



# STATE OF NEBRASKA

Don Stenberg, State Treasurer

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## ADDENDUM ONE

Date: March 5, 2014

To: All Bidders

From: Jason Walters, Buyer  
Nebraska State Treasurer's Office

RE: Questions and Answers for Request for Proposal Number NST021314  
to be opened April 4, 2014 at 2:00 PM Central Time.

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Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal.

Questions	Answers
1. Is it mandatory that the responding Financial Institution have an active UPIC service at the date of RFP submission?	UPIC services should be active at the time of implementation of the contract.
2. Will the following response be deemed acceptable for the mandatory requirement of providing UPIC services to the State?  UPIC is a 2014 product enhancement at the Financial Institution. The service is not active at the date of this RFP response but will be active in 2014 and can be made active by the State's desired service go live date (currently listed as TBD).	Yes.

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<p>3. Can the State please provide more detail in regards to anticipated average collected balances held at the Financial Institution? There is minimal information in each Agency write-up pertaining to average collected balance and the collateral requirement section states up to \$75MM mandatory.</p>	<p>Depending on the structure of the relationship, the mandatory amount of collateral required may vary from \$800,000 to \$75,000,000. Collateral requirements are required for the maximum daily ledger balance, not the average collected balance or average ledger balance.</p> <p>Average Collected Balances for 2013:</p> <table data-bbox="824 520 1214 1094"> <tr><td>January</td><td>\$ 979,005</td></tr> <tr><td>February</td><td>\$1,142,082</td></tr> <tr><td>March</td><td>\$ 960,044</td></tr> <tr><td>April</td><td>\$ 974,097</td></tr> <tr><td>May</td><td>\$ 833,086</td></tr> <tr><td>June</td><td>\$ 917,791</td></tr> <tr><td>July</td><td>\$ 751,623</td></tr> <tr><td>August</td><td>\$1,239,925</td></tr> <tr><td>September</td><td>\$2,122,943</td></tr> <tr><td>October</td><td>\$ 948,418</td></tr> <tr><td>November</td><td>\$1,012,532</td></tr> <tr><td>December</td><td>\$1,212,160</td></tr> </table>	January	\$ 979,005	February	\$1,142,082	March	\$ 960,044	April	\$ 974,097	May	\$ 833,086	June	\$ 917,791	July	\$ 751,623	August	\$1,239,925	September	\$2,122,943	October	\$ 948,418	November	\$1,012,532	December	\$1,212,160
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<p>4. Can the State please provide either historic average monthly balances held or estimated future average monthly balances held?</p>	<p>See answer #3</p>																								
<p>5. Is the Nebraska State Treasurer's Office willing to take a proposal for carved out pieces of the ACH RFP? An example of this would include, bidding on the University of Nebraska ACH Services and not the Nebraska Department of Revenue.</p>	<p>No, this contract will be awarded to a bank for all services listed in the RFP.</p>																								
<p>6. What is the date in which the winning bidder will go live with processing for the State?</p>	<p>The existing contract expires August 30, 2014.</p>																								
<p>7. If the bidder can perform the ACH process requirements of the State and is not 100% ADA compliant, will the State accept bid?</p>	<p>Contractor must comply with Nebraska Technology Access Clause 2-201 found at <a href="http://nitc.ne.gov/standards">http://nitc.ne.gov/standards</a> and Neb. Rev. Stat. § 73-205.</p>																								
<p>8. How does the State fund the transactions initiated out of these accounts?</p>	<p>Wires or book transfers are made into the ACH bank account.</p>																								
<p>9. Please provide an account structure diagram describing the relationships between accounts.</p>	<p>See Addendum One attachments, Exhibit 3.</p>																								

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<p>10. Please provide an average ledger and average collected balance for the relationship of accounts.</p>	<p>Average Ledger Balance for 2013:</p> <table data-bbox="824 310 1258 882"> <tr><td>January</td><td>\$1,088,025.62</td></tr> <tr><td>February</td><td>\$1,185,060.73</td></tr> <tr><td>March</td><td>\$1,015,942.53</td></tr> <tr><td>April</td><td>\$ 993,272.99</td></tr> <tr><td>May</td><td>\$ 821,240.83</td></tr> <tr><td>June</td><td>\$ 952,335.66</td></tr> <tr><td>July</td><td>\$ 956,411.52</td></tr> <tr><td>August</td><td>\$1,058,959.30</td></tr> <tr><td>September</td><td>\$1,909,776.07</td></tr> <tr><td>October</td><td>\$ 930,638.62</td></tr> <tr><td>November</td><td>\$1,006,618.07</td></tr> <tr><td>December</td><td>\$1,213,553.43</td></tr> </table> <p>See answer #3 for average collected balances</p>	January	\$1,088,025.62	February	\$1,185,060.73	March	\$1,015,942.53	April	\$ 993,272.99	May	\$ 821,240.83	June	\$ 952,335.66	July	\$ 956,411.52	August	\$1,058,959.30	September	\$1,909,776.07	October	\$ 930,638.62	November	\$1,006,618.07	December	\$1,213,553.43
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<p>11. Please provide a sample of their current reports for: current and previous day, ACH returns, ACH current and prior day addenda and ACH NOC (Notice of Change).</p>	<p>See Addendum One attachments, Exhibit 4.</p>																								
<p>12. Please provide samples of any custom reports provided by the incumbent financial institution.</p>	<p>No customized reports are received.</p>																								
<p>13. How does the state currently receive authorization for ACH transactions initiated by residents, businesses, etc.?</p>	<p>The question is unclear. Please resubmit with more details.</p>																								
<p>14. Does the state currently utilize wire initiation within the scope of this RFP? If so what method is used and what are annual volumes?</p>	<p>Depending on the contractor the State may need to initiate a daily wire to fund the ACH account. The State would like to use the contractor website to make the transfer.</p>																								
<p>15. What is the current deadline for ACH files to be initiated for next day settlement?</p>	<p>We process files according to the vendor's ACH processing windows.</p>																								
<p>16. The RFP speaks of RCK items but does not list volumes. Please provide RCK volumes?</p>	<p>2013 Calendar Year Total - 196</p> <table data-bbox="824 1612 1356 1900"> <tr><td>January - 7</td><td>July - 27</td></tr> <tr><td>February - 6</td><td>August - 37</td></tr> <tr><td>March - 7</td><td>September - 29</td></tr> <tr><td>April - 16</td><td>October - 8</td></tr> <tr><td>May - 13</td><td>November - 8</td></tr> <tr><td>June - 25</td><td>December - 13</td></tr> </table> <p>**Not all State Agencies participate in this program.</p>	January - 7	July - 27	February - 6	August - 37	March - 7	September - 29	April - 16	October - 8	May - 13	November - 8	June - 25	December - 13												
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<p>17. Does the incumbent financial institution provide an auto re-clear on ACH returned items? Provide volumes for re-cleared items.</p>	<p>There is only one program that uses this service and the volume of the re-cleared items is very minimal.</p>
<p>18. Please provide a detailed breakdown of Returns with percentage to total processed and associated return reason codes?</p>	<p>See Addendum One attachments, Exhibit 5.</p>
<p>19. Please provide the API (Application Program Interface) specs associated with the Charitable Gaming Process.</p>	<p>See Addendum One attachments, Exhibit 6.</p>
<p>20. Is the State looking for the bidders to provide the hosting and management of an online payment system with IVR capabilities, or is the State looking for the bidder to strictly perform the processing piece of the items collected by the States site?</p>	<p>Yes. The vendor will provide the hosting and management of an online payment system with IVR capabilities.</p>
<p>21. For the scheduled tax payments, are they only to be processed on the dates listed within this section?</p>	<p>No. The dates listed are the due dates. Taxpayers will schedule payments around these dates, most on the due date, but in some cases well before the due date to avoid the potential for a late payment. The requirement is that the ACH payment scheduling system must have the flexibility to select these due dates as well as any other date the taxpayer wants. The ACH payment scheduling system must not require the user to select preset quarterly dates.</p>
<p>22. Please provide the format for the Daily Remittance Report, Pre-Registration Response File, and Revenue Pre-Registration File currently received from the Payment Scheduling System.</p>	<p>The Daily Remittance Report is a CSV file that is viewed in Excel. For Pre-Registration Response File and Revenue Pre-Registration File is ASCII comma-delimited format</p>
<p>23. Is the States long term debt pertain to bank debt or bonds?</p>	<p>This question is outside the need for this RFP.</p>
<p>24. The State has \$3.3B in other investments; please provide a break-down of these other investments?</p>	<p>This question is outside the need for this RFP.</p>
<p>25. Please confirm if all of the States ACH origination files are in a NACHA format?</p>	<p>Yes.</p>
<p>26. What accounting or ERP system does the State utilize in relation to ACH payments?</p>	<p>The State uses an accounting system modified for them, JD Edwards EnterpriseONE.</p>
<p>27. What is the number of accounts to be opened? Please provide the agency account titles and the identify the originated ACH credit and debits files daily total dollar values?</p>	<p>The State Treasurer's office could open 14 new accounts with this RFP and will provide titles to the winning contractor. See Addendum One attachments, Exhibit 7.</p>
<p>28. Nebraska Lottery - four-digit PIN. What information is confirmed in this process? How many files are involved and what's the timing of these files?</p>	<p>Lottery confirms the totals of the debit and credit amounts. Only one file is involved and is uploaded once a week.</p>

Questions	Answers
<p>29. Nebraska Lottery. Is the State originating ACH transactions using the bank's web based ACH application or sending a direct ACH file from the State's ERP system?</p>	<p>GTech prepares the ACH file then Lottery uses the bank's web based ACH application to upload the file.</p>
<p>30. Nebraska Lottery. Does the State have their own payment gateway, if so what gateway? Or is the State looking for the bank to provide a payment gateway?</p>	<p>Lottery uses the bank's payment gateway and is looking for the bank to provide the gateway.</p>
<p>31. Charitable Gaming. Please provide more clarification as to what Charitable Gaming is and how it works?</p>	<p>Charitable Gaming is a division of the Nebraska Department of Revenue and administers and collects taxes for the bingo, keno, lottery/raffle and pickle card games. The licensees (taxpayers) can file and pay taxes and fees through the EFT process.</p>
<p>32. Charitable Gaming Explain the process of who is generating an invoice and sending an HTML form to the bank? Can you provide more detail on what this is?</p>	<p>After the licenses file the return information and indicate they want to pay the tax due electronically, an invoice of how much tax is due is created by GL Solution and it takes the licensees to the bank's website to process the payment with the licensees entering pertinent banking information and acknowledging the payment.</p>
<p>33. Nebraska Department of Revenue (NDR). Does NDR send ACH debit files daily?</p>	<p>Yes.</p>
<p>34. UPIC. Does NDR want a daily file of incoming ACH payments? Is this a NACHA formatted file?</p>	<p>Yes. Yes.</p>
<p>35. Is NDR looking for a combined file of all INCOMING ACH transactions PLUS all ACH debits ORIGINATED?</p>	<p>Yes.</p>
<p>36. If the State can provide clarification around the "amount of receipted funds credited to those accounts"? Does the State need summary information, detail transactions? Also, what's the State's required format "mutually agreed upon electronic transmission method"?</p>	<p>This would include detail for all ACH credits on the State accounts. The State would prefer HTM, PDF, and CSV formats.</p>
<p>37. University of Nebraska sends a payroll / vendor file each 'pay cycle'. Do you use a Payroll vendor and what is the frequency of payroll; pay weekly, every other week or monthly?</p>	<p>The University of Nebraska uses an "in house" payroll solution, SAP. Their frequency is biweekly and monthly.</p>
<p>38. Child support payments. What is the frequency of child support one day file payments – daily?</p>	<p>One daily file.</p>
<p>39. Unemployment Insurance. Please confirm the Unemployment Insurance department sends in three files every day?</p>	<p>Yes, they send three files daily.</p>
<p>40. Unemployment Insurance. "Tax payments are accepted via UI connect which can push or pull payment from employer accounts", what is UI connect?</p>	<p>UI connect is their online data and payment system.</p>

Questions	Answers
41. Treasury Management. Does Treasury send daily files via the bank's secure website with "dual authentication credentials"? Please confirm that these files uploaded to a bank application with dual control?	Yes. Daily files are not uploaded, but entered into templates on the current provider's online solution with dual authorization for origination. Then the current provider creates the file.
42. VISA branded stored value cards. Is that part of the RFP? Or is just the funding of those cards?	Stored Value Cards is not part of the RFP. Part of the ACH file for NCSPC and the State Treasurer's office is for the loading of the Stored Value Cards.
43. Treasury Management iii. Please clarify the format and process for receiving ACH addenda online for BOTH translated and raw data?	HTML, for both translated and raw data.
44. On page 14 of form A.7 they showed 2,221 "ACH Process Run". Is this volume associated with the number of ACH files?	This is the number of ACH batches submitted.
45. Page 14 of form A.7 ACH File confirmation e-mail. WHEN is the e-mail generated and what data is provided?	The email is generated within 30 minutes of the ACH batch being received by the bank. It contains the company name, name of the batch, date and time the batch was submitted, and the debit and credit amount.
46. Page 14 of form A.7- re: Third party monthly maintenance. Is this for payroll files and who is the vendor?	A third party monthly maintenance is charged when the State outsources the file creation and sends the file for the State. Vendors would be Higher One/Cashnet and GTech.
47. Page 14 of form A.7- Business Echeck Block Month Maintenance. Please confirm if this is an ACH Fraud Filter- Block? Or is this just to stop Echecks (i.e. converted checks)?	This blocks converted items such as ARC, POP, RCK, as well as WEB/TEL transactions from posting to the account. Our warrants have an auxiliary on-us field.
48. Page 14 of form A.7- Please provide the definition of the "ACH item adjustment request"?	It allows us to request an amendment to an ACH item, batch, or file that was previously submitted, ex. Reversal or delete.
49. In general the State makes reference to time of day files will be sent in (i.e. unemployment insurance files sent in around 12:00 PM CT, revenue payments initiated up until 5:00 pm CT), please provide a listing of the time ALL ACH files are sent?	Agencies with specific times are listed in the RFP. The current provider will allow the State to initiate files till 5:00 CT for next day settlement.
50. Page 14 of Form A.7. ACH File Transmission Charges. What volume does 762 "outgoing transmissions" represent total files incoming and outgoing? Please identify the number of files generated from a direct origination ACH file and from the bank's web based ACH system?	"Outgoing transmissions" can be any information from the bank to the State that may contain file confirmations, return and notice of change information, item specific reporting, anything the State has requested be returned to them relating to the ACH processing and format of choice. These statistics are not currently tracked.

Questions	Answers
<p><b>51.</b> Page 14 of form A.7. The total of 439,825 transactions originated through the Web/bank's system what is the maximum volume of transactions being uploaded at one time to the bank's online ACH initiation application?</p>	<p>Daily files are not uploaded. The State Treasurer's office sets up templates. File is created by current provider based on initiated batches.</p>
<p><b>52.</b> Lottery – What is the file type of the EFT batch file (XML, CSV, EDI, etc.)?</p>	<p>CSV – Text file.</p>
<p><b>53.</b> Lottery – Please expand on the solution provide by GTech and the role it performs?</p>	<p>GTech is Lottery's contracted vendor and processes the file with the pertinent information (retailer name, ID, bank routing number and account number, and debit or credit amounts, etc.) Lottery then uses this file to upload to the bank for debiting the retailers accounts on a weekly basis.</p>
<p><b>54.</b> Lottery – Is there a desire to automate the submission and validation processes?</p>	<p>If applicable and feasible, yes.</p>
<p><b>55.</b> Charitable Gaming – Please identify the payment gateway being used?</p>	<p>It is the bank's payment gateway.</p>
<p><b>56.</b> Charitable Gaming – Please expand on the GL Solution and the role it performs?</p>	<p>GL Solution is Charitable Gaming's contracted vendor and provides the software services for the entire tax filing and payment process.</p>
<p><b>57.</b> Charitable Gaming – Please expand on the invoice submission process? Is this a URL redirect to banking site, or is this an API or web service call to a payment gateway?</p>	<p>GL Solution uses the URL to redirect to the banking site.</p>
<p><b>58.</b> Does the licensee need to leave the NEGAM website to make the payment?</p>	<p>Yes, the application automatically takes the licensee from the NEGAM website to the bank website for payment and after payment is made (submitted), the bank sends the licensee back to the NEGAM website to confirm and the process is completed.</p>