



County of Roanoke

FINANCE DEPARTMENT PURCHASING DIVISION

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February 8, 2018

Banking Services for Roanoke County

RFP # 2018-063

ADDENDUM NO. 2

Answers to Vendor Questions

Due Date & Time:
March 2, 2018, 2:00 PM
(Local Prevailing Time)

**RFP # 2018-063
BANKING SERVICES
ADDENDUM NO. 2**

Please see the following questions submitted by interested vendors, and the answers provided by Roanoke County.

1. What are your estimated average balance levels anticipated for each of your fund buckets:

The County intends to utilize a combination of compensating balances to fund all bank service charges, and is open to carrying balances in other funds. However, with the RFP the main intent is to maintain \$4M - \$10M in the concentration account, and have an overnight sweep if available and worthwhile. If not, then we would consider maintaining funds in a short term investment account for additional \$5M. We do not anticipate utilizing longer investments within this relationship.

- A) Operating /Concentration account funds - 4,000,000.00 - 10,000,000.00
- B) Short term investment account funds, and - 5,000,000.00
- C) Intermediate/ Longer term investment funds - \$0.00

2. Does the County have ongoing coin and currency needs? If so, what is the estimated daily or weekly volume?

Yes, the County typically has small denomination and coin need either once or twice a week. Average need during non-tax months are around \$300.00 a week. During our main 10 week tax season in the spring, the need can be increased to a range of \$300.00 - \$700.00 a week.

3. On page 5, under item #7, the RFP states that "...the County is interested in learning more about other electronic payment options, such as E-Checks and EDI transactions or other On-line services you may offer." Can you elaborate more on what you are looking for?

Currently the County has a citizen self service module, which citizens can access and pay their pays. This bills are currently all paid via a 3rd party credit card vendor. The County is interested in learning if the corresponding bank, has product capability to interface with this module offering a citizen the ability to self-initiate e-check payment. Please advise you have other online payment solutions for citizens to use.

4. On page 7, under item #16...Electronic Escrow Reporting. Can you expand on specifically what you are looking for relative to your reporting needs?

Due to our high volume of escrows and the need to quickly balance them for reporting requirements, we are interested in understanding if the bank offers escrow account statements delivery in an e-statement format, or can facilitate an electronic file format. Currently we utilize a BAI2 file format for our main concentration account, but it is not for escrows.

5. On page 8, the RFP asks for the Bank's current rating. If a bank has not issued any public debt and therefore does not carry a public rating, does not having a public rating preclude the bank from consideration as a bank vendor in the RFP?

No; a bank's response would still be evaluated in these circumstances.

6. In Appendix A, page 2, Enterprise Payment processing. We do not offer this service. Does not having this service preclude us from consideration as a bank vendor in the RFP?

No, it does not exclude a response. In fact, the standardized codes are utilized to help facilitate a thorough review of responses on our side. A listed code should not be interpreted as the county using that service, just evaluating the proposal. In this case the County prints it own checks and does not contract for this service.

7. In regards to Section 16. Electronic Escrow Reporting: If a vendor does not currently have a product completely fitting the description you are asking for, but may have some work-around solutions, would that exclude such a vendor from participation in this RFP?

Escrow accounts are typically set up for businesses individuals who are required to put up collateral during building projects to ensure they meet all building requirements, and the County does not have to step in and correct a deficiency in the project in part or in total.

As such, escrow accounts are set up in the name of the County, with the County TIN, FBO for the entity or individual working on the project. Historically, accounts were set up with a local branch, consisting of a fixed rate CD allowing a 1 time free withdrawal, and monthly statements. With changes to financial services sector as a result of the economic downturn, several financial institutions no longer wanted to hold public funds. The ones that did have changed their management to where accounts are now open and held remotely, within a money market account structure, in the County TIN, with FBO for the builder, along with monthly statements.

The County is wanting to know, if escrow accounts are offered by the responding bank, whether or not the accounts would be handled locally via the local branch, or in a regional office with another department, and how monthly statements are handled.

Due to the number of accounts to be reconciled, the limited time frame for reconciliation to occur; and combined with the ability of our GL system to accept electronic files for reconciliation, monthly statement presentment is of special interest, but the current offering and management of escrow products on your platform is of the most interest.

8. Scope of Services #16 – Electronic Escrow Reporting. Who is the owner (tax responsible entity) of these 100 accounts, e.g. do all of the accounts have the County’s TIN designation?

The County is the owner of these accounts. We open them under the County's TIN.

9. Is the County managing funds for third parties? Who authorizes withdrawals and how are they administered?

We are managing these funds for businesses, citizens, and other organizations, who are required to put up collateral funds for building projects. The funds will be returned to the owners with interest after the job is completed and approved by the county.

10. Are there any 1099 reporting responsibilities?

Since the accounts have been opened under the County's TIN. Occasionally we will receive a 1099, but typically we do not.

11. How are service charges handled/billed for these accounts?

We traditionally receive no service charges or fees for these accounts. Occasionally, we will receive an audit charge from one of the financial institutions to provide records for the annual audit, which are typically waived once discovered.

Currently, we have around 80 accounts, with an average balance of \$12,500. However, about a large portion of the accounts are under \$10,000.00, with maybe 20- 25 accounts over \$10,000.

12. Scope of Services #18 - Can we request the County furnish the “annual units” for the individual line items appearing in Appendix A? Having this information will allow for a more complete understanding of the services requested and their relative scale.

We are currently in the process of trying to update the annual units based upon these standard codes. We hope to have this more thoroughly updated as soon as possible.

13. We noted that it is the County’s intent to utilize a combination of compensating balances to fund all bank service charges. Can you provide representative monthly balances for a calendar year?

Numbers rounded to the closest million:

Jan - \$5,000,000; Feb - \$5,000,000; Mar - \$5,000,000; Apr - \$5,000,000;

May - \$18,000,000; Jun - \$42,000,000; Jul - \$10,000,000;

Aug - \$10,000,000; Sept - \$4,000,000; Oct - \$4,000,000; Nov -

\$12,000,000; Dec - \$29,000,000

14. Are you currently outsourcing your payables process? If so, are all checks outsourced? Can you provide volumes?

We do not outsource our payables, and we are not looking at outsourcing

this function.

15. Are wire transfers being utilized? If so, can you please provide volumes for outgoing and incoming on a monthly basis?

Yes, we do utilize wire transfers with several different business and Governmental organizations.

Average monthly outgoing wires = 31

Average monthly incoming wires = 3. This average is slightly less than that listed in the pro forma calculation sheet.

16. Can you explain the fees listed on page 8 in more detail?

Many Financial services companies have certain nomenclature which is specific to your organization and industry. As such we have tried to lay out some potential fees for services in a more layman's vocabulary. The appendix page 8, was simply an attempt to cover any other fees that an organization may have, so they could disclose to us. If your organization has no corresponding fee, then no need to disclose. Some of these may be more specific to investment services, which are not included in this RFP.

17. Is an automated sweep currently being used as listed on page 7 of the appendix A?

The automated sweep was utilized for years, until the historic economic downturn, almost eradicated the ECR, and law changed for government funds full collateralization. If you do offer a sweep product, please explain the historic rate and the cost.

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