



# City of Cambridge

## Purchasing Department

Cynthia H. Griffin  
Purchasing Agent

**To:** All bidders  
**From:** City of Cambridge  
**Date:** March 2, 2012  
**Re:** File No. 5723- Banking Services-Addendum No. 4

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The following questions were submitted and answered.

**Please disregard the Price Summary Form included in the bid package and submit the attached Revised Price Summary Form Addendum No. 4.**

1. That is the Estimated Volume that you want all bidders to use as a basis for calculating the Monthly FDIC Charge (should we use the same \$95M as for the Collateralize Fee)?

**Answer**

No \$60M would be more accurate for that calculation. The price summary form has been updated (Attached Addendum No. 4)

2. The following line items appear on your current Analysis statement (some with pricing and some without) so we must assume that you are utilizing these services. However, they are not included in the Price Summary Form and may be subject to a fee from a bidding bank. Please advise how these should be handled.

**A. Return Deposit Special Handling & Redeposited Items**

We assume the former applies to your requirement to chargeback deposited check returns for checks originally deposited to your Concentration and Lockbox accounts to another account and the latter applies to your requirement that all checks be redeposited one time. If this is correct, these items with corresponding volumes should be added to the Price Summary Form.

**Answer**

No because we do include a charge for returned deposit items on our pricing sheet. It is our intention that the costs for redepositing and any special handling charges are factored into this per item charge.

**B. Coin & Currency Processing/Currency Deposited Per \$1**

The Bid references deposits made at the branch by various departments as well as a request for Armored Carrier services to pick-up deposits at City Hall and Traffic Department. We assume these deposits contain coin and currency and your analysis statement seem to indicate that you're depositing an average of \$278,842 in coin and currency each month. Again, if this is correct these items and corresponding volumes should be added to the Price Summary Form.



**Answer**

Yes that is correct. This item has been added to the updated Price Summary Form.

**C. Deposit Reconciliation: Maintenance and Per item**

The Analysis statements show that you are using this service across 5 accounts utilized by 15 separate entities. However, this service is not mentioned as a requirement of the bid. If the City is planning on continuing to use Deposit Reconciliation services these items and corresponding volumes should be added to the Price Summary Form.

**Answer**

Yes services are part of our Price Summary Form under Reconciliation per Deposit approximately 260 per month.

**D. Remote Deposit Monthly Maintenance**

The analysis statements indicate a volume of 8 per month but the Price Summary only show a volume of 1 per month. Which is the correct volume to use for the bid?

**Answer**

The volume of 1 on the price summary is correct because it is a flat fee for 8 processing scanners of \$225.00 per month.

**E. ACH Received Credits and Debits and related Addenda Records**

These fees that banks typically charge for incoming electronic payments some coming in with Addenda records explaining what the payment is for (e.g. payments made by the Commonwealth – quarterly aid etc.). The Analysis statements indicate you receive on average of 812 credits, 115 debits and 237 addenda records. If this is correct, these items with corresponding volumes should be added to the Price Summary Form.

**Answer**

Yes that is correct. The Addenda records will be added to the Pricing Summary form but the ACH Credit and Debit transactions include an average monthly of all types either originated or received are already included.

**F. We are still not sure what the following line items on the Price Summary Form represent?**

- Electronic payment set-up fee (volume 1)
- Electronic payments maintenance (volume 1)
- Electronic payments per transaction fee (volume 100)

The comments made during the bidders conference seemed to indicate these were related to your electronic payments activity. However, the Analysis statement does not appear to have any line items or volumes corresponding to those above.

Could these be Wire Transfers (as opposed to ACH Credit/Debit originated and received)? If so, please provide pricing line items which indicate the monthly volume of Wire received (incoming Wires), Wires originated (outgoing Wires) and for outgoing Wires-how many are repetitive wires (i.e. using a pre-established payment templates) versus free form wires (i.e. not using a pre-established template).

**Answer**

The Electronic payments referred to above are relating to wires payments made out of our accounts to MMDT, debt payments, quarterly retirement payments. The number of incoming and outgoing wires will be added to the Pricing Summary Analysis. We are currently not charged for this service because we set up all our wire payments online through the Citizen's GPS product.

**G. Check Order Charge/Bank Supplies**

One of your statements shows a charge for check orders. What is the City's expectation regarding fees for supplies relating to your normal bank activity (checkbooks, deposit tickets, night bags etc.)?

**Answer**

The City expects to be charged on our monthly invoices. The main items the City usually requests are deposit tickets. 99% of our checks are produced from our payroll and vendor system and paper stock not ordered through the bank.

**All other details remain the same. The deadline for questions is closed.**

  
CYNTHIA H. GRIFFIN  
PURCHASING AGENT

**ADDENDUM NO.4**

FILE No 5723- Banking Services- Addendum No. 4- Revised Price Summary Form

+ - ALL ITEMS MUST BE COMPLETED EVEN IF CHARGE IS \$0.

Banking Service	Estimated Monthly Volume	Year One 7/1/12 - 6/30/13		Year Two 7/1/13- 6/30/14		Year Three 7/1/14 - 6/30/15	
		Per Item Charge	Monthly Charge	Per Item Charge	Monthly Charge	Per Item Charge	Monthly Charge
Account Maintenance	27						
Checks & Items Paid	7500						
Deposits	400						
Checks Deposited	25,000						
Return Deposit Item	50						
Stop Payments	50						
Book Transfer	40						
ACH Credit	12,000						
ACH Debit	100						
ACH file transmission	38						
ACH Addenda Items	200						
ACH reversals	1						
On-Line Account Info Monthly Fee	1						
CD ROM Imaging Monthly	8						
CD ROM Imaging per Item	6,000						
Fax Communication	1						
Check Copies	10						
Reconciliation Maintenance Fee	4						
Reconciliation per Check Paid	6,000						
Reconciliation per deposit	260						
Armored Car Service pick up ( 5 days x 4 weeks)	20						
Remote Deposit per Transaction Fee	225						
Electronic payments set up fee	1						
Electronic payments maintenance	1						
Electronic wire payments in and out transaction fee	20						
Overdraft fee	1						
Scanned Deposits Maintenance	1						
Collateralize fee (Basis Points)	\$95M						
FDIC Insurance Charge (Basis Points)	\$60M						
Currency Deposited Per dollar @ Branch	300k						
<b>Total Monthly Charge</b>							

NAME OF BIDDER: \_\_\_\_\_ SIGNATURE OF BIDDER \_\_\_\_\_

The City will factor the amount of interest that will be paid on its deposit and disbursement accounts into its determination of the most advantageous bid. Please complete the following table. **The lowest bid will be determined by subtracting one month's interest** (based on the information provided below) **from the monthly charges for all three years.** (Calculated above).

Interest Rates					
	Avg. Daily Bal	Type of Account <sup>1</sup>	What is Int. rate based on?	Int. rate on 2-16-2012	One Month's Interest (31 days) <sup>2</sup>
Deposit Accounts	\$ 10,000,000				\$
Disbursement Accounts	\$ 4,000,000				\$
<b>TOTAL INTEREST</b>					\$

<sup>1</sup> This must be the type of account that the bank is offering for deposit and checking accounts. Whatever the interest rate is pegged to must stay firm for life of contract.

<sup>2</sup> Based on 365 days.

**Please note:** This is not a compensating balance agreement. The average daily balance, as state above, is for calculation purposes only, and is not a guaranteed minimum balance.

### MONTHLY COST TO CITY

	Monthly Charge	Minus	Total one Month Interest	=	Cost
YEAR I	\$	-	\$	=	\$
YEAR II	\$	-	\$	=	\$
YEAR III	\$	-	\$	=	\$
<b>Totals</b>	\$	-	\$	=	\$

Total in words: \_\_\_\_\_

Signature of bidder: \_\_\_\_\_