

Questions

Bidder Conference

1. Can questions submitted earlier than the question deadline be answered earlier than June 27, 2016?
Answer: No.
2. How often do you provide the disbursement schedule?
Answer: The disbursement schedule does not change often. A schedule will be sent if requested.
3. Ability to get daylight overdraft disbursement schedule?
Answer: Yes, we can provide. (Numbers are estimates.)
Second Monday of each month, large EHS Medicaid payment (\$500 MM – \$950 MM).
Every other Friday, Payroll (\$200 MM). First payroll for this contract is January 13, 2017.
Last Business Day of the Month:
Teacher's Retirement Board Pension Payments (\$185 MM)
State Board of Retirement Pension Payments (\$140 MM)
Monthly Local Aid Payments (\$500 MM).
4. Does Treasury ACH to the float fund?
Answer: Everything is done through MMDT, which is managed by Federated.
Funding the account is done by wire from our Main account and MMDT.
Payments: The vast majority of payments are completed via ACH, some are direct debit and reverse wires.
5. Can CD-ROM be submitted?
Answer: No. Only submit flash drives.
6. Do you want additional information in the cover letter or the executive summary?
Answer: Only provide the information asked for in the cover letter.
7. Is the proposal valid for 120 days or 150 days?
Answer: 120 days.
8. Section D – Pricing seems to involve pricing.
Answer: Section D – Earning Credits

The Commonwealth is not asking questions that pertain to a specific cost or costs, just their response to these scenarios outlined and how the Commonwealth can make payments or use excess earnings credits or the combination of both.

9. Can you walk back through the central disbursement?

Answer: ZBA debits for the agency. Treasury has main accounts (payroll, retirement, etc.). There are 11 accounts. Nine other agencies have advance accounts. Controlled disbursement accounts. Money will start in our float account to cover our requests for the day, then it would serve the needs of the other nine agencies.

10. Can bank provide link to financial information?

Answer: No, attach hard copies.

11. Component 2 in DOR section (pg.44) references the 90 T bill (EC earning credit?). Does it supersede it?

Answer: Sixty basis points or 3 months Libor plus 25 basis points, whichever is higher.

12. Does ECR apply to each component? Fee for service or compensating balance? Does this apply to each component?

Answer: Yes. Treasury pays with hard and soft dollars. Agency accounts that fee sweep account are separate.

13. Is 60 basis points a floor for the Treasury?

Answer: Yes.

14. What kind of collateral is the Treasury looking for? RFR didn't specify.

Answer: Eligible Collateral:

- U.S. Treasury Bills
- U.S. Treasury Notes
- U.S. Treasury Bonds
- Federal National Mortgage Association (Fannie Mae) Notes and Bonds, senior obligations only
- Federal National Mortgage Association (Fannie Mae) mortgage backed securities
- Federal Home Loan Mortgage Corporation (Freddie Mac) Notes and Bonds, senior obligations only
- Federal Home Loan Mortgage Corporation (Freddie Mac) mortgage backed securities
- Federal Home Loan Bank (FHLB) Notes and Bonds, senior obligations only
- Federal Home Loan Bank (FHLB) Letter of Credit

- General Obligations of the Commonwealth of Massachusetts or its political subdivisions with an AA rating or higher
 - Government National Mortgage Association (Ginnie Mae) securities
 - Depositors Insurance Fund (DIF)
15. Monthly average balances for Registry of Deeds and Trial Accounts? Twenty-seven million annualized?
Answer: In calendar year 2015, the Registry of Deeds collected over \$325 MM. Averaging \$27 MM a month.
16. ECR, 60 is the floor. Could a bank propose 60 Libor or higher? Trying to keep it static or.....?
Answer: Yes, option of 60 or higher. You can respond in the way you want and the Treasurer will select what is in the best interest of the Commonwealth. There are no points award for agree to meet or exceed our 60 basis points minimum ECR.
17. Page 25, question 7. Is it ok to answer with cost?
Answer: Yes, it is okay to answer with the rate that would be charged for overdrawn accounts.
18. Page 56, component 3, #9. DynaCash Bank by Mail?
Answer: Not every bank has a footprint throughout the Commonwealth. This option is for those needing to make deposits by mail.
19. Since 2008 because of the size of certain banks they are subject to certain regulations. The Indemnity provision in the Commonwealth Terms and Conditions seems like a blanket indemnity. The OCC does not like unlimited liability and higher risks of certain institutions.
Answer: The intent is not to limit the pool.
20. Pricing Matrix component 1. Reference to desktop web delivery. What is that?
Answer: Domestic Drawdown Wires.
21. Component 1 Matrix. Do you need check sorting?
Answer: Yes, we do. This is the AFP code used by our current vendor and the description provided by AFP.
22. Is the Treasury getting IRD's, cancelled checks, online?
Answer: All online and image transmission. Some agencies are still receiving CD's or DVD's.

23. Components 1 & 2. Checkbox says only Treasury will use the contract.
Answer: All agencies will be able to use banking services under this contract. They will arrange for these services through the Treasury before they can proceed.
24. Based on core banking matrix approximately 256 accounts. Can you break down accounts? How many depository? How many disbursement (straight?)?
Answer: There are 50 accounts under core banking. Forty-three for Main Banking and seven for Unemployment. Main: 34 CDA, 4 ACH and 5 depository.
25. Component 1 pricing listed for lockbox. Should that be for Component 2?
Answer: No, it is reverse lockbox for checks.
26. Can you post updated analysis statements for components?
Answer: Yes. (Completed June 15, 2016 to COMMBUYS and June 16, 2016 to Treasury website.)
27. Properly issued payment/credit.
Answer: We have controlled disbursement accounts and someone from Treasury checks every day for the Treasury. The Treasury is responsible for the Treasury account even though it is a controlled disbursement account. Each agency is responsible for the pay/no pay for itself.
28. Lockbox. Are there line items not listed in the price proposal?
Answer: We condensed it. If there are items that need to be added for that component or any other component please add them at the bottom of the pricing matrix. Please make it clear that you are adding these line items.
29. Trial Courts/check disbursements, nothing in RFR about it.
Answer: 100200 represents paid checks processed.
30. Lottery. Are there defined locations for winners?
Answer: People can go wherever. There are some limits on payout. Some are directed to the Lottery Headquarters in Braintree.
31. In regards to cash and checks there isn't a breakdown about what it is. Is this all cash with no fees? Checks disbursed are 199,000 checks per month? Are these payroll checks, vendor checks, etc.?
Answer: Yes, requirement no fee to the customer presenting a check to the teller to be cashed. We will provide breakdown.
Vendor – 13.9%
Juror's Payroll – 1%

Department of Correction – 1.5%
Medicaid – 8.1%
Lottery – 12.2%
Department of Revenue – 46.7%
Executive Office of Health and Human Services – 1.8%
Department of Transitional Assistance – 1.1%
Payroll – 2.4%
Retirement – 4.5%
Miscellaneous – 6.8%

32. Will Lottery winners get direct ACH payment?
Answer: Potentially, but nothing is currently in the process of changing. Our preference is to get rid of all of our checks.
33. DynaCash also for lottery disbursements?
Answer: No. DynaCash is for emergency payroll. From time to time payroll errors happen and employees are issued DynaCash checks for their bi-weekly pay.
34. Registry of Deeds. Over \$250 million a year. Can you provide a breakdown of how much checks cashed?
Answer: About 5% of all deposits are cash.
35. What type of payments are the Trial Courts disbursing?
Answer: Payments to various Commonwealth agencies, Cities and Towns, Escrow Disbursements, Bail Returns, Civil Bond Returns, Restitution and Refunds.