



County of El Paso Purchasing Department
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ADDENDUM 1

To: All Interested Proposers

From: Sally Borrego/ Secretary

Date: January 31, 2007

Subject: Bid# 06-117, Vendors Receiving Specifications

The Purchasing Department received questions relating to the above referenced bid. The Auditors Office has responded to the following questions:

1. Page 14 Item#18 – Please provide the number of current trust accounts and the dollar balance?
Not all trust accounts are kept at the County's depository institution. When a judge orders to open a new trust account the County and District Clerk open a new trust account with the financial institution offering the best rate of return. The financial institution does not need to be the County's depository institution. At that time the selected institution must provide the services described in Item# 18.
2. Provide copies of account analysis statement of International Bank (at least 3 months)
The response to this question contains information which a third party considers proprietary and exempt from disclosure. The request for information and samples of the withheld information are being sent to the Texas Attorney General for an opinion as to whether the withheld information must be disclosed under the Public Information Act.
3. Please provide an electronic copy of the RFP in Word format with the fee calculator in Excel format.
An electronic format of the RFP may be obtained through the County Purchasing web page—www.epcounty.com, click the bid link from the main page. An Excel version of the fee calculator may be obtained from the Purchasing office; email Sally Borrego at sborrego@epcounty.com and she will send you a copy of the

calculator. All requests for the fee calculator must be received before February 9, 2007.

4. Is the County currently utilizing overnight investments? If yes, please provide average investment amounts for the past 3 months by month. What type of overnight investment is currently being used i.e., repurchase agreement, money market interest rate.

Currently the County is not utilizing overnight investments.

5. What is the average investment amount on TexPool and what are the rates for the last 3 months?

<u>Month</u>	<u>County's Texpool AVG Balance</u>	<u>TexPool AVG Monthly Rate Oct 06</u>
	\$77,845,677.99	5.2831%
Nov 06	\$72,403,793.12	5.2780%
Dec 06	\$84,623,157.90	5.2859%

6. Will the County share with all bidders the questions that are received from bidders?

Yes.

7. Does the County have an account schematic/structure? Are there any accounts on ZBA (Zero Balance Account) structure?

Currently the County has 33 NOW accounts and 8 Non-Interest Bearing accounts.

8. Please provide a copy of the last winning proposal from Inter National Bank.

Because the successful bid package is too voluminous to make available to all potential bidders, it is available for review in the Purchasing Office, located in Room 500 of the El Paso County Courthouse, 500 E. San Antonio, El Paso, Texas 79901 between the hours of 8 a.m. and 5 p.m. Mountain Time. Copies can be made at 10 cents a page for select portions or \$28.60 for the entire bid response.

A portion of the successful 2005 bid response contains information which a third party considers proprietary and exempt from disclosure. All pricing and rate information has been redacted from the material. The request and the redacted information are being sent to the Texas Attorney General for an opinion as to whether the redacted information must be disclosed under the Public Information Act.

9. Does the incumbent bank have a cash vault in El Paso? Is the cash vault owned by INB or is it outsourced? What is the cash vault deposit cut off time? What is working well with cash vault and what areas need improvement?

INB owns its cash vault in El Paso. The cash vault deposit cutoff time is 2:30 PM MST. The County has no complaints with the cash vault.

10. Are there any accounts that are set up to earn Earnings Allowance that is used to offset bank fees? What is the average monthly collected balance? Where is the Earnings Credit Rate (ECR) tied to?

Currently the County has no accounts set up to earn Earning Allowance to offset bank fees. The County pays for services by hard dollar direct fee compensation. Page 20 shows the ledger average balance. Because the County receives most of its funds via electronic transfers, the difference between ledger and collected balances is minimal.

The ECR is tied to the 91-Day T-Bill Yield and TexPool.

11. Page 10 item #15 – please provide County’s definition of “investment capital.”

On this item “Investment capital” relates to purchases of and/or improvements to property, buildings, furniture, equipment, fixtures, etc.

12. Page 11 item #30 – due to the large volume of information/number of pages on copy of all documents, agreements and service terms, is it possible to provide the County one master copy of all documents/agreements? Additional copies can be provided to the County if our company is awarded the contract.

We may not need all documents such as signature cards. But we need copies of all agreements and service terms.

13. Page 12 item #1 – Are warrants drawn to the Inter National Bank ABA routing number? Please provide a copy of the warrant. How are the warrant accounts funded – is it automatically funded at the end of the day via ZBA or does the County manually fund the warrant accounts? Are the warrant accounts funded same day or next day?

Item #1 of page 12 is referring to standard disbursements services like payment of checks or warrants presented at the bank. No fees may be withdrawn from the County’s bank accounts. The County Auditor must approve all signature cards.

14. Page 14 item #21 – is the County referring to an actual line of credit where the County needs to sign a note or is the County referring to a day light overdraft?

The County is referring to a day light overdraft.

15. Page 18 – Bank Services Activity

- How many accounts are included on this depository RFP? Information reporting indicates a volume of 510. Does this mean the County has 510 bank accounts? How many are interest earning vs. non-interest earning?

The County started FY 2006 with 44 bank accounts and finished the FY with 41 bank accounts. The information reporting is a monthly charge per account. On average the County had 42.5 bank accounts per month. 42.5 times 12 months is 510. On page 20 you can see the balances of the 9 accounts that are non-interest earning.

- Is the volume of 12,966 on Vault Services the actual number of deposits to the cash vault or is it calculated in the 100's i.e. the total dollar deposit of the County is \$1,296,000 (12,966 x100)?
12,966 is the actual number of mixed deposits. The County also had 1,610 actual deposits of only checks.
- What type of online information reporting is the County requiring i.e. Current Day, Previous Day?
Currently we have access to current day information, previous day information, current month information and previous month information for all accounts. As well as, ACH addenda information.
- Is the County receiving an account reconciliation report from INB – paper, online or transmission?
Online
- How is the County notified of the ACH addenda information – fax, mail, online or transmission?
Online
- How is the County notified of ACH returns and NOC – fax, mail, online or transmission?
Fax and Online
- Is the County generating its own payroll file or if this process outsourced to a vendor i.e. ADP?
The County generates its own payroll file

16. Page 2 and 17 – Service Requirements - Are deposited checks pre-coded?
Deposited checks are not pre-coded.

17. Page 17 – Service Requirements – What time will the armored courier arrive at the cash vault?
Currently our armored courier arrives at our current depository downtown cash vault before 2:30 PM MST.

18. Page 16 – Legal Collateral Specifications – Please clarify the collateral requirement for “overnight investment facility balances.”
Overnight investments must be 120% collateralized, too.

19. Page 18 – Fee Schedule – Does the County require detail information reporting for all accounts. If so, could the number of accounts and anticipated item volumes be provided?
Currently we have access to current day information, previous day information,

current month information and previous month information for all accounts.

20. Pages 13-14 – Service Requirements – Does the County maintain separate accounts for all trustees? Would a single omnibus account with allocation of income and separate 1099 statements be of interest?

Not all trust accounts are kept at the County's depository institution. When a judge orders to open a new trust account the County and District Clerk open a new trust account with the financial institution offering the best rate of return. The financial institution does not need to be the County's depository institution. At that time the selected institution must provide the services described in Item# 18.

21. Page 18 – Fee Calculator – Please describe the difference between “File Transmission” and “Single ACH Transmission.”

Single ACH Transmission is how the current depository classifies and charges for electronic transfers between County departments. They are still County's bank account but from different departments and different authorized signers.

22. Page 18 – Fee Calculator – The County states that it uses positive pay to execute stop payments. Please describe the use of “Positive Pay Void” and “Positive Pay Reversed.”

Under the current positive pay system all voided checks must be first reversed before they can be voided. Currently there is a charge under positive pay for all checks issued, for all checks paid, for all checks voided, and all checks reversed. The County downloads from its accounting system and uploads to the positive pay system most of the checks issued. There are checks issued for \$0.00 that are not removed from the download. The current positive pay system treats them as positive pay voids that don't need to be reversed because they were never issued for an amount. That's why there is a difference between positive pay void and positive pay reversed.

23. Page 18 – Fee Calculator – Please describe the use of “ACH Correction.”

ACH Corrections are ACH files returned because of wrong information submitted.

24. Can you provide the standard request for bid questionnaire by the Association for Financial Professionals (AFP) referred to on page 9, question 3?

The County does not have a blank copy of the AFP bid questionnaire. We have questionnaires that were submitted by other financial institutions on previous bid packages. Not all banks complete the AFP bid questionnaire. Some complete the BAI questionnaire. If you are unable to provide either questionnaire, please provide an explanation certifying that reasonable effort was made.

25. Can you clarify on page 10, question 21 if the County is referring to a specific product? If so, which one? Or is this related to the previous question 20?

Please provide the County with the current check clearing availability schedule.

26. Can you address the following issue with respect to the completion of the required Conflict of Interest Questionnaire? Under the Gramm-Leach-Bliley Act all consumer information in relation to a bank is protected under the privacy title 15 USC 6801 et seq. However, there are exceptions to disclosure of nonpublic personal information in 15 USC 6802(e) provided that the consumer issues written consent of disclosure to a third party. Will the County provide written authorization for the contracting personnel noted on page 8?

The County will provide written authorization for the contracting personnel.

27. We have noted that on page 10 and 11, that the numbering on questions 20 to 25 is duplicated. Will the County correct this duplication or should reference be made in the RFP response to the duplicate numbers? Please clarify?

We apologize for the inconvenience caused by this oversight. The County will not go back and correct the numbering. Please reference the duplicate numbers in your response.

28. Cash/Coin Services

In monthly terms:

- What is the amount of cash dollars deposited?
The volume of notes processed for the fiscal year 2006 was 938,763. The County does not have the dollar value.
- What is the amount of cash dollars ordered?
Several departments of the County request their own change. Two departments request change twice a month for an average of \$8,000.00 of mostly bills. Another department makes daily change requests for about \$700.00 of coins and bills combined.
- How many deposits are made via walk-up teller?
About once a month a detective of one of the County's law enforcement divisions will walk-up to a teller and deposit forfeiture funds.
- How many deposits are made via armored car services?
All deposits are made via armored car services
- What is the amount of cash dollars ordered?
See the second part of the answer to this question
- What is the amount of coin rolls ordered?
See the second part of the answer to this question.

29. Daily Bank Balances (p. 20)

- Are these balances Ledger or Collected?
They are Ledger Balances.
- Are the accounts listed in the first group interest or non-interest bearing accounts?
The first group is interest bearing. The second group of only nine accounts is non-interest bearing.

30. Trust Beneficiary Account

- Will the County require information reporting online for the Trust Beneficiaries accounts?
- Currently, how many Trust Beneficiaries accounts are held by the County?
Not all trust accounts are kept at the County's depository institution. When a judge orders to open a new trust account the County and District Clerk open a new trust account with the financial institution offering the best rate of return. The financial institution does not need to be the County's depository institution. At that time the selected institution must provide the services described in Item# 18.

31. ACH Services (p. 18)

- What types of ACH entries are presented in the service description SINGLE ACH TRANSMISSION? (i.e. vendor payments, payroll, cash concentration)
Single ACH Transmission is how the current depository classifies and charges for electronic transfers between County departments. They are still County's bank account but from different departments and different authorized signers.
- How are these entries originated? Using an online banking service or through direct origination?
They are originated using the online banking system.
- How much of the CREDIT/DEBITS volumes in payroll? How much is other type entries? (i.e. vendor payments, cash concentration)
From the 71,679 ACH Services – Credits/Debits, approximately 70,000 are payroll direct deposits, 250 are vendor payments, and 800 are retirees' insurance premiums payments.

The required number of extra copies stated on the bid has changed from two (2) copies to ten (10) copies.