

Finance Department
Fifty Raupp Blvd.
Buffalo Grove, IL 60089-2198
Phone 847-459-2525
Fax 847-459-7906

Banking Services Addendum #1

TO: Prospective Respondents and Other Interested Parties

FROM: The Village of Buffalo Grove Finance Department

ISSUE DATE: March 1, 2019

SUBJECT: ADDENDUM #1

Note: This Addendum is hereby declared a part of the original RFP documents and in case of conflict, the provisions in the following Addendum shall govern.

The following changes and clarifications shall be made to the RFP Documents for Banking Services.

Q1. Please provide a sample invoice/utility payment coupon

A1. Please see attached sample invoice payment coupon. The Village sends billing file to third party printing company who mails out invoices to residents. Bottom portion is the payment coupon that residents submit with payment in the provided PO Box addressed envelope.

Q2. What type of collections are processed through the lockbox and what is the acceptable payment method?

A2. Recurring monthly water payments accepted by check only are processed through the lockbox.

Q3. Please provide transmission format and data fields each check payment should contain.

A3. Every business day a text file format downloadable report containing resident's account number, date of payment and amount paid is ready for download on the bank's online portal by Village staff from the previous business day. Please see attachment of sample lockbox data file.

Q4. Do you have online access to checks and remittance documents?

A4. Yes. In addition to the downloadable file a financial report is provided for any date range specified. The report provides a total amount of payments collected for date range specified. The detail function of the report allows to select a specific payment and retrieve a check copy and listing of water account numbers payment has been applied to.

Q5. Do you utilize a stop file?

A5. The only time a lockbox payment can be rejected or accepted is if the water account number is not provided with check payment. Village staff receives an exception notification on the bank's online portal and can accept payment by manually entering the water account number or reject the payment.

Q6. Please clarify where the US Post Office box is located. Clarify if this box is established by the Village or is it acceptable if the bank establishes the post off box?

A6. The current PO Box is at the facility in Carol Stream. The Village would be open to relocating PO Box however awarded bank would bear the responsibility all expenses associated with the change.

Q7. If the lockbox volumes are for the utility payments, please identify the volume of items that would represent the sales tax and other items that you would envision coming to a separate lockbox or lockboxes

A7. Not applicable

Q8. Is your lockbox service retail our wholesale?

A8. Wholetail- a combination or retail and wholesale.

Q9. Can you provide a monthly volume breakdown of lockbox transactions? Also to show steadiness or swing volume of transactions?

A9. Please see attached Monthly Lockbox Transaction Volume report.

Q10. Please clarify what/how line item Electronic Bill Payment Received is used.

A10. Residents pay water bills using an electronic check and it comes through the Village's banks' online bill pay platform.

Q11. Please clarify what/how line item Electronic Bill Payment Monthly Maintenance is used.

A11. A fee is assessed for the use of the online bill pay platform.

Q12. How does the Village get paid for the Bill Pay items? Is it 1 ACH Credit or multiple ACH Credits per day? Or is payment a physical check into lockbox?

A12. Payments get consolidated into batches for each business day and the funds are credited into the Village's water account.

Q13. How is remittance information passed along to the Village for Bill Payment items?

A13. Village staff has access to the online bill pay portal to retrieve downloadable payment files, financial payment reports and search payments made. If there is a discrepancy and a payment cannot be processed, Village staff can manually update the payment or reject it.

Q14. If a branch is located within the 5 miles per the RFP, will an armored car service be used in conjunction with branch deposits?

A14. The Village is not likely to use an armored car service if a branch is located within 5 miles of the Village Hall.

Q15. What are the collection points?

A15. The Village Hall would be the only collection point.

Q16. Does the Village currently use Remote Deposit Scanners? If no, how many locations would require scanners?

A16. No. 3 scanners would be required at Village Hall.

Q17. Provide frequency of deposits (i.e., Daily, weekly etc.).

A17. Daily

Q18. Follow up question about the number of deposits, annually there are 200+, and the other deposits say it is 560. Is this in addition to the Lockbox of 560 deposits to the current bank?

A18. The total amount of lockbox deposits is 254. The total amount of deposits at the branch is 560.

Q19. From the existing check deposited volume please identify how many of the total items would still be deposited through the branch.

A19. If a remote check scanner will be used than ideally majority of checks will be deposited this way.

Q20. How are ACH items being submitted?

A20. ACH files are uploaded to the bank's online portal

Q21. Does the Village currently use Check Payee Positive Pay?

A21. Yes

Q22. Is the payee information captured in the current Positive Pay process

A22. Yes

Q23. The Village requires 10 accounts, what are the typical balances maintained in each account?

A23.

Flex 125 Plan: 9,233.07
Golf Account: 12,988.10
Operating Account: 299,583
Payroll Account: 60,284.30
Police Federal Account: 153,131.98
Police Pension Fund: 35,666.48
Police State Account: 28,633.49
Police State Article 36 Account: 5,173.10
Water and Sewer Fund: 5,675,604.96
Motor Fuel Tax Account: 0*

* This is a clearing account so it depends on timing of payments and projects

Q24. Please provide balances to be maintained in all the accounts.

A24.

Flex 125 Plan: 0
Golf Account: 0
Operating Account: 300,000
Payroll Account: 0
Police Federal Account: 0
Police Pension Fund: 8,000
Police State Account: 0
Police State Article 36 Account: 0
Motor Fuel Tax Account: 0
Water and Sewer Fund: 850,000

Q25. How many investment/savings accounts does the Village have?

A25. All accounts listed are checking accounts

Q26. Which of the 10 checking accounts have a companion investment/savings account?

A26. None

Q27. Does the Village have any sweep accounts?

A27. No

Q28. Are any of the 10 checking accounts Zero Balance Accounts (ZBA)?

A28. No

Q29. Which of the 10 checking accounts are analyzed commercial checking accounts?

A29.

- Flex 125 Plan
- Golf Account
- Operating Account
- Payroll Account
- Motor Fuel Tax Account
- Water and Sewer Fund
- Police Pension Fund

Q30. What is the Peg or Target balance for each of the analyzed commercial checking?

A30. Does not apply.

Q31. Do these balances fluctuate monthly, quarterly, annually?

A31. Monthly

Q32. Please provide percent of fluctuation up/down.

A32. The operating account carries higher balances during periods of real estate tax distribution. The balances tend to be approximately 10-15% higher during Cook County's distribution months of March and September. Balances tend to be approximately 25% higher during Lake County's distribution months of May and June. These estimates are not derived from analytical calculations. Depending on the Village's strategic planning goals, the balances might be higher/lower based on cash financing needs. The other accounts have minimal fluctuations.

Q33. Please provide a copy of the Attachment C Form as stated in the Community Reinvestment Act (CRA) section of your RFP

A33. Submittal of most recent CRA rating and bank's statement of community involvement and investment program will suffice.

Q34. Please clarify your 25 page limit for proposal submissions. Does this also include your completed forms and exhibits such as the Funds Availability Schedule and a Draft Agreement?

A34. The 25 page limit does not include completed forms and exhibits. However the Village expects the RFP submittal to be concise.

Q35. Will the Village consider settling banking fees on monthly, quarterly or annual basis?

A35. Monthly

Q36. Is the intent to pay for fees through an Earning Credit ? Or Hard Dollar Interest?

A36. Both will be considered.

Q37. Our service offers the 90 day standard storage. You requested long term archive information too?

A37. Correct

Q38. Please provide clarification on the number of accounts needed? RFP indicated 10 accounts; Schedule of Prices indicates 7 accounts.

A38. 10 Accounts

Q39. Please provide clarification on discrepancies in the numbers provided for Positive pay items at 3,153, while checks paid are only 2,901.

A39. The number includes ACH positive pay

Q40. Can the Village provide the entire document or at a minimum the Public Contract Statements, Profile and Qualifications Form, Schedule of Prices, and Appendix A in Microsoft Word format?

A40. No

Q41. Please confirm that the Village will accept a Public Unit Deposit Letter of Credit issued by the Federal Home Loan Bank of Chicago as a collateral option.

A41. This is acceptable.

Q42. Please clarify item #5 under Section VI – Forms and Accompanying Documents. Is the Village looking for the awarded bank to provide an agreement separate from that provided by the Village as Appendix A? Or would you be looking for the awarded bank to sign the agreement

A42. Village would prefer that the contract set forth in Appendix A is used.

Q43. Regarding Section VII, item #1, will the most recent statement of assets and liabilities suffice?

A43. Yes

Q44. Please define a “benefit vendor” and explain how it impacts the Village’s payroll?

A44. Payments for benefits processed with each payroll cycle.

Q45. On page 9 under Wire Transfers paragraph #1, please define the term “available for investments” as it pertains to wire transfers received by the Bank prior to the end of business day.

A45. Funds can be wired out the same business day they are wired in. For example if a wire is received at 11am those funds can be wired out at 2pm the same business day. If any timing parameters exist the Village will need to be notified.

Q46. Is the Village considering/willing to entertain proposals for merchant card processing? If so, please provide volume details (statements are best).

A46. The Village is not interested in this service as part of this proposal.

Q47. Is the Village considering/willing to entertain proposals for a commercial card/purchasing card solution?

A47. Not at this time.

Q48. Is the Village considering/willing to entertain proposals for investments?

A48. Not at this time.

PROSPECTIVE RESPONDENTS ARE TO ACKNOWLEDGE RECEIPT OF
ADDENDUM #1. PLEASE INCLUDE AND NOTE THIS ADDENDUM IN YOUR
RESPONSE.

RESPONDENT: _____

SIGNED: _____ DATE: _____

TITLE : _____

Sample Lockbox Data File

111111111001000000810702-26-19
111111111001000000959802-26-19
111111111002000000408102-26-19
111111111001000000608102-26-19



The Village has upgraded the security for online payments. Users can now create an account, attach a credit card to the account for single bill payment or reoccurring automatic payments. The enhanced view will also allow users to view and reprint current or previous utility bills. Sign up at www.vbg.org under resident services by selecting water and sewer utility billing and click on Make a Payment.

PLEASE SEE OTHER SIDE FOR ADDITIONAL BILLING INFORMATION

VILLAGE OF BUFFALO GROVE

NAME: JOHN DOE
SERVICE ADDRESS: 0 DIRECT BILLING LN

BILL DATE: 02/15/2019

ACCOUNT NUMBER: 000000005-001



METER INFORMATION

For 30 days of service...from 01/01/2019 through 01/31/2019

PRESENT BILL PREVIOUS BILL USAGE
READING TYPE READING TYPE (1000 GALLONS)

PRIOR BALANCE \$0.00

STORMWATER FEE \$87.99

TOTAL CHARGES DUE BY 03/05/2019 \$87.99
IF PAID AFTER 03/05/2019 \$96.79

RETURN BOTTOM PORTION WITH YOUR CHECK MADE PAYABLE TO VILLAGE OF BUFFALO GROVE.

DETACH HERE

RETAIN TOP PORTION FOR YOUR RECORDS

DETACH HERE



VILLAGE OF BUFFALO GROVE
50 RAUPP BLVD
BUFFALO GROVE, IL 60089-2100

ACCOUNT NUMBER: 000000005-001



TOTAL CHARGES DUE BY 03/05/2019 \$87.99
IF PAID AFTER 03/05/2019 \$96.79
AMOUNT PAID

5346 1 AB 0.412
JOHN DOE
10 DIRECT BILLING LANE
GRAYSLAKE, IL 60030-0000

12 1 (0005346)
26-100-003



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