

**PURCHASING
AND MATERIALS
MANAGEMENT**



**City of Myrtle Beach
SOUTH CAROLINA**

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Addendum #02

August 25, 2023

RFP 24-R0003

Banking Services

The purpose of this Addendum #02 to RFP 24-R0003 for Banking Services, dated October 16, 2020, and previously amended on August 9, 2023, is to answer the following questions:

1. Can you provide any recent bank statements on the current accounts showing the earnings credit rates, interest rates, and transaction history for analysis accounts? Is it possible to obtain a copy of the City's latest account analysis statement to review for volumes and services? We are requesting three months of redacted analysis statements that will indicate for each month the Average Ledger Balance, Average Collected Balance, AFP Codes, and the associated line item description and volumes.

Bank statements are not available. Please utilize the average monthly volumes provided in Addendum 01 to complete the pricing proforma.

2. What is your current earnings credit rate on your analysis accounts?

Our current earnings credit rate is not available. Please provide us what your bank is willing to offer.

3. What are the current interest rates on your interest-bearing accounts?

Our current interest rates are not available. Please provide us what your bank is willing to offer.

4. What dollar amount of total deposits are in interest-bearing accounts?

The total deposits in our interest-bearing checking accounts are approximately \$5,500,000.00

5. In lieu of a repurchase agreement account, will the City accept collateralized deposits, FDIC insured deposits using investment cash sweep option through IntraFi network?

The City is open to the idea, but we will need to do more research before making any commitment.

6. If using FDIC insured deposit options through IntraFi, do the deposits have to be insured only by banks operating in South Carolina?

No, the deposits do not have to be insured only by banks operating in South Carolina.

7. Can you provide copies of your current purchasing card agreement and/or monthly statements?

Our current purchasing card agreement is not available. Please provide rebate structure, settlement frequency, and p-card options based on \$5,000,000 in annual spend.

8. Once a participant is awarded the RFP contract in October, when would the accounts be opened and fully funded with the new participant?

Our target date for opening and fully funding accounts is July 1, 2024.

9. Please provide a copy of the latest lockbox coupon/file specs.

Lockbox coupon/file specs will be provided to the awarded bank. The City will work with the bank to ensure coupons meet bank requirements.

10. Does the bidder bond verbiage on page 3 pertain to this specific RFP? This requirement is unusual for a banking services RFP. Will the City of Myrtle Beach waive the bond requirement?

The bidder bond verbiage on page 3 does not pertain to this specific RFP.

11. Is it possible to extend the RFP submission deadline to allow time for a fully executed response?

No, it is not possible to extend the RFP submission deadline. Responses are due no later than 2:00PM (local time) on Tuesday, September 5, 2023. No electronic submissions will be accepted. The City is not responsible for late or misdirected mail.

12. Will the City provide a cost proposal template in Excel format or does each bidder provide their own?

Each bidder will be responsible to provide their own cost proposal template in Excel format.

13. Will the City allow for the annual report and call report to be provided via a hyperlink in the response?

The annual report and call report are to be provided as specified in the RFP document.

14. Over the past 18 months, several banks have decided to exit the Stored Value Card business. Banks are getting out of this business because of concerns that these cards can facilitate money laundering or can be used for illicit purposes. Is this a mandatory service that will disqualify a bank's response to the City's RFP?

No, this is not a mandatory service that will disqualify a bank's response to the City's RFP.

15. Please provide transaction volume information for assessment to include an ATM in our response? Does the City intend to continue to use a third-party vendor for ATM services?

The City uses a third party vendor for ATM services at our detention facility; therefore, transaction volume is unknown. Yes, the City intends to continue to use a third-party vendor for ATM services.

16. What type of Sweep is the City utilizing (i.e. repurchase or money market?)

The City is utilizing repurchase as their type of sweep.

17. How many City employees require access to online services?

Less than fifteen (15) employees require access to online services.

18. How does the City plan on delivering the ACH Files to the bank (i.e. online or direct transmission?)

The City intends to use both online and direct transmission to deliver ACH Files to the bank.

19. Is the main purpose of the purchasing card travel and expense/entertainment, procurement, or both? Is there a single transaction limit restriction for cardholders?

The main purpose of the purchasing card is both travel/expense and procurement. There is no single transaction limit restriction for card holders.

20. What is your overall card spend?

Our overall card spend averages \$75,000 per month, with a current credit limit up to \$1,000,000.

21. What is your overall goal/strategy for your card program?

Our overall goal/strategy for our card program is to streamline purchases and reduce Accounts Payable transactions.

22. Of your overall card spend, what portion is T&E/Tangible card and what portion is AP/Vendor payment?

The majority is travel and expense. This is a recent program for the City, and will likely expand the vendor portion of p-card transactions.

23. What cardholder controls are you leveraging today?

We currently leverage two approvers and spend limits as cardholder controls.

24. What reports are you using today with your current provider platform and how are you using to integrate with your ERP?

We are currently using Expense Export that includes GL codes, along with Receipt reports. These do not integrate with our ERP.

25. What ERP system(s) are you using today?

Currently, we use INFOR as our ERP system.

26. Is the City of Myrtle Beach willing to explore a fully integrated payments process that includes all payment types (ie: check, ACH, card?)

The City is willing to gather more information on an integrated payments process.

27. Is the City of Myrtle Beach willing/able to provide a full vendor file for analysis?

A full vendor file is not available at this time.

28. What is your annual AP spend (minus payroll?)

This data is not available.

29. What is your total vendor count?

Our total vendor count is over 7,000 but that includes payments for "one-offs" such as jury duty and utility deposit refunds.

30. What is your annual AP transaction volume/dollar amount (excluding payroll?)

The majority of the City's expenditures are paid by check. Our FY24 operating budget is over \$300 million. In FY22, our Accounts Payable team issued 10,844 checks.

31. What is your B2B current payment mix (ie %check, %ACH, %card?)

Our current B2B payment mix is 90% check.

32. Do you have a campaign strategy for moving suppliers away from check to electronic payments (ie: card or ACH?) If so, what does that look like?

The City does not have a campaign strategy for moving suppliers away from check to electronic payments.

33. Is a post office box located in Lexington, SC acceptable to the City?

No, a post office box located in Lexington, SC is not acceptable to the City.

34. Do the utility coupons have an OCR scanline to automate the lockbox processing? If so, please provide the sequence embedded in the OCR scanline/barcode of the provided bills.

Yes, the utility coupons have an OCR scanline to automate the lockbox processing. The sequence is the account number and the dollar amount owed.

35. What is the average monthly volume of items presented through the online decisioning module? Is the lockbox currently processing check-only payments containing a valid account number? If so, what is the average monthly volume of these transactions? What is the average monthly volume of correspondence items received (envelopes without a payment included?) What is the average monthly volume of payments returned to the City as unprocessable?

Please utilize the average monthly volumes provided in Addendum 01 to complete the pricing proforma.

36. How many multiple coupon, single check transactions are being processed by the lockbox each month?

Less than one hundred (100) multiple coupon, single check transactions are being processed by the lockbox each month.

37. Does the City require a daily posting file?

Yes, the City requires a daily posting file.

38. Is the contract with Loomis a contract with the City or with your current bank?

The contract with Loomis is with our current bank. If it becomes necessary to change to another carrier, then the City will complete cash pickups as required by said carrier.

39. Are the fees associated with armored car paid through compensating balances?

Yes, the fees associated with armored car are paid through compensating balances.

40. What is the average per deposit ticket value?

The average per deposit ticket value is between \$10,000 - \$20,000 per week with an increase up to \$25,000 per week in the summer months.

41. How do you currently prepare your cash deposits?

Cash and coin, along with a deposit slip, are put in the bag for delivery to the bank.

42. Will bagged coin be prepared for deposit?

Yes, bagged coin will be prepared for deposit.

43. What is the composition of your deposits? Do you send checks along with cash and coin? If so, do you separate your check deposits from your cash and coin in separate bags with separate deposit tickets?

The composition of our deposits includes cash and coin. Checks are not included with cash and coin.

44. What are the average and maximum dollar amounts of payroll and vendor files?

The average dollar amount of payroll and vendor files is \$1.5 million, with a maximum of \$1.9 million.

45. Are all accounts listed eligible for Account Analysis? If there are accounts that must stand alone, please provide the account name(s.)

All but six (6) accounts are eligible for Account Analysis. Stand-alone account names will be provided to the awarded bank.

46. Describe daily reporting needs and how the reporting is shared/transmitted currently by the bank to the City.

Daily report needs should be available via online banking and SFTP. The financial institution should have the ability to work with our software company on file formatting requirements.

47. How many employees are administrators of the online banking platform? How many of the City's employees approve funds leaving the bank (ACH, wires, positive pay?)

Three (3) employees are administrators of the online banking platform and approve funds leaving the bank.

48. Are statements needed by mail or electronically?

Electronic statements are preferred.

49. How many accounts initiate ACH?

Three accounts initiate ACH.

50. What wire limit is needed by the City daily?

The current daily wire limit is \$4.5 million, but that number needs to be readily adjustable.

51. Does the City plan to only pay hard fees, or is there an interest in reviewing a compensating balance program?

There is interest in reviewing a compensating balance program.

52. How are cardholders currently coding and submitting their transactions/statements? How are receipts provided.

Cardholders use an online expense report with a drop-down menu of charge codes. Receipts are uploaded with each expense.

53. Do you currently pay any vendors (one-time or recurring) with a card? If so, are they paid with a static (same) card number each time, or is a single-use virtual card account used?

Yes, vendors are paid with a card with a static number.

54. Are reward points or a cash rebate/statement credit associated with the account?

A cash rebate is associated with the account.

55. What is your settlement frequency and grace period?

We have a monthly settlement frequency and grace period.

56. Is the City's logo on the cards?

No, the City's logo is not on the cards.

57. Does the City receive any data transmissions or file extracts related to the current program?

The City receives file downloads related to the current program.

58. Please provide the monthly volumes for services supplied through "electric lockbox" on the price grid.

Please utilize the average monthly volumes provided in Addendum 01 to complete the pricing proforma.

59. Does the City utilize one lockbox or multiple lockboxes? Do you own the PO Box with your current lockbox partner, or does your provider?

The City utilizes one (1) lockbox. The provider owns the PO box.

60. What information is needed by the City from the envelope? How often is this needed?

The City only requires images of the payment coupon, check, and any additional correspondence within the envelope. The images should be provided daily.

61. Are credit card payments received by mail, and if so, what is the volume per month/year?

Credit card payments are not received by mail.

62. What percentage of lockbox payments come with the remittance coupon/document and how many without?

Ninety percent (90%) of lockbox payments come with the remittance coupon/document. Ten percent (10%) of lockbox payments do not come with the remittance coupon/document.

63. What information does the City require reported back? Does the City need any of these documents returned?

The City requires totals, receipt numbers, account numbers, dollar amounts, and electronic copies of processed payment with check and stub information to be reported back. Yes, the City requires documents to be returned.

64. Please provide processing instructions for the current lockbox set-up.

The City receives a text file with the date, amount, and account number to import to reconcile our subsidiary ledger. This is our current process. However, we are in the midst of an ERP conversion, thus any future type of file required remains unknown.

65. Where is the current lockbox mailing address?

The current lockbox mailing address is PO Box 1346, Myrtle Beach, SC 29578.

66. Describe the feature/functionality needed from the online lockbox portal?

We do not have an online lockbox portal.

67. How many deposit slips are needed? How frequently are deposits being made?

Deposits are made daily from many locations throughout the City.

68. What size deposit bags will be needed? How many deposit bags will be needed on an annual basis?

The City estimates that 5000 disposable standard size deposit bags will be needed on an annual basis. This may number may fluctuate, especially if zipper bags are used.

69. The RFP states respondents must provide, "Confirmation that the bank will adhere to City's collateral policy." We fully collateralize public funds as required by South Carolina Code of Laws (Section 11-12-60, Section 6-5-15, and Section 11-1150.) Does the City have a separate formal written collateralization policy? If so, can that policy be provided?

The City follows the South Carolina Code of Laws as its policy.

70. Under South Carolina Code of Laws Section 6-5-15 (E) (1) (b) – Would the City be willing to utilize the Pooling Method where "a pool of collateral is established by the qualified public depository under the direction of the State Treasurer for the benefit of local entities?"

Yes, the City currently uses LGIP accounts.

71. In Section 12.04 “Contract Timeline” – While our intention is to fully execute a written contract within ten (10) City business days of acceptance, we require internal counsel to review all contracts at the time of award. Would there be any flexibility to the timeline in the event that unforeseen circumstances cause a short delay during the review process?

The City desires to hold to the established timeline. Any request for an extension must be fully justified, and may or may not be granted solely at the discretion of the City.

Submit four (4) original paper copies with all required forms along with one (1) searchable electronic copy on a USB flash drive in Microsoft Word or PDF format in a sealed envelope no later than Tuesday, September 5, 2023 at 2:00PM (local time.) Late or electronic-only proposals will not be accepted. The City is not responsible for late or misdirected mail.

Thank you,
City of Myrtle Beach
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