

Office of the Illinois State Treasurer
Michael W. Frerichs

Request for Proposals
Banking Services for the Illinois State Treasurer and the Illinois State Toll Highway Authority
370-500-24-037

Addendum 3
January 22, 2024

Below are the questions received by the Office of the Illinois State Treasurer (“Treasurer”) and the Treasurer’s responses. But for the removal of identifying information, the questions listed herein are intended to be accurate representations of the questions received; as such, any errors in usage or spelling have not been corrected. Any capitalized terms that are not defined herein have the meaning set forth in the Request for Proposals Banking Services for the Illinois State Treasurer and the Illinois State Toll Highway Authority 370-500-24-037 (“RFP”) published by the Treasurer on December 5, 2023.

1. Can you clarify how Remote Currency Manager is used? Is it a smart safe solution?

Neither the Treasurer nor ISTHA currently utilize RCM for the Services contemplated in this RFP. Respondents should provide all relevant options available.

2. Can you clarify what is needed with Image Cash Letter solutions?

ISTHA requires conversion of checks scanned by ISTHA to an image file. Images should be available for research purposes through the Contractor’s online banking platform. A sample letter is attached to this Addendum 3 as Exhibit A.

3. Which Intermediate document (IDoc) format is needed: Fixed length or XML. Is SAP the ERP system used?

ISTHA uses SAP as the ERP system, and requires XML format.

4. What is the process for the controlled disbursement service needing to interface with ERP in an IDoc format?

ISTHA seeks the ability to upload a file of cleared checks in order to automatically clear checks within its SAP system.

5. Which armored transportation service does the Treasurer and ISTHA use? Would there be an issue if the armored car took deposits of cash and checks to our cash vault at Brinks?

Armored courier services for services outside of a cash vault/Remote Currency Manager solution are not requested in this RFP. ISTHA currently uses internal staff to deliver currency to a local bank branch for deposit.

6. Can you confirm if BNY Mellon is a designated Third Party Custodian?

This RFP does not include the need for third party custodian services.

7. Page 13 #3 Provide documentation that sufficiently demonstrates Respondent's intent to continue providing Services or services similar to the ones outlined in Section III throughout the proposed contract term. Please provide examples of what documentation will be sufficient to meet this requirement.

There is no standard documentation required; the Proposal should simply include a statement confirming this for the Respondent.

8. Page 13 #5 Did you mean in the past two (2) years or the past ten (10) years?

Ten (10) years.

9. The 822 EDI format is on our 2024 road map, would this prohibit bank from responding?

Please note in the Proposal whether the service can be provided. If it not yet available, please provide documentation substantiating when Respondent will have it available for implementation.

10. Confirmation ISTHA is looking for 4 Sweep Investment accounts with these sweep investment accounts to be tied to Clearing Account, Revenue Account, General Account and Escrow Account?

Yes, ISTHA is looking for sweep investment options for all accounts to consider. Please refer to Sections III.A.16 and III.B.16 of the RFP.

11. Is it possible to keep all funds in the respective 4 accounts with the potential to earn an earnings credit rate and interest rate should the account be in an excess position after fees are offset?

Yes, it is possible. Please refer to Section III.A.17 – 19 and III.B.17 – 19 of the RFP.

- a. Do the funds need to be swept out of account for separate interest earningI?

Please provide all available options.

12. Appendix A: Please confirm all sub-ZBA accounts are 2 way transfers (Debits and Credits from Main ZBA)?

All ZBA subaccounts will require credit and debit transfers to their respective master funding accounts.

13. Appendix A: an EFT Receipts account is referenced under ISTHA Clearing Account. Please confirm if this a separate account not listed in Appendix A or another name for one of the accounts listed in Appendix A? Which account in Appendix A is this related?

This is a separate bank account for post pay IPASS receipts.

14. Appendix I: please advise the controlled disbursement funding account for the 4 accounts indicated as Controlled Disbursement.

Any funding would be handled by ISTHA through its locally held accounts. Please provide any restrictions or requirements the Respondent may have in funding tied to Controlled Disbursement.

15. Can you please share a recent analysis statement for the respective accounts, providing line item volumes? Appreciate if this could be provided respective to ISTHA accounts and Locally Held accounts?

Average monthly volumes from account analysis statements are provided in Appendices G and H to the RFP.

16. Please provide location physical street address for sites accepting cash deposits.

ISTHA's central administrative offices at 2700 Ogden Avenue, Downers Grove, Illinois, 60515 accept cash deposits. Other locations may accept deposits but ISTHA personnel pick up deposits from each such location and deliver them to the Downers Grove location for processing.

17. Confirm the number of remote deposit scanners currently in use by ISTHA?

ISTHA currently has two but would like any selected Contractor to provide three.

a. Also, if possible, current scanner model information.

TellerScan 240.

18. Please confirm the current safes (vendor, model number, etc.) used by ISTHA for cash collection, this is respective to Page 5, item 5.

Neither the Treasurer nor ISTHA currently utilize RCM for the Services contemplated in this RFP. Respondents should provide all relevant options available.

19. Section III.A.6, III.B.6 – What is the volume of the Remote deposit capture items?

Average monthly volumes from account analysis statements are provided in Appendices G and H to the RFP.

20. Section III.B – What are your primary physical locations for your locally held accounts?

2700 Ogden Avenue, Downers Grove, Illinois, 60515 accepts cash deposits. Other locations may accept deposits but ISTHA personnel pick up deposits from each such location and deliver them to the Downer's Grove location for processing.

21. Which bank (or banks) is/are the incumbent for the services requested in this procurement?

Bank of America, N.A.

22. Section III: Scope of Work, A.2, A.3, B.2, B.3 – Please clarify if the vendor is required to provide Armored Ground Transportation for both cash deposits and delivery of coin /currency order shipments. If not, will ISTHA staff be making the deposit and picking up coin orders at the local branch?

Please see the response to Question #5.

23. Section VI: A.4.c – Please clarify if a Daylight Overdraft line of credit is required for wire transfers. If so, what dollar amount is requested.

No.

24. RFP Page 5, #2 – How often do we need to make deposit pickups?

Please see the response to Question #5.

25. RFP Page 5, #3 – Do you currently utilize RCM today? If so, can you provide us the details of the services?

Please see the response to Question #1.

26. RFP Page 5, #3 – How frequent are the RCM machines served?

Please see the response to Question #1.

27. RFP Page 5, #3 – Are machines serviced from the interior or exterior of the building?

Please refer to the response to Question #1.

28. RFP Page 5, #3 – Would our RCM Solutions be dropping off the currency to the locations or would they also be filling the machines?

Please see the response to Question #1.

29. RFP Page 5, #3 – If our RCM solutions were filling the machines, what form of access is used to open the machines? (Locks, Keys, Codes?)

Please see the response to Question #1.

30. RFP Page 5, #3 – Are there any time restrictions or limitations for the drop off of the currency for the machines?

Please see the response to Question #1.

31. RFP Page 5, #5 – Can you please provide us more detail about the RCM and how it works?

Please see the response to Question #1.

32. RFP Page 5, #5 – What is the make and model of the machines?

Please see the response to Question #1.

33. RFP Page 5, #7 – Can you please provide more details about the image cash letter?

Please see the response to Question #2.

34. RFP Page 5, #9 – Do we need to be able to receive and send an IDoc formatted file to ISTHA?

Yes, ISTHA will use such file for automatic clearing of checks within its SAP system.

35. RFP Page 5, #9 – Can you please provide us with sample formats for all transaction types?

ISTHA currently does not have this capability. Proposals should include all formats available for consideration.

36. ZBA account structure clarification: Is there a multi-tier structure or multiple ZBA structures? Appendix shows one concentration account, however, details do not fully support this structure.

ISTHA uses a multi-tier structure, and there are multiple ZBA structures.

37. How many Remote Deposit Capture (RDC) check scanners are used, and at how many locations?

As stated in the response to Question #17, ISTHA currently has two but would like any selected Contractor to provide three. All scanners would be provided at the Downer's Grove location included in the response to Question #16.

38. Who is your current armored carrier? Are any of the cash deposits going to a cash vault?

Please see the response to Question #5.

39. Will ISTHA accept an armored car transporting cash to a vault instead of to a branch?

Please see the response to Question #5.

40. What ERP system do you use? Which systems are you using to communicate with the bank?

ISTHA uses SAP, but does not currently communicate with the bank.

The Treasurer uses Kyriba for transmission of payment files and bank statements. An in-house system is used for import of bank files exported from banking platform and in the future the files from Kyriba will be imported to this system. For payment and acknowledgement files specifically, the Treasurer requests ISO 20022 XML format, with bank statements in BAI file format.

41. What is the financial software the Tollway is using today and are there plans in the near future to change that?

SAP. ISTHA does not anticipate any near-term change.

42. Is having Checks on a CD-ROM required or can efficient alternative options satisfy this requirement?

CD-ROM is not required. Proposals should include all available options.

43. Is there an opportunity to rationalize the account structure or would it be your preference that the DDA Structure remains the same?

The Treasurer and ISTHA prefer the structure remain the same across all accounts, locally held and Treasurer held.

44. With EZ Pass Settlements, does that also include Merchant Processing or the ability for tollway drivers to pay with a credit/debit card as part of this procurement?

No, such merchant processing is not included in this RFP.

45. Do we need to put the Modifications to Contractual Terms in the exact format of Appendix O?

The exact format of Appendix O to the RFP need not be used, however, Respondents should note that the language regarding Appendix O in Section VII of the RFP will still apply to any alternate format. In addition, the restrictions on contractual modification from Appendix O will still apply to any alternate format suggesting modifications to contractual terms: Respondent “agrees with the terms and conditions set forth in the Treasurer’s RFP, including the Section VII, Contractual Terms, with the following exceptions”; “all of the duties and obligations that the Respondent owes to the Treasurer for the work performed shall be pursuant to the RFP and resulting contract,” and that any exceptions noted by the Respondent are subject to the acceptance by the Treasurer or as otherwise

mutually negotiated by the parties (which negotiation may only occur in the sole discretion of the Treasurer).”

46. Is the IDOC Format used to make payments or receive reporting?

Receive reporting.

47. Are the ACH Payments made via a NACHA File Format sent through a secure connection?

Yes.

a. Would the Tollway consider alternative payment methods such as Zelle, Instant Payments, Commercial Card in addition to the ACH/Wire/Check that is listed in the RFP?

No.

48. With positive pay, does the Tollway require same day decisioning or is next day decisioning sufficient?

Same day decisioning with a default to return the item if no decision is provided by a cut off time of 3:00 p.m. CT.

49. In Question 5, would that include any State of IL Agencies we work with or just other State Treasurers and Tollways that the bank work's with?

Any state treasurer or other government entities, including any and all states, not just Illinois.

50. Can we use other State of IL Agencies as references, even if they have an existing contract through the Treasurer's Office?

While it may be more helpful to include a diverse set of references, Respondents may include any references they see fit.

51. Would Cash Vault deposits, Smartsafes, and/or Smartsafes with a Recycler component be applicable replacement options to the branch deposit requirement.

a. If so, would the State of IL be willing to procure the safe directly through that provider with the support of the banking provider or would it need to be included as part of the bank's contract?

Please see the response to Question #1.

52. What locations utilize branch deposits?

Only ISTHA's central Administrative office at the Downer's Grove location identified in the response to Question #16.

53. In addition to the branch deposits, is the branch used for currency and change orders as well?

Yes

54. Scope of Services, Page 4 – What do anticipate will be the average daily dollar and potential peak dollar size of ACH Credit and ACH Debit files originated by the Treasurer and ISTHA?

Appendix K to the RFP provides monthly ACH and wire transfer values for locally held accounts, and please note that daily transactions can exceed \$30 million.

55. Scope of Services, Page 4 – What do anticipate will be the average daily dollar and potential peak dollar size of Wire Transfers originated by the Treasurer and ISTHA on a given day? Appendix D figures seem unclear if numbers provided are a daily average or monthly total.

Figures found in Appendix D are average monthly totals.

56. Please provide intermediate document "IDoc" format required with the ISTHA system for reconciliation services.

Please see the response to Question #3.

57. IV. Proposal, Section B, Background and Experience, Question 5: In the past two (10) years. Please clarify whether this is a two year or 10 year period.

Please see the response to Question #8.

58. Appendix O, Request for Modification to Contractual Terms: First sentence asks for (Name and Title). Please clarify if this should be the banking institution name, or the signatory's name and title.

This is meant to be the signatory and/or authorized person completing Appendix O to the RFP.

59. Can the ISTHA provide more clarity around what you consider remote currency manager (“RCM”) solutions?

Please see the response to Question #1.

60. Can the ISTHA provide more clarity on what is meant by “locally held”? Geographically, where do the accounts need to be maintained?

By law and as described in Section II of the RFP, the Treasurer is the custodian of ISTHA funds . Thus, bank accounts are held in the Treasurer’s name, and payments are made by the Illinois Comptroller out of the Treasurer’s accounts. However, the statutes permit ISTHA to have “local” accounts, which are held in the name of ISTHA, for payments that need to be made more quickly or conveniently. The ISTHA has checks that it can write on the local accounts without requiring Comptroller action. There is no geographic requirement for these accounts.

61. Can ISTHA provide locations of I-Pass transponder customer service centers. How often do you have cash delivered or picked up?

Please see the response to Question #5.

62. Can the ISTHA provide more clarity regarding the replenishment of cash at the I-PASS locations? Are you using a courier service, or are you looking for the financial institution to replenish?

ISTHA seeks to obtain currency at a local branch in order to replenish change funds. This happens very infrequently. Regarding armored courier services, please see the response to Question #5.

63. Would ISTHA consider utilizing cash vault services for ordering and depositing cash rather than utilizing branches?

ISTHA does not currently use cash vault services as described in the question, but Proposals should include any relevant solution offered by Respondent.

64. Can the ISTHA verify which IDoc format is needed – fixed link or html?

Please see the response to Question #3.

65. Please describe image cash letter requirements. Do you leverage this service today? Please confirm volumes as these do not appear within the pricing/volume documents?

Please see the response to Question #2. Average monthly volumes from account analysis statements are provided in Appendix G and H to the RFP.

66. What file format are you currently utilizing to send wire requests to your current FI?

The Treasurer's wire transfers are initiated through the bank's online portal. In the future, payments will be sent directly from Kyriba to the bank, with the bank sending back a file acknowledging and confirming the payment. The format for the file exchanges tied to payments originated through Kyriba is ISO 20022 XML.

67. BMO does not offer annual billing. Will ISTHA consider proposals that require a monthly billing structure?

ISTHA currently has a monthly billing cycle.

68. Is ISTHA willing to consider an interest checking structure vs an earnings credit structure?

Yes.

69. Can ISTHA please clarify how it initiates ACH payments today (i.e. send NACHA file, upload ACH batches to online platform, etc.)? How many ACH origination files does ISTHA submit per month?

ISTHA uploads ACH batches to an online platform. Average monthly volumes from account analysis statements are provided in Appendices G and H to the RFP.

ACH payments initiated by the Treasurer originate through another bank's online banking platform, that bank then creates the necessary files to originate debits and corresponding credits as included in the file. Average monthly volumes from account analysis statements are provided in Appendices G and H to the RFP.

70. Can ISTHA please confirm whether you are receiving current and previous day transaction detail files in BAI format? How is that being delivered? These line items do not appear in either of the volume/proposal documents.

Previous day BAI files are downloaded from the bank's online portal. Current and previous day BAI files are received through direct file transmission from the bank

to Kyriba. The current day BAI files are received at fixed intervals throughout the morning.

71. What does the Unencoded Checks-Other City item (Line 32) represent? Are these items deposited processed via Image Cash Letter, Remote Deposit Capture or both. Are you able to provide a breakdown.

It represents any check deposit is not pre-encoded whether it's through ICL, RDC or branch deposit. No further breakdown is available.

72. Are you able to confirm why there is a difference in your previous day items. Based on the volumes in Appendix G your Online Previous Day Items and Domestic Reporting Previous Day Items are different (9,380 vs 5,814). Found in Lines 118 and 124.

This is a result of the current vendor reporting.

73. Is volume for cash deposited (2,114) represented per \$1, per \$100 or per \$1,000 deposited?

Volume is per note.

74. Are you issuing both regular check debits (Line 46) and controlled disbursement check debits (Line 141)? How many accounts are setup as Controlled Disbursement accounts?

Line 46 is the volume of checks issued through controlled disbursement accounts. Line 141 is checks paid through the controlled disbursement accounts. Please refer to Appendices A and I to the RFP for accounts that utilize controlled disbursement.

75. Does ISTHA still require a CD Rom for retention? Is this service mandatory requirement? What are archive requirements for check images or other information?

Please see the response to Question #42, and note that Proposals should include all available options.

Exhibit A

Sample Image Cash Letter



Report Run On: 12/22/2023 09:42 AM CST
 Selected Start Date & Time: 12/21/2023 12:00 AM CST
 Account Group: All
 Account Number: All

Report Run By: Lisa Brown
 Selected End Date & Time: 12/21/2023 11:59 PM CST
 Deposits Created By: All
 Deposit Status: All
 Capture Source: All

Deposit Details by Account Report - Illinois State Toll Highway Authority

Account Name/Number: IL-Tollway	Number of Deposits: 1
Account Currency: USD	Total of Deposits Submitted: 2,500.00
	Total Number of Items: 1

Deposit Number	Item Count	Post Amount	Credit Amount	Adjustment	Depositor	Account Group	Deposit Date
0001844	1	2,500.00	2,500.00	0.00		Master	12/21/2023 02:04 PM
Item Number	R/T	Account Number	Check Number	Post Amount	Credit Amount	Adjustment	Currency
0000001	071001504		025831	2,500.00	2,500.00	0.00	USD

Report Run On: 12/22/2023 09:42 AM CST
Selected Start Date & Time: 12/21/2023 12:00 AM CST
Account Group: All
Account Number: All

Report Run By: Lisa Brown
Selected End Date & Time: 12/21/2023 11:59 PM CST
Deposits Created By: All
Deposit Status: All
Capture Source: All

Deposit Details by Account Report - Illinois State Toll Highway Authority

Account Name/Number: IL-Tollway [REDACTED]

Number of Deposits: 1
Total of Deposits Submitted: 2,500.00
Total Number of Items: 1

Account Currency: USD
(continued)

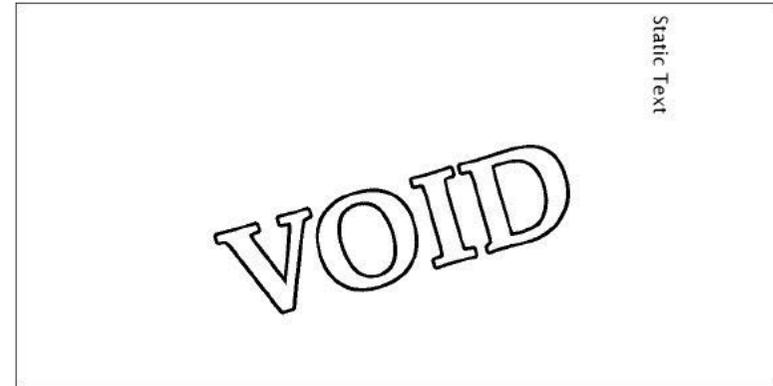
Electronic Deposit Image

Deposit #: 001844
Credit Amount: 2,500.00
Posting Date: 12/21/2023

Customer Name: Illinois State Toll High
Unique cust Id: ILSSTO05
Account Group: 1
Deposit Items: 0002

[REDACTED]

Front Item Number 0000000



Back

LAKESIDE BANK Chicago, IL 60604 2-160/719 25831

230 West Monroe Street Suite 2330 Chicago IL 60606

RECEIVED DEC 21 2023 FINANCE

12/12/2023

PAY TO THE ORDER OF Illinois State Toll Highway Authority \$ **2,500.00

Two Thousand Five Hundred and 00/100 DOLLARS

Illinois State Toll Highway Authority
2700 Ogden Avenue
Downers Grove, IL 60515

MEMO [REDACTED]

⑆02583⑆ ⑆07100⑆ 504⑆

Front Item Number 00000 [REDACTED]

Seq: 1
Dep: 001844
Date: 12/21/23

Deposited by: [REDACTED]

For Deposit Only to
Illinois State Toll Highway Authority
ILLINOIS STATE TOLL HIGHWAY AUTHORITY W

Back



Report Run On: 12/22/2023 09:42 AM CST
Selected Start Date & Time: 12/21/2023 12:00 AM CST
Account Group: All
Account Number: All

Report Run By: Lisa Brown
Selected End Date & Time: 12/21/2023 11:59 PM CST
Deposits Created By: All
Deposit Status: All
Capture Source: All

Deposit Details by Account Report - Illinois State Toll Highway Authority

Account Name/Number: IL-Tollway, [Redacted]

Number of Deposits: 1
Total of Deposits Submitted: 2,500.00
Total Number of Items: 1

Account Currency: USD
(continued)