



## OFFICE OF PAYROLL ADMINISTRATION

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

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Questions were submitted by prospective respondents to the Banking Services RFP by COB on August 22, 2014, as stipulated at the Pre-proposal Conference on August 19, 2014. These questions along with OPA's responses follow:

- Q.** What is OPA's estimated total annual average ledger balance maintained for all accounts?
- A.** **All the OPA sub-accounts are Zero Balance Accounts ("ZBAs") that have no balances.**
- Q.** Can OPA provide a listing of the total dollar amount, total number of ACH transactions per file type and their effective dates or days of the week that employees are paid? Preferably the largest dollar amounts of each file type.
- A.** **Please refer to the spreadsheet on our website titled "Payroll Breakdown".**
- Q.** Based upon the 26 payrolls per month, can OPA provide a lay out in a one month calendar format of the various payroll cycles? For example:
- Weekly payroll - paid every Friday, what is the total amount of the largest file sent?
  - Bi-Weekly payroll - paid every Friday what is the total amount of the largest file sent?
  - Semi-monthly payroll - paid 15th and last day of the month, if a weekend, prior day, what is the total amount of the largest file sent?
  - Monthly payroll - paid first business day of the month, what is the total amount of the largest file sent?
- A.** **Please refer to the spreadsheet on our website titled "Payroll Breakdown". In addition, please refer to the payroll calendar titled "January Payroll Calendar", which can also be found on our website.**
- Q.** Page 9: The current account structure reflects 18 DDA's. Is this the account structure OPA is looking to recreate?
- A.** **Not necessarily. Proposers are invited to suggest an alternative structure.**
- Q.** Page 10: How many parent ZBAs does OPA require under proposal?
- A.** **Under the current account structure, OPA has 17 ZBAs, but may not necessarily be required under a new/proposed structure.**
- Q.** Page 12, ACH Processing: Will the ACH Payroll files be "balanced" or "unbalanced" payroll files?
- A.** **OPA ACH payroll files only have ACH credits, which are unbalanced files.**
- Q.** Page 12, ACH Processing: If balanced, will the Originating Bank be funded on Settlement Date of the file using a City owned account housed at the Originating Bank?
- A.** **N/A.**
- Q.** Page 14, Section 1.8: What is Notification of Change ("NOC") monthly volume?
- A.** **The annual volume in CY 2013 was 5,749.**
- Q.** Page 14, Section 1.8: Please clarify the volume ACH return.
- A.** **The monthly volume was provided. Please refer to Attachment B, ACH Payments.**

- Q. Page 16, Section 2.3: Please clarify if the intent is to export data from the Remote Deposit Capture system and upload to the receivable system.
- A. **Currently, OPA does *not* have a receivable system, but intends to have one in the future.**
- Q. Page 16, Section 2.3: The RFP states that all accounts are on Positive Pay; however, Attachment B shows a volume of only 1. Can OPA clarify exactly how many accounts are on Positive Pay?
- A. **All accounts are positive pay, except for the Imprest Fund account.**
- Q. Page 17, Section 2.8: How many Remote Deposit Capture scanners does OPA require?
- A. **5-10 scanners for 3 locations.**
- Q. Page 18–19, Section 3: “The selected Contractor must have the ability to track aggregated account information without identifying information and report back to OPA. Please clarify.
- A. **OPA is interested in high level data without identifying (personal or other confidential) information.**
- Q. Page 18, Section 3, Bullet #2: Online Reporting, Account Reconciliation Statements, and Reports: Is this ACH transactions for ACH converted checks?
- A. **Checks covered under the Check 21 Act are included.**
- Q. Attachment B, page 1: What are the estimated total deposits between all accounts does OPA make annually?
- A. **The estimated volume is 76. Please refer to Attachment B, Depository Services.**
- Q. Attachment B, page 1: How many items does OPA deposit annually between all accounts?
- A. **The estimated volume is 76. Please refer to Attachment B, Depository Services.**
- Q. Attachment B, page 3: It appears that OPA provided an annual volume of 5,271,379 for wires annually. Please clarify if this is dollar or volume amount.
- A. **This refers to volume, but the volume of 5,271,379 is *not* correct. This volume reflects the repetitive ACH credits made to the employees’ accounts when payroll files are processed. Our non-repetitive fedwire-outgoing volume is zero (0).**
- Q. Attachment B, Pages 3 – 4: What is the anticipated volume by incoming and or outgoing per month?
- A. **Zero (0).**
- Q. Attachment B, Pages – 4: What are the estimated peak and low volumes of incoming and outgoing?
- A. **Zero (0).**
- Q. Attachment B, Page 3: For outgoing wires, what is the method of origination? On-line bank platform, Integrated Payables, or some other customized Bulk Wire process?
- A. **N/A.**
- Q. Attachment B, Page 4: How many accounts would be originating ACH Credits/Debits transactions?
- A. **Under the current account structure, only one (1) account originates the ACH Credits/Debits transactions.**
- Q. **Attachment B, Page 4: How many times a month or annually does OPA send ACH file transmissions?**
- A. **26 transmissions per month.**
- Q. Attachment B, Page 4: How many ACH credits and debits are received monthly?
- A. **The monthly volume of ACH credits was provided. Please refer to Attachment B, ACH Payments.**

- Q. Attachment B, Page 5: How many times a month or annually does OPA send transmission files for their accounts on Positive Pay and Full Reconciliation?
- A. **26 Payrolls per month.**
- Q. Please send us the Pricing Sheet, Attachment B, in Excel.
- A. **The Excel version is available on our website.**  
[http://www.nyc.gov/html/opa/html/request\\_for\\_proposals/request\\_for\\_proposals.shtml](http://www.nyc.gov/html/opa/html/request_for_proposals/request_for_proposals.shtml).
- Q. Will you be opening ACH settlement accounts with BNY Mellon?
- A. **A new central treasury pool account will be set up to receive the incoming wires from DOF's central treasury master demand account once a new service provider has been selected.**
- Q. How many ACH IDs will you need?
- A. **We use 3 ACH IDs under our current account structure. Proposers are invited to suggest an alternative structure.**
- Q. How many files per month do you transmit?
- A. **26 files per month.**
- Q. Could you please provide an estimate of the average monthly ledger balances held in the DDA's?
- A. **The average monthly balance in the OPA payroll sub-accounts is zero (0).**
- Q. Will any of the DDA balances require securitization by marketable securities? If so, could you please provide an average monthly estimate for those balances? What are the requirements for collateralization (net of FDIC, Security Type such as MBS, etc) or alternately, could you please provide the regulation or statute that defines this requirement?
- A. **No, the OPA payroll sub-accounts are ZBA accounts with no balance.**
- Q. Is NY OPA interested in utilizing investment sweeps of any kind (MMF, Eurodollar, Late Night Investment (LNI))? If so, could you please provide an estimate of monthly average investment volume?
- A. **No.**
- Q. Is the Office of Payroll Administration (OPA) in a position to eliminate the funding stream from the Citibank and Chase accounts by replacing them with 1 Master ZBA account at BNY Mellon? This would reduce City costs for maintaining additional funding accounts and provide a more streamlined reconciliation of the OPA ZBA accounts with BNY Mellon.
- A. **Yes, OPA will certainly consider a better, more efficient payroll funding account structure.**
- Q. What is the purpose of the book transfer accounts for the Pension Employee and Water Finance payroll accounts? Do the book transfers originate from the Citibank and Chase primary funding accounts or do those accounts receive funding from other sources?
- A. **The purpose is to fund the payroll for the employees of the Pension agencies and Water Authority. These accounts may receive funding from other sources.**
- Q. Do you plan to send a combined file of both ACH and payroll items? If so, what file format do you plan to use? ANSI, XML, proprietary?
- A. **The City can conform to the bank issue file record layout.**

- Q. Related to your check printing requirements, can you provide the check stock and check format specifications that are referenced in the RFP?
- A. **No.**
- Q. Can you confirm your monthly payroll frequency as it relates to the check printing requirement, and volume of checks printed?
- A. **Please refer to the spreadsheet on our website titled “Payroll Breakdown”.**
- Q. Also related to Check Printing, how many individual OPA-designated locations are there per borough?
- A. **The City has offices in each of the five boroughs of New York City.**
- Q. For the requirement of providing you with the past two years’ of audit reports, will you accept our 10Ks electronically?
- A. **No, we prefer *not* to receive this information electronically.**
- Q. Page 9, Payroll Volumes – Of the 2.1 million checks issued annually, valuing \$1.8B, what percentage and dollar amount is associated with recurring payroll (not Medicare Part B or FICA refunds and misc.)? And, what is the average net payroll payment dollar amount?
- A. **Please refer to the spreadsheet on our website titled “Payroll Breakdown”.**
- Q. Page 9, Payroll Volumes – Are your Medicare Part B reimbursements and FICA refunds disbursed through your standard payroll process?
- A. **No. Payments that are made outside the regular payroll process are sent via mail.**
- Q. Page 28, 4.6 Card Termination – What are the conditions in which you would will cancel/terminate an individual’s payroll card?
- A. **TBD**
- Q. Can you provide the Price Proposal Form “Attachment B” in an excel format?
- A. **The Excel version is available on our website.**  
[http://www.nyc.gov/html/opa/html/request\\_for\\_proposals/request\\_for\\_proposals.shtml](http://www.nyc.gov/html/opa/html/request_for_proposals/request_for_proposals.shtml).
- Q. Are you currently outsourcing the check print functionality today?
- A. **No. Please refer to Section B, Optional Services—Printing and Mailing Payroll Checks.**
- Q. Which vendors provide these current services under this RFP?
- A. **Please refer to Section B, Optional Services—Printing and Mailing Payroll Checks.**
- Q. Can you provide the analysis statements for the associated services?
- A. **The analysis statement is available on our website.**  
[http://www.nyc.gov/html/opa/html/request\\_for\\_proposals/request\\_for\\_proposals.shtml](http://www.nyc.gov/html/opa/html/request_for_proposals/request_for_proposals.shtml).
- Q. Please explain how the Remote Deposit fits into the overall Payroll processing operations.
- A. **Currently, OPA uses the Remote Deposit capabilities to deposit checks into the City Treasury Master Demand and Pool Accounts. Please refer to Section 2.3 of the RFP.**
- Q. How many deposit accounts will OPA be depositing into for the remote deposit service?
- A. **The City (OPA/DOF) will make the final decision on which account(s) the deposits will be made to, once the new service provider has been selected.**

- Q. How many checks are deposited through the remote deposit service on an annual basis?  
A. **73 (from RFP).**
- Q. How many scanners is OPA currently utilizing and what is the make/model of these scanners?  
A. **Currently, we have approximately 3-5 EPSON TM-S1000 scanners between 3 locations.**
- Q. Under the pricing section for PC Initiated Fedwire and ACH Services, the first line item of "non-repetitive fedwire-outgoing" shows a volume of over 5 million. This volume seems a bit high to be actual wire transfers out of the account. Would you please further clarify what is included in this number?  
A. **This refers to volume, but the volume of 5,271,379 is *not* correct. This volume reflects the repetitive ACH credits made to the employees' accounts when payroll files are processed. Our non-repetitive fedwire-outgoing volume is zero (0).**
- Q. Would you please explain what prompted this RFP at this time?  
A. **OPA's current banking services contract will conclude on December 31, 2014. The intent of this RFP is to solicit proposals for a new contract for the provision of payroll banking and related services.**
- Q. How long has the current provider been providing these services to the OPA?  
A. **The original contract was a five (5) year contract, which commenced on January 1, 2006 and concluded on December 31, 2010. The original contract had one (1) three (3) year renewal option that OPA exercised, which commenced on January 1, 2011 and concluded on December 31, 2013. Subsequently, OPA processed a PPB extension for another year that commenced on January 1, 2014 and will conclude on December 31, 2014.**
- Q. Has your current provider incurred losses related to fraudulent check activity during the course of this relationship? If yes, please provide detail on the total amount of the losses.  
A. **The City has *not* incurred any fraud loss.**
- Q. In the Q&A document distributed at the meeting there were questions which relate to flexibility in the contracting process. The responses provided reference PPB rules. The contract section within the PPB rules however is rather brief. Would you kindly provide the exact clauses in the PPB which would provide guidance in relation to the questions #29 and #30 in the Q&A document?  
A. **Procurements by New York City agencies are governed by the Rules of the Procurement Policy Board. Additionally, agencies must comply with the provisions of Appendix A.**
- Q. On average, over all payroll programs, how many checks are issued per individual per month?  
A. **Two (2).**
- Q. What is the average tenure in job for an individual receiving payer checks?  
A. **N/A**
- Q. Can these numbers be broken out? (Would like to understand how much is payroll, how much is something else, etc) Can we have the number of checks and average amount?

			Average # of
			times per month
	# checks	\$ per year	# of checks an
	per year		individual
			receives in total
			an individual
			receives a check
Payroll			
Medicare			
FICA			
Other			
Child Support?			

A.

ACH CCD+	# of ACH Payments	Addenda Records	
June	27	635	269,512.41
July	30	646	275,199.40
August	28	863	369,689.35
Average	28	715	304,800.39

**For additional information, Please refer to the spreadsheet on our website titled “Payroll Breakdown”.**

**Q.** For programs like FICA, Medicare, and Other, are these single payments or an ongoing stream of checks? On average, how many checks are received by each individual in these programs?

**A.** In FY’14, the Office of the Comptroller (“OTC”) issued 5,117 Medicare Part B checks. In FY’15 (to-date), OTC has issued 5,002 checks totaling \$8,026,323.10. For FY’14, the number of PMS payroll checks was \$1.7 million (approximately), and 5,400 (approximately) FICA refund checks. On average, 1 check per individual is sent. For additional information, Please refer to the spreadsheet on our website titled “Payroll Breakdown”.

**Q.** When was the expiring banking services contract awarded and what were the terms – i.e. tenure and expiration?

**A.** The original contract was a five (5) year contract, which commenced on January 1, 2006 and concluded on December 31, 2010. The original contract had one (1) three (3) year renewal option that OPA exercised, which commenced on January 1, 2011 and concluded on December 31, 2013. Subsequently, OPA processed a PPB extension for another year that commenced on January 1, 2014 and will conclude on December 31, 2014.

**Q.** In Section III – Scope of Services of the OPA, Positive Pay was labeled as section 2.3 rather than 2.5 on page 16. Then from there the rest of the sections are wrongly numbered. Can we label the sections how they really should be or follow along with the existing number sequence?

**A.** Please refer to Addendum #1.

**Q.** If there is a section that a Bank wishes to not bid on, would OPA still like us to include that section within the RFP, or would it be ok to make a small statement that we are respectfully declining to bid on that specific section?

**A.** Please summarize your position in the cover letter.

**Q.** Form “Attachment C” requires acknowledgement of Addenda. Is there a web site where we can obtain an electronic copy of the posted Addendums?

**A.** Yes. If issued, the addendum will be available on OPA’s website.  
[http://www.nyc.gov/html/opa/html/request\\_for\\_proposals/request\\_for\\_proposals.shtml](http://www.nyc.gov/html/opa/html/request_for_proposals/request_for_proposals.shtml).

- Q.** How should we handle suggestions for alternative language to the Terms and Conditions stated in the RFP? Is there a separate section we could reference, such as “Citi’s Alternative Language?”
- A.** **There is no separate section for suggesting alternative language to the Terms And Conditions stated in the RFP. Proposers may include it wherever it would be most clearly presented.**
- Q.** Please confirm that the 5.2 million payments identified as ACH not wire transfers during the conference are included in the 7.7MM ACH payments listed on the price sheet.
- A.** **Confirmed.**
- Q.** Please confirm that if you change bank providers a new concentration account will be setup to receive the incoming wires from the DoF Central Treasury Master Account at Citibank. This new concentration account will fund the various ZBA Controlled Disbursement payroll accounts at your new bank. There is no need for the funds to flow from Citibank to the Chase Central Treasury Pool Account to your new provider.
- A.** **Confirmed.**
- Q.** You clarified that OPA is depositing checks via remote deposit scanners to the DoF Central Pool account (not an OPA account). If you change bank providers will the checks still be scanned to that account at Chase, thereby eliminating the need for remote deposit services at your new bank, or do you need to deposit to your own concentration account at your new bank?
- A.** **The City (OPA/DOF) will make the final decision on which account(s) the deposits will be made to, once the new service provider has been selected.**
- Q.** As requested by one of the banks at the conference, is it possible for you to provide a current account analysis statement (pricing of course, masked).
- A.** **The analysis statement is available on our website.**  
[http://www.nyc.gov/html/opa/html/request\\_for\\_proposals/request\\_for\\_proposals.shtml](http://www.nyc.gov/html/opa/html/request_for_proposals/request_for_proposals.shtml).
- Q.** Can OPA provide the average dollar amount of the payroll checks?
- A.** **Please refer to the spreadsheet on our website titled “Payroll Breakdown”.**
- Q.** Can OPA confirm that the estimated volume for Pay Cards would be a percentage of the individuals currently receiving paper checks?
- A.** **The City is *unable* to provide the volume.**
- Q.** Page 8 – Have liquidated damages ever been implemented on this contract? If so, can you share what key service level item was missed?
- A.** **OPA has not implemented liquidated damages for the current contract.**
- Q.** Page 9 references that there are 26 monthly payrolls and that OPA issues multiple payroll file transmissions for ACH in the course of any single day for each account. However, there is no volume for transmissions on their pricing sheet. Can OPA advise how many transmissions are sent to the current bank in the course of one month?
- A.** **We have 26 transmissions for 26 payrolls per month.**
- Q.** Page 9 references that OPA funds payroll via wire transfer. What is the volume of incoming wire transfers per month?
- A.** **We have 26 transmissions for 26 payrolls per month.**

Q. Page 11- The chart of accounts references book transfers between various accounts. Can OPA confirm the number of book transfers initiated each month?

A. **Under the current account structure, we have 8 book transfers each month.**

Q. Page 12 talks about NOCs and reversals, can OPA advise of the number of reversals and NOCs that are initiated each month?

A. **In CY 2013, the annual volume was as follows:**

**ACH NOC: 5,749**

**ACH Reversals: 2,332.**

Q. Page 12 states that OPA will transmit entries to the bank in the manner, and times as agreed. Can OPA share what time they transmit their ACH files today (both time of day and number of days prior to the effective date)?

A. **For a typical bi-weekly payday, files are transferred on Tuesday, between 1:00 pm to 5:00 pm, for Friday's payday.**

Q. Page 12 references that there will be child support payments initiated and earlier in the document OPA references tax payments. How many addenda records does OPA originate each month for both?

A.

ACH CCD+	# of ACH Payments	Addenda Records	Amount
June	27	635	269,512.41
July	30	646	275,199.40
August	28	863	369,689.35
Average	28	715	304,800.39

**For additional information, Please refer to the spreadsheet on our website titled "Payroll Breakdown".**

Q. Page 12 references end-to-end testing for child support payments. Can OPA share additional information around the requirements for end-to-end testing and if it is only required for child support payments?

A. **In addition to the child support payments, we would want to test that all file types can be received by the bank, processed internally (in a test system) and generate correct results. Also, we will test the reverse direction - receiving files from the bank (such as returned items) and processing them in a FISA test system to ensure accuracy of format and content.**

Q. Page 13 references debit blocks. On the pricing sheet it shows a count of 12 debit block monthly maintenance fees and 12 debit filter maintenance fees, yet there are 18 accounts. Can OPA explain the volume difference? And can OPA clarify the difference between the two services?

A. **Twelve (12) refers to a number of months in a given year, not accounts. OPA requires debit block on all of its ZBAs.**

Q. Page 20 references the proposer being able to provide check stock to FISA. Can OPA share a sample check with the proposers?

A. **No.**

Q. On page 24, regarding signatures, OPA states that there are different and multiple signatures required on the various check stocks; Proposers must advise how they propose to ensure that the correct signatures are affixed to the correct check stock. What is OPA's business rules for the different and multiple signatures (e.g. by account, by dollar threshold, etc.).

- A. OPA will provide the signatures and check stock requirements, once the new service provider has been selected. Business rules will not be provided at this time.**
- Q.** On the pricing sheet there is a line item for “repetitive ACH- PC initiated” with no volume. For these PC initiated transactions, can OPA provide volumes, the number of accounts set up for the service, the number of batches released and whether there are addenda records included?
- A. The volume is zero (0).**
- Q.** Does the City require that we provide evidence or a certification that our response is printed on recycled paper with 30% postconsumer material recycled content as requested on page 39 of the RFP?
- A. Yes.**
- Q.** On page 40, OPA mentions that responses need to be packaged in a “sealed inner envelope.” As our responses are going to be too large to fit in a sealed inner envelope, is it acceptable that our response is delivered in sealed boxes.
- A. Yes.**
- Q.** Is it ok if we include Attachment A (the Proposal Cover Letter Form) with our technical proposal?
- A. Yes.**
- Q.** Is OPA agreeable to including Attachment C (Acknowledgment of Addenda) with the technical proposal? Is it ok to include all attachments that require a response (except for the Attachment B – Price Proposal) with the Technical response?
- A. Yes.**
- Q.** On page 40 in section B (Proposal Package Contents (“Checklist”) question 1, the third bullet point lists a “narrative” document to be included. Can OPA provide additional information on what this document is or does this refer to the “Proposed Approach” section of our response? Does each of the mentioned documents need to be submitted separately or can they all be included with the Technical Response? The City asks that the “Doing Business Data Form” (Attachment F) be submitted in a separate envelope. Does OPA require one original copy of this form or an original with 10 duplicate copies and a CD-ROM?
- A. One (1) original set with ten (10) copies.**
- Q.** On the document titled ‘Information Security for Service Providers,’ can OPA define ‘consultants?’
- A. An individual who is not an employee of the City of New York.**
- Q.** Section IV, Format and Content of the Proposal: Letter B, item 1 specifies that the bank’s proposal should be provided in a specific order that differs from Letter A. Please clarify the order of the proposal that the City requires.
- A. Please submit your proposal as outlined in Section IV, B.**
- Q.** Section IV – Format and Content of the Proposal: This section specifies that the “Doing Business Data form” should be included in the third sealed envelope of the bank’s proposal. Which package should the bank include the other forms that were included in the RFP? E.g., Tax Affirmation Form, Bidder's Certification of Compliance with Iran Divestment, Affirmation, and Certification by Broker.
- A. Please include these documents with your technical proposal.**
- Q.** Attachment B—Price Proposal: Section IV A.3: Can we add additional rows at the bottom/end of Attachment B where we may need to include additional or alternative price points? If not, please advise where in the pricing pages we can add additional or alternative price points.

**A. No, but OPA will accept an alternative proposed fee structure or combination of fees that reflects the services sought under this RFP. Please refer to the disclaimer included on top of the Attachment B, page1.**