplied plus the reserve requirement.

DCF will contact the bank directly if additional quantities are needed. Delivery of the slips must be within **ten (10) business days** of the request. The bank

must identify in its proposal a contact person for reordering. Contact information must be updated as changes occur, or no less than annually.

The bank must determine the multi-copy requirement of the deposit slip to meet the bank's internal processing functions, taking into account one copy will remain with the agency.

Each deposit slip must include the following information:

- State of New Jersey
- Department of Children and Families Client Fiduciary Account
- Agency's Name (Department of Children and Families)
- Agency's Two-Digit Location Number (example: 19)
- Agency's Address

Each deposit slip must be MICR encoded with:

- Agency's Two-Digit Location Number (example: 19)
- Bank ABA Number
- Bank Account Number

d. Endorsement Stamps

Prior to contract commencement the bank must supply the Department of Children and Families with **two (2) endorsement stamps**. The stamps must include the account name, account number and the agencies' two-digit location number. The endorsement stamps and delivery must be provided at no cost to the State. The bank must identify in its proposal a contact person for reordering. Contact information must be updated as changes occur, or no less than annually.

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

D. General Service Requirements

1. Deposit Credit and Availability

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

It will be the responsibility of the bank to ensure timely pickup and delivery of all armored car 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 delivery date.

2. Deposit Discrepancies and Adjustments

For all deposits, credit must be given for the amount shown on the deposit slip. No changes are to be made to the original deposit slip. Any adjustments are to be reflected on separate adjustment memorandum with a corresponding debit or credit to the account.

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

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

3. Dishonored Checks

The bank 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.

Within **24 hours** of receipt of a dishonored check, the dishonored check, together with the debit memo must be forwarded to the depositing agency with a copy to the respective department (DHS or DCF). There must be one identified dishonored check per debit memo.

In the event the original returned check is lost or mutilated, the bank must provide the State with a photocopy stating that this photocopy is to replace the original check. The dishonored check, together with the debit memo must be forwarded to the depositing agency with a copy to the respective department (DHS or DCF) within **24 hours** of receipt.

The following detail information must be included in the debit memo:

1	Bank Account Number
2	Agency's Two-Digit Location Number (If available)
3	Original Deposit Date
4	Return Date
5	Return Amount
6	Return Reason

In Calendar Year 2008, there were **34 returned items** for the Department of Human Services Consolidated Client Fiduciary Account totaling **\$5,807**.

In Calendar Year 2008, the Department of Children and Families Client Fiduciary Account did not experience any returned items.

4. Federal Reclamations

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

The bank must not take action on the Federal Reclamation until they are notified in writing by the DHS or DCF to do so. The State estimates that the majority of notices will be researched and a response will be provided within thirty (30) calendar days.

5. Interest Posted to Clients

Interest will be credited, in total, by the bank once a month and posted at the end of each month to each account respectively.

The interest rate to be applied each month against the average daily net collected balance of the account will be established by the DHS and DCF on a

monthly basis. The State will set rates within the established banking regulation guidelines.

The total monthly interest allocated must appear on the account analysis as a deduction from earnings' credits for the month in which the interest is credited. See **EXHIBIT J Monthly Analysis Sample**.

Since the interest posted to client accounts will be determined by the State and will be deducted from the earnings credit, client interest will not be a factor in evaluating the proposals received; however, the amount of the earnings credit premium will be a factor in evaluating the proposals received. The same earnings credit premium must be applied to both DHS and DCF accounts.

6. Check Cashing Services

Authorized agency personnel and clients must have the capability to cash CBS generated checks at all vendor bank locations or correspondent bank locations. The bank's commitment to providing check cashing services over the contract term is very important. Check cashing services must be provided **free of charge** to authorized agency personnel and clients.

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

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

7. Check Imaging, Storage, Retrieval and Destruction Services

The State requires that the vendor provide the following services: imaging, storage, retrieval and destruction services for paid, canceled checks as it offers efficient use of State and bank resources. Checks are required to be imaged, stored on computer media, and retrieved via the Internet. See **EXHIBIT H Electronic Images – System Certification, Storage, Backup and Disaster Prevention/Recovery**. The bank will also be responsible for the storage of any canceled checks until authorized for destruction by the State. See **EXHIBIT I Destruction Requirements for State Records, Canceled Checks and Electronic Images**.

The State prefers that imaging, retention (electronic or paper), retrieval and destruction services be reviewed by the New Jersey Division of Archives and Record Management (NJDARM) and certified by the New Jersey State Records Committee (SRC), as per New Jersey Administrative Code (N.J.A.C.) 15:3-4 Image Processing of Public records and 15:3-5 Certification of Image Processing Systems. See **EXHIBITS H** and **EXHIBIT I** for certification and record destruction requirements, respectively.

Following contract award the successful bidder should plan to commit the necessary resources to secure certification. The process requires the using State Agency, in partnership with the successful bidder, to submit an application for “Certification of Imaging Process System” to NJDARM. NJDARM representatives may require a site inspection of the image processing system and a review of system maintenance, operation and administration, backup, disaster recovery, and data migration.

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

Images should be stored in a manner that allows immediate retrieval via the Internet for paid checks imaged.

In Calendar Year 2008, the DHS and the DCF retrieved a combined **84 paid check images** via the bank's Web-based System.

a. Retrieval

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

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

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

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

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

b. Image Retrieval Performance

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

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

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

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

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

E. ACH Requirements

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

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

Both accounts will receive monthly ACH credits from the Federal Government. The majority of deposits will be received on the first and third days of the month. Additional ACH credits may also be received throughout the month but the volume is minimal. Some clients will receive more than one ACH per month, while other

clients still receive checks. When possible, the agencies take the steps necessary to convert the receipt of benefit payments from check to electronic format.

In Calendar Year 2008, the Department of Human Services Consolidated Client Fiduciary Account received a monthly average of **8,657 ACH credits** representing a monthly average of approximately **\$5.5 million in benefit payments**. These payments consist of Social Security payments, railroad pension payments and veteran benefits.

In Calendar Year 2008, the Department of Children and Families Client Fiduciary Account received a monthly average of **363 ACH credits** representing a monthly average of approximately **\$181,000 in benefit payments**. These payments consist of Social Security benefit payments.

On a daily basis, the Federal Government sends ACH Credits in a NACHA file format that contains the following client specific identifying information:

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

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

Number field to process the file in the vendor bank system. An identical or similar procedure will be necessary for the new contract.

If the vendor bank is not able to comply with the requested format, please provide an alternative method in your proposal that is acceptable to both DHS and DCF. However, it is imperative that the client identification number be captured and transmitted to both DHS and DCF.

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

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

When data is received or transmitted electronically to the vendor bank or by the bank, all necessary security procedures must be followed to insure the protection of the data and to maintain the integrity of the system.

F. Check Deposits – Remote Deposit Capture (RDC)

Currently the Department of Children and Families and five (5) of the Department of Human Services' agencies perform daily check deposits utilizing the RDC feature. It is the State's intention to convert additional agencies over to this service as the need arises and resources become available.

The vendor bank must provide the State with Web-based Remote Deposit Capture (RDC) services. This service will provide agencies with the ability to deposit checks into their respective 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 vendor bank via a secure Internet connection.

The vendor bank must provide all necessary software, hardware (scanner) and related maintenance to accommodate RDC for the term of the contract. The vendor must also provide initial set-up support and user instruction, as well as on-going

RDC product support. The Web-based System should also be user-friendly and compatible with standard Microsoft Windows XP Professional operating systems. The Web-based System must also have the ability to be upgraded to be compatible with newer versions of the operating system.

Prior to contract commencement, **six (6) agencies** will require the installation of scanners. The vendor bank will need to provide scanner equipment that is appropriately sized to reasonably accommodate the number of office-based check deposits for each agency implementing the service. On average, the daily deposit items for each of the six (6) agencies range between 1 and 200 items.

The systems should have sound, built-in controls over deposit preparation and should provide the customer with automated deposit acknowledgement and reporting capability. The bank's RDC system must be capable of recording deposits by the agencies' two-digit location number. The agencies' two-digit location number must be passed thru on all RDC deposit bank reports.

The system should minimally provide the agencies with access to transaction history and deposit images for the most recent **thirty (30) 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 vendor 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:

1	Image Exchange
2	Substitute Check
3	"On-us" Deposit

ACH conversion of checks is not an option for deposits at this time.

The vendor bank's appropriate funds availability schedule should be applied for all RDC deposits.

Within **24 hours** of receipt of a dishonored check, the dishonored check, together with the debit memo must be forwarded to the respective agencies.

See **EXHIBIT Q Remote Deposit Capture Items End Point Analysis** for details on where these items clear.

G. Check Disbursements – Positive Pay Services

1. Check Issue File

For each account, the State will transmit a check issue file to the bank daily prior to 10:00 a.m. The method of transmission will conform to transmission protocol depicted in **EXHIBIT B**. A backup file will be kept by the State for seven (7) working days for use in the event of a faulty or failed transmission. In the event of a faulty transmission, the State will initiate second or subsequent transmissions until a successful transmission is completed.

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

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

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

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

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

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

2. Web-based Positive Pay

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

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

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

3. Check Paid File

All paid items must immediately be made available for viewing via the vendor bank's Web-based System. All check paid activity must remain on the bank's Web-based System for a period of **eighteen (18) months**. All outstanding checks must remain on the Web-based System for a minimum of **eighteen (18) months** or until the bank is advised to remove them by the State. All paid check images must remain on the Web-based System for a period of **seven (7) years** from the date of check issue.

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

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

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

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

H. Forgery Investigations

The vendor bank is responsible for the investigation of all forgery claims and the subsequent payment to the agency of all resolved issues. Those claims, which cannot be resolved through payment, must have an accompanying "Letter of Denial" stating the reasons for non-payment of the claim. The cause for denial of claim

must be consistent with the general law of negotiable instruments and accepted by the State.

The State will initiate forgery investigations by forwarding to the vendor bank, the original forgery affidavit -- and either the original check or a copy with sworn affidavit -- if the original check is not available. If the claim is honored, the vendor bank will prepare a cashier's check and at the option of the State, make the check payable to either the respective department (DHS or DCF) or to the claimant, and forward the check to the respective department (DHS or DCF). The forgery affidavit and canceled check will not be returned to the State. If the claim is denied, the original forgery affidavit, canceled check, and "Letter of Denial" will be forwarded to the respective department (DHS or DCF).

Improperly endorsed (not endorsed as drawn) checks, returned to the vendor bank for redeposit by either DHS or DCF are not to be considered forged checks. Credit for these checks must be given within **ten (10) working days** of receipt.

The vendor bank must resolve forgery claims within **sixty (60) days** of receipt of the forgery affidavit. If the forgery claim cannot be cleared within the aforementioned time frame, the vendor bank will issue a cashier's check made payable to the claimant.

For each outstanding forgery claim, the following information must be provided:

1	Bank Account Number
2	Check Issue Date
3	Check Number
4	Check Amount
5	Receipt date of forgery affidavit
6	Status of claim
7	Name of cashing bank
8	Response of cashing bank
9	Date check was cashed

During Calendar Year 2008, the State submitted two (2) forgery affidavits consisting of **six (6) forgery items.**

I. Web-based Inquiry Communication System

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

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

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

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

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

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

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

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

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

1. Checks Deposited and Checks Paid Inquiry System

a. Check Deposit Inquiry System

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

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

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

For all RDC deposits the system should minimally provide access to check deposit images for the most recent **thirty (30) business days** of deposit activity. After that time frame, the agencies should be able to access transaction history and deposit images for **seven (7) years** from the date of deposit either via the bank's Web-based Inquiry Communication System or some other bank archive system.

b. Check Inquiry System

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

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

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

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

1	Bank Account Number
2	Date Period Covered
3	Beginning Check Number
4	Check Issue Date
5	Check Paid Date
6	Outstanding (Not Paid)
7	Stop
8	Not Found

If during the course of retrieval, the bank is unable to produce a legible copy of an image, the bank, at no additional cost to the State, should obtain a copy of the deposited check within **three (3) business days**.

c. Web-based Stop Payments

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

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

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

In the event of a web server failure, a back-up stop payment procedure (email, telephone or facsimile transmission) should be maintained. The stop

payment order will be considered effective for that day's clearances and continue in effect until released by the State.

In the event of a TELEPHONE stop payment order, the bank should record the date, the time, the name of the bank representative receiving the order, and the name of the State representative placing the stop order. The bank should confirm all telephone and facsimile stop payment orders by facsimile transmission no later than **10:00 a.m.** the following day.

During Calendar Year 2008, the State requested **two (2) stop payments.**

2. ACH Inquiry System

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

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

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

a. ACH Exception Item Report

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

- An e-mail containing the ACH (fail/reject/NOC) as an attachment file.
- Telephone notification with hard copy to follow within **two (2) business days**.

The ACH exception notification must contain the following information:

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

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

J. Bank Statements Requirements

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

The unique two-digit agency location numbers must be included on all web-based or electronic bank statements and support documents when provided to the vendor

bank. Each department must also have access to its bank statement, reconciliation report and support documents no later than **3:00 p.m. five (5) working days** after the months' end.

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

All bank statements must include the following information:

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

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

1. Daily Automated Balance Reporting

All accounts established 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.S.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.

In addition, as part of the web-based reporting capability, human-readable summary and detail account activity must be available for both viewing and downloading in Microsoft Excel and PDF formats for all accounts. This information should be accessible for a minimum of the most recent **fourteen (14) business days**.

2. Paid Check File

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

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

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

3. ACH Receipt File

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

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

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

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

L. Training

In response to this training requirement, the vendor bank must provide in its proposal a training schedule and a training agenda. The vendor bank or its subcontractor(s) will provide training for relevant procedures involving deposit preparation and armored car pick-up. All training procedures proposed by the vendor bank will be subject to State approval. The vendor bank must submit the

name(s) of the individual(s) who will be conducting the training program for the State along with a profile of their training experience.

Training must be provided at a central office site and may be needed at each of the eight (8) pick-up sites, as well as additional sites when necessary.

M. Conversion and Implementation

The bank should be certain that ALL modules of the Web-based Inquiry Communication System are operating satisfactorily and that State personnel have been properly trained on the system.

The bank should 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 ARP processes and reports should be reviewed by State personnel prior to start up. All systems should be explained and demonstrated to State personnel during the implementation and testing phases.

A minimum of **three (3) sets** of operating manuals should be provided to the State either preferable in hard copy, with any subsequent additions, deletions or revisions to the manuals forwarded to the State promptly. A training outline, synopsis of the major training categories, schedule and trainer's name should be included in the bank's response.

VI. EVALUATION CRITERIA

The State must be satisfied that the bank has the necessary technical expertise, experience and resource capabilities to satisfactorily perform the requisite services stated in this RFP. The State reserves the right to obtain any information from an independent source to evaluate bid proposals in accordance with the stated criteria. Selection of other than the apparent low bid will be fully documented. An award will be made to that responsible bidder whose bid, confirming to the RFP, will be most advantageous to the State, price and other factors considered.

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

The bank's overall response to all questions in SECTION VII. Vendor Response.
The bank's overall experience on projects of similar scope and size.
Response to possible follow-up inquiries.
The bank's financial condition and ratings.
Clarity and completeness of the required reports and documents.
Web-based Inquiry Communication System reliability, capabilities and ease of use.
The adequacy of the security measures, contingency plans and backup procedures.
The bank's commitment to provide adequate technical and personnel resources to satisfactorily meet the requirements of the RFP.
ACH receiving and reporting capabilities.
Check cashing and RDC capabilities.
The State's overall assessment of client references.
Quality of customer service resources provided and turnaround for problem resolution.
Completeness and feasibility of the bank's implementation, testing and training plans.
Check imaging capabilities (check images front and back).
Ability to accommodate any future State-mandated program changes within the time frame acceptable to the State.
Any other information that would assist the State in the selection process.
Premium added to 13-week Treasury bill yield as basis for earnings rate.
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. Briefly acknowledge your understanding and acceptance of all the **TERMS AND CONDITIONS, OTHER MANDATORY PROVISIONS** and **PAYMENT METHOD AND TERMS** as stated in the 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.
3. Provide the names and contact information for the officers and management personnel (including any subcontractors' personnel) who will be responsible for the fulfillment of the services requested herein; e.g. operations, reporting/bank statements, invoices/analysis, file transmission issues, ACH functionality, Web-based Inquiry Communication System, disaster recovery, technology issues, customer services, Remote Deposit Capture (RDC) services, and error/adjustments inquiries. Specifically identify and include the physical location (address), telephone, fax numbers and email addresses for the primary contacts and backup individuals who will respond to the day-to-day communications from the Department of Human Services (DHS) and the Department of Children and Families (DCF).
4. For reference purposes, provide the names, addresses, contacts and telephone numbers of **three (3)** of your present customers for whom the bank is providing similar services as those requested herein; collection accounts, depository accounts, RDC services, paid check imaging and retrieval services, ACH services, and Web-based inquiry communication services. 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.
5. 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 C 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. 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.

- e. 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 E 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.

- f. 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.

- g. 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 system would be completely functional within **24 hours** of a major disaster.

- h. Collateralization of Deposits: Confirm the bank's ability to adhere to the Department of the Treasury Collateralization Policy, refer to **EXHIBIT D Policy Statement: Department of the Treasury Collateralization Requirements for State Held Deposits.**
 - i. Image Processing of Public Records and Certification of Image Processing Systems: Please confirm the bank has reviewed the DARM certification elements and possesses the technical capabilities to become certified as requested by the State.
6. Describe the bank's customer service operations, procedures, turnaround/response times and staffing. Complete customer service capabilities and resources may be reviewed at an oral presentation or viewed via a site visit if requested by the State, and then critiqued by the Evaluation Committee.
 7. Can the bank electronically provide the daily required automated balance reporting (prior day) as defined in the RFP **by 7:30 a.m.** in the unencrypted BAI2 format via the internet without the use of a random assigned PIN?
 8. Acknowledge the bank can meet the required deposit availability requirements as depicted in the Deposit Credit and Availability section of the RFP. Include the bank's latest availability schedule that will apply to State deposits.
 9. What **premium**, added to the 13-week Treasury bill yield, will you apply to the average monthly collected balance in the account(s) to determine the monthly compensating balance earnings credit? (No less than the 13-week Treasury bill yield will be acceptable.)
 10. List and briefly explain each of the transmission protocols the bank will support from those outlined in **EXHIBIT B State of New Jersey OIT Transmission**

Capabilities Guide. Describe the bank's implementation procedures and timeframes for each or the protocols it will support. A vendor's ability to provide as many of the protocols in **EXHIBIT B** as possible will be considered a positive factor during evaluation. Confirm that the bank will notify the State of Check Issue File transmission failures.

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

Confirm the bank will provide two (2) endorsement stamps to each of the fifteen (15) agencies depicted on **EXHIBIT A**, at no cost to the State.

12. Explain in detail the bank's secure receipt procedure, including audit trail, of the deposit pickup, from arrival on the premises to departure and explain the responsibility of agency personnel during pickup as it relates to RFP requirements. Explain in detail how and when the legal responsibility for the integrity of the deposit(s) passes from the State to the bank (as the prime contractor). Confirm the use of sequentially numbered receipt books.
13. Confirm the bank will utilize an armored car service for pickups at the required **eight (8) agencies**. Acknowledge the armored car employees will arrive at the pickup 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 cash.

Verify the armored car service can perform pickups within the timeframes established in **EXHIBIT A** and define the lead-time required to schedule an "as

needed” check-for-cash exchange. Explain the cash ordering and delivery (check-for-cash exchange) procedure, specifying the minimum amount that can be ordered in coins or bills. What recommendations can the bank suggest to help the agencies have anticipated cash on hand intra-day to meet the “changing” needs of their clients?

Confirm the bank’s ability to provide and maintain the **eight (8) armored car service personnel directories**. Describe the hiring procedures for armored car personnel including background checks, qualifications and experience requirements.

14. Include **eight (8) check deposit bags** (one for each proposal copy and original and one spare) 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 pickup location with the number of deposit bags as detailed in the RFP at no cost to the State.
15. Describe the bank’s ability to accept the State’s defined check issue file format as provided in **EXHIBIT R Required Data Elements and File Formats**. What is the banks required timeframes for receipt of the check issue file? Also confirm that the bank can provide a daily paid check file in the format defined in **EXHIBIT R Required Data Elements and File Formats**.
16. Explain the bank's Positive Pay procedures. Will exception items be scrubbed prior to requesting the “pay/no pay” decision by the State?
17. Describe in detail the bank's Automated Reconciliation Service (ARP). The bank should include in its proposal a sample report or mock-up of its key ARP reports it can provide (eg. Bank Statements) with explanations for codes, abbreviations, etc. Please indicate the bank’s ability to provide the reports on the specified media (i.e. web-based and electronic transmission).
18. Explain in detail, the features of the bank’s Web-based Inquiry Communication System and reporting system. Specifically, address with screen samples the available functions for stop payments, check status inquiry, transaction search/check image copy, ACH and check transaction inquiry, positive pay and

account reconciliation reporting. Also, provide a CD ROM or web-based demonstration that illustrates the required system capabilities.

19. For the Web-based Inquiry Communication System, how extensive is the history file maintained for online access to check disbursements including: stop payments, paid and outstanding checks and miscellaneous ARP items? Online check disbursement data should be stored and available for web inquiry covering a minimum of **eighteen (18) months** of the most recent outstanding items, and a minimum of **eighteen (18) months** of paid activity, and paid check images must be made available online to the State for a period of **seven (7) years** from the date of check issue. Confirm the bank can meet these requirements.
20. The bank must provide an ACH Web-based Inquiry Communication System for the reporting of all ACH transactions. How extensive is the history file maintained for online access to ACH transactions? Detail the time frames that ACH data is available for web inquiry.
21. Confirm that stop payments can be placed directly via the bank's Web-based Inquiry Communication System. When will stops become effective after placed on the bank's Web-based Inquiry Communication System? Stop payment items should clearly be labeled as "stop payment" on all web-based reports. Stop payment items should remain in effect until the State instructs the bank to remove it. Confirm the bank can comply with this request.

Explain the bank's backup system for stop payment requests.

22. Describe the bank's check cashing identification requirements. Include a statement that the bank will cash all properly endorsed checks presented for payment, **with no cost to the recipient**, at all the vendor bank locations or correspondent bank locations. The bank's capability to provide state-wide check cashing services will be an important factor considered during proposal evaluation.
23. Provide a current list consisting of the entire bank's check cashing/deposit facilities in the State of New Jersey. The list should be grouped by county. Also include a map of the State with locations of all available check cashing/deposit

facilities depicted. Indicate the distance in miles of your closet branch to each agency listed on **EXHIBIT A**.

24. Describe the bank's current capabilities regarding its Web-based RDC services. Confirm that the bank's Web-based System is user-friendly and compatible with standard Microsoft Windows XP Professional and that the system is upgradable to higher versions of the operating system. Describe how a compliant check image is captured, securely transmitted via the Internet, processed and cleared by the bank. What user deposit controls and deposit acknowledgments does the system provide? What is the cut-off time for same-day ledger credit? Confirm the two-digit agency location number be captured at the time of deposit.

Confirm that the bank's Web-based RDC system will provide the DHS and the DCF with access to deposit images for a minimum of the most recent **thirty (30) business days** of deposit activity. After that timeframe, confirm that the departments will 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.

Clearly list and explain the scanner equipment the vendor is proposing to accommodate the check deposit volumes depicted in this RFP. What are this scanners' recommended minimum and maximum daily imaging volume thresholds? Describe the initial RDC set-up support and on-going support the vendor will provide to the State.

25. Define the bank's ability to fulfill the requirements outlined in **EXHIBIT H Electronic Images – System Certification, Storage, Backup and Disaster Prevention/Recovery**. Explain the bank's check imaging, storage, retrieval and check destruction (if applicable) procedures. Indicate the length of time that any checks are retained after they are scanned and the destruction methods used.
26. Provide a detailed implementation schedule to achieve our October 1, 2010 contract commencement requirement. Include delivery dates for each of the elements you define as critical steps towards implementation. Include time frames for opening bank accounts, RDC set-up, establishing access to the Web-based Inquiry Communication System, file transmission/testing and training.

Define both bank and State personnel commitment requirements during conversion.

27. Include a training outline and schedule specifying topics to be reviewed, the time allocated for each, and identify the trainer(s). Training must include reviews and demos of ALL web-based modules and reporting functions.
28. Confirm the bank's ability to meet ALL the requirements outlined in this RFP, including but not limited to: positive pay, ACH services, RDC services, ARP and bank reporting, document destruction, report specifications, security levels, turnaround times, web-based inquiry and processing and armored car services as stipulated in the RFP. The bank **must** reveal any/all services defined in the RFP that it cannot provide according to the specifications. The bank should indicate why they cannot deliver the service or standard requested and offer reasonable alternatives.
29. 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 any operational changes that could affect or impact the State's required services, if known at the time of bid submission.
30. Describe the bank's ACH receiving and reporting capabilities. Can the bank meet the web-based and file transmission ACH reporting requirements of the RFP?
31. How many checks will the bank require for initial testing purposes and how often will testing be required? Describe the bank's MICR Rejection Standards and what penalties, if any, will be incurred by the State if these standards are not met.
32. See **EXHIBIT Q** for the **Remote Deposit Capture End Point Analysis Summary**. This end point analysis represents actual, typical deposit activity for a three (3) week period. Using this information, please respond to the following:

Based on the end point analysis provided, please supply the bank's best estimate of how it expect checks, deposited through Remote Deposit Capture (RDC) service, will be cleared based on the categories listed below.

Estimates should be provided as a percentage of total deposited items. Each of the three categories, when combined should account for 100% of deposited items.

RDC – IRD Clearing	<u> %</u>
RDC – “On-us” items	<u> %</u>
RDC – Image Clearing	<u> %</u>
TOTAL:	100%

VIII. COST SCHEDULE

Prices submitted are to be firm and fixed for the term of the contract. All prices proposed are inclusive of all vendor supplied forms, postage, supplies, equipment, delivery, boxes, overhead, FDIC charges, profit, etc. as required to meet the RFP specifications.

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

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.

	Earnings Credit		
1	Earnings Credit Premium	%	Annual %
	Account Services and Maintenance		
2	Account Maintenance Fee	\$	/Account/Month
3	Daily Balance Reporting (Prior Day) (Automated to Treasury Workstation via Web in BAI2)	\$	/Month
	ACH Services		
4	ACH Item Received	\$	/Per Item
5	ACH Debit Block	\$	/Account/Month
6	ACH Credit (CCD, CCD+, PPD)	\$	/Per Item
7	ACH Returns	\$	/Per Item
	Check Disbursement Services		
8	Check Paid – Positive Pay	\$	/Per Check
9	Stop Payment Web-based	\$	/Per Stop
10	Stop Payment Manual	\$	/Per Stop
	Check Depository Services / Remote Deposit Capture (RDC)		
11	RDC Implementation Fee	\$	/Per Scanner
12	RDC Monthly Maintenance	\$	/Per Scanner/Month

13	RDC Item Imaged	\$	/Per Item
	<ul style="list-style-type: none"> RDC - IRD Clearing 	\$	/Per Item
	<ul style="list-style-type: none"> RDC – “On-us” Items 	\$	/Per Item
	<ul style="list-style-type: none"> RDC – Image Clearing 	\$	/Per Item
14	Image Scanner (contract term / including maintenance)	\$	/Per Item
15	Deposits (Checks and Cash)	\$	/Per Deposit
16	Deposited Item (Check)	\$	/Per Check
17	Cash Processing	\$	/Per \$1000
18	Checks Re-deposited	\$	/Per Check
19	Returned Item (Check)	\$	/Per Check Returned
20	Deposit Tickets (MICR encoded) (beyond annual requirement)	\$	/Per Ticket
21	Deposit Bags (beyond annual requirement)	\$	/Per Bag
22	Endorsement Stamps (replacement stamps)	\$	/Per Stamp
	Web-Based Services		
23	Web-based Product Maintenance (If applicable)	\$	/Month
24	Web-based Account Inquiry	\$	/Per Inquiry
25	Web-based ACH Inquiry	\$	/Per Inquiry
26	Web-based ARP Inquiry	\$	/Per Inquiry
27	Web-based Paid Check Image Maintenance	\$	/Month
28	Web-based Paid Check Image (All Checks Processed)	\$	/Per Item Imaged
	(OR)		
	Web-based Paid Check Image (Per Item Viewed)	\$	/Per Image Viewed
	Armored Car Services		
29	Armored Car Pickups	\$	/Location/Day
	Programming Fees		
30	Programming Fees (If Applicable) indicate number of hours	\$	/Per Hour