

**REQUEST FOR PROPOSALS #0003 BANKING SERVICES FOR THE
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM
RESPONSES TO QUESTIONS – FIRST ROUND**

The Official responses to First Round Written Questions submitted pursuant to Section 6.3 (Questions) of the above-captioned RFP are listed below. This document contains all First Round Written Questions received.

Q #	RFP SECTION/HEADING	REQ #	QUESTION	RESPONSE
1	Page 24 – Section 9 - LBX		Remote Deposit – As you continue to explore options for depositing received checks, would you be interested in using outsourced lockbox services for these deposits? If yes, please respond to the questions below. Otherwise, you may disregard these questions.	No. NYSLRS often receives other sensitive personal documents along with checks and would prefer to continue to sort and process these internally.
2	Page 24 – Section 9 – LBX		If you use a lockbox, can your payers send payments to a central PO box in New Jersey?	N/A
3	Page 24 – Section 9 – LBX		If you are interested in lockbox, could you post payments from online images or perhaps receive a posting transmission file for automatic posting by your ERP/AR system?	N/A
4	Page 24 – Section 9 – LBX		If you are interested in lockbox, would you need any originals sent back to you or could you work exclusively from images?	N/A
5	Page 24 – Section 9 – LBX		If you are interested in lockbox, what types of payments are deposited? How do you currently post them, and is there a common identifier used?	N/A
6	Page 24 – Section 9 – LBX		If you are interested in lockbox, would you want the bank to key your data for automatic posting?	N/A
7	Page 24 – Section 9 - LBX		If you are interested in lockbox, would you be interested in online decisioning to work through exception items online instead of having them sent back unprocessed?	N/A
8	Page 4 – Section 2.1 - Overview		Deposits would require an armored car; would you be open to allowing the use of a subcontractor for this purpose?	NYSLRS would accept the use of subcontracting for an armored car service. See Amendment #2 of RFP0003 –

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				Attachment D – Amended – LISTING OF PROPOSED SUBCONTRACTORS, which removes the limitation on the use of subcontractors solely for Backup Check Printing Services, and enables Proposers to propose the use of subcontractors for courier Services and/or Backup Check Printing Services only. NYSLRS will not accept the use of subcontractors for other Services.
9	Page 13 – Section 3.3.b		Can NYSLRS please define what its current format is? It is possible, but the bank would need to understand the file specifications beforehand in order to agree.	See Q&A Attachment 1a –NAPAY Check Issuance.
10	Page 10 – Section 3.6 – Minimum Qualifications		Section 3.6 - Will NYSLRS accept a Federal Home Loan Bank Letter of Credit as collateral for deposits?	Yes. This is acceptable collateral.
11	Page 23 – Section 8.1 – Physical Deposits		Please reconcile the requirement that "The Proposer must accept and process physical deposits of cash..." with Section 2.5. Banking Services Overview, subsection A. Banking Transactions "NYSLRS transactions consist of checks and Electronic Funds Transfers ("EFTs"). For purposes of this RFP, EFTs are defined to include (i) ACH transactions, including direct deposit, direct payment, and direct debit transactions, and (ii) wire transfers, both domestic and foreign." Is the Proposer expected to handle cash for the purposes of this RFP?	The Proposer is not expected to handle cash for this RFP. NYSLRS has amended RFP Section 5.1 (Banking Services and Responses), Table 5.1, Section 8 (Physical Deposits), REQ# 8.1 to remove the reference to cash.
12	Page 23 – Section 8.1 – Physical Deposits		If cash deposits are within scope for this RFP, please confirm that NYSLRS allow the Proposer to subcontract armored car services to meet this requirement.	Cash deposits are not in scope for this RFP. The RFP has been amended to remove the requirement to provide cash deposit service. See Amendment #2 of RFP0003, Section 5.1 (Banking Services and Responses), Table 5.1, Section 8 (Physical Deposits), REQ# 8.1, which removes the reference to cash.
13	Page 23 – Section 8.1 – Physical Deposits		Regarding the included note - is the courier referenced in this Note a subcontractor?	The courier is subcontracted.

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			<i>Note: Currently, the majority of physical deposits are U.S. checks drawn on U.S. funds and are retrieved for deposit by courier from a single location in Albany, NY.</i>	
14	Page 23 – Section 8.1 – Banking Services and Responses		Would NYSLRS consider using Remote Check Deposit as a replacement for physical check deposits made via courier?	NYSLRS would consider remote check deposit as a replacement for physical check deposits made via courier.
15	Page 60 – Section 7.3 – Cost Proposal – Attachments E1 and E2		In the interest of disclosing all appropriate pricing and providing the most accurate cost proposal, can NYSLRS provide the average monthly operating balances for the accounts referenced on pages 5 and 6, either individually or in aggregate?	<p>Average monthly:</p> <p>Checking accounts</p> <ul style="list-style-type: none"> • North American Payroll Checking - \$82.8 million • Employees Retirement System Accounts Payable Checking - \$7.5 million • Police and Fire System AP Checking - \$3.5 million <p>EFT Accounts</p> <ul style="list-style-type: none"> • NAP EFT - \$1.2 billion • ERS AP EFT - \$18.1 million • PFRS AP EFT - \$1.3 million <p>Deposit Accounts</p> <ul style="list-style-type: none"> • Check Deposit Account - \$63 million • EFT Deposit Account - \$42.6 million
16	Page 73 – Attachment D – List of Proposed Subcontractors		<i>Proposers may use a subcontractor for Backup Check Printing Services, but may not use a subcontractor for any other services requested in the RFP.</i>	See Amendment #2 of RFP0003, Attachment D – Amended – LISTING OF PROPOSED SUBCONTRACTORS, which removes the limitation on the use of subcontractors solely for Backup Check Printing Services, and enables Proposers to propose the use of subcontractors for Courier Services and

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			We do not negotiate terms or contracts with armored carriers on behalf of our clients. Does NYSLRS count on contracting with an armored carrier outside of the scope of this RFP?	Backup Check Printing Services, to the extent that such services are provided by Proposer as part of its services and Proposal.
17	Table 5.1	3.7	Would NYSLRS consider a written response to this question instead of a yes/no response?	No.
18	Table 5.1	3.8	Would NYSLRS consider a written response to this question instead of a yes/no response?	No.
19	Table 5.1	3.16	Would NYSLRS consider a written response to this question instead of a yes/no response?	No.
20	Table 5.1	9.4.b	Would NYSLRS consider a written response to this question instead of a yes/no response?	No.
21	Table 5.2	23.4	Req. #23.4 does not require a response. Proposer is not offered the ability to explain our check stock requirements. Would NYSLRS consider adding a line to the check stock requirements that states proposer can provide equivalent or greater controls?	NYSLRS has amended the RFP to allow proposers to provide equivalent or greater controls. See Amendment #2 of RFP0003, Table 5.2 (Backup Check Printing Services and Responses), Requirement 23.4, which identifies check features required by Proposer or its subcontractor, as applicable, as amended.
22	Table 5.3	34.5	Does the multi-level transaction authorization refer to electronic (ACH & wire) payments initiated through the banks online portal? If not, please explain how this is used.	Yes, the multi-level transaction authorization refers to electronic payments initiated through the bank's portal.
23	Attachment E1		Would NYSLRS consider splitting Incoming and Outgoing EFT into Incoming and Outgoing ACH and Incoming and Outgoing Wire. Combining ACH and Wire into a single line item is going significantly increase the cost as a bundled price point.	NYSLRS has amended the cost proposal, splitting ACH and wire by Incoming and Outgoing transactions. See Amendment #2 of RFP0003, Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
24	Attachment E1		Would NYSLRS consider adding line items for ACH Returned Item (per item) and ACH Notification of Change (per item)?	NYSLRS has amended the Cost Proposal. Monthly volumes are: 500 ACH Returned Items, 1500 ACH Notification of Change, and 400 Reclaim. See Amendment #2 of RFP0003,

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				Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
25	Attachment E1		Would NYSLRS consider adding a line item for Return Item (per item) associated with Remote and Physical Deposits. This will allow respondents the ability to provide the lowest cost for Remote and Physical Deposits?	NYSLRS has amended the Cost Proposal. NYSLRS has about 40 deposited check returns per year. Also annually, NYSLRS has about 15 non-sufficient funds returns that get presented again and clear. See Amendment #2 of RFP0003, Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
26	Attachment E1		Would NYSLRS consider adding a line item for Online Banking (per account)?	NYSLRS has amended the cost proposal, adding a line for Online Banking. See Amendment #2 of RFP0003, Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
27	Attachment E1		Would NYSLRS consider adding a line item for Account Maintenance (per account)?	NYSLRS has amended the cost proposal, adding a line for Account Maintenance. See Amendment #2 of RFP0003, Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
28	Attachment E1		Would NYSLRS consider adding a line item for Stop Payments (per item)?	NYSLRS has amended the cost proposal, adding a line for Stop Payments. See Amendment #2 of RFP0003, Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
29	Attachment E1		The default delivery method for check print is USPS. Clients can elect to have batches of checks sent via overnight courier. Overnight delivery would be charged to NYSLRS's overnight courier account. How do we reflect this for the line-item Check Print Overnight Delivery Services. The cost would be based on NYSLRS's negotiated rate with your overnight courier.	NYSLRS has amended the cost proposal, adding a separate line for checks deposited via overnight courier. See Amendment #2 of RFP0003, Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
30	Attachment E1		Please confirm that we should not complete the Postage section with our current negotiated USPS rate.	Correct, NYSLRS is not asking you to provide your current negotiated USPS rate. Proposers must provide all pricing information as requested on Attachment E1 – AMENDED (COST PROPOSAL – BANKING SERVICES).
31	3.3b		What format is NYSLRS' current format (for ACH, check issue file)?	See Response to Question #9.

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32	3.12		<p><i>The Proposer must provide NYSLRS with the ability to reclaim a payment that was cashed or deposited after the date of the payee's death.</i></p> <p>How are you handling checks that require reclaim?</p>	<p>NYSLRS sends a letter to the bank with a copy of the check image and the death certificate.</p>
33	3.13		<p><i>The Proposer must accept and process a payment reclaim request without a copy of the endorsed check (if applicable) or a copy of the decedent's death certificate. NYSLRS automatically generates a reclaim request letter and does not have the ability to attach supporting documents. NYSLRS will not initiate a payment claim request without confirmation of the decedent's date of death.</i></p> <p>How are you handling checks that require reclaim (i.e. process)?</p>	<p>NYSLRS' system automatically generates the reclaim request letter for EFT transactions and does not have the ability to attach supporting documents.</p>
34	4.4b		<p><i>Will the Proposer provide the ACH Acknowledgement file by 10:00 a.m. ET each day, Monday through Friday, except for national holidays? (Y/N)</i></p> <p>What time does NYSLRS usually send ACH files? Do you ever send after 10 am ET?</p>	<p>NYSLRS' system automatically processes the ACH file overnight preceding the 10:00 a.m. deadline under normal operating conditions.</p>
35	4.6a and b		<p><i>Will the Proposer provide the ACH Exception file by 10:00 a.m. ET Monday through Friday, except for national holidays? (Y/N)</i></p> <p>What time does NYSLRS usually send ACH files? Do you ever send after 10 am ET?</p>	<p>See response to Question #34.</p>
36	6.2		<p><i>The Proposer must provide NYSLRS with daily and monthly electronic Account Reconciliation Process ("ARP") reports. ARP reports must also</i></p>	<p>In the daily ARP reports, NYSLRS gets the following:</p>

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			<p><i>be available on an on-demand basis.</i></p> <p>What information are you getting from daily ARP reports?</p>	<ol style="list-style-type: none"> 1. Daily File Change: This provides the opening balance and ending balance for the day 2. Daily Paid Reject: This provides a list of items that the bank rejects. Reasons include: duplicate paid, paid/rejected/ is stopped, file/trans amount mismatch 3. Daily Update Audit Report: This details exceptions including paid not issued, amount changes (from file/trans amount mismatch) 4. Client Issues: The total checks NYSLRS has issued 5. Stop Activity: The detail of stopped checks for that transaction date
37	8.1. Submission of Proposal Components		Bank policy prohibits any external thumb drives or disks to be created or shared. In lieu of a separate form of media, would NYS accept at SECURE EMAIL with all attached files emailed?	Submission of proposals in a manner other than as described in Section 8.0 (Proposal Submission) of the RFP will not be accepted.
38	PRICING/ COST		Would NYS kindly provide a sample analysis statement that clearly outlines all volumes, services?	NYSLRS declines to respond.
39	7.1/Receipts		Are foreign checks, other than Canadian deposited?	Historically, NYSLRS receives less than 3 foreign checks other than Canadian deposits per year.
40	7.1/Receipts		Approximately how many foreign checks are deposited annually?	Very small volume, less than 100 annually.
41	7.2.F/References		Will non-public references be accepted?	Yes, non-public references will be accepted.
42	8.1/Physical Deposits		Does NYSLRS have a contract with a courier, if so, does the bank cover the associated invoice?	NYSLRS' bank contracts with the courier.

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43	Minimum Qualifications Page 10. #3.6		Please provide anticipated monthly average deposit balances and peak deposit amounts.	Average monthly deposit balance is approximately \$100 million. Peak monthly deposit balance is approximately \$425 million.
44	Minimum Qualifications Page 10. #3.6		What are the anticipated collateral coverage needs?	NYSLRS requires collateral that will meet or exceed the average daily balance aggregated across all accounts.
45	2.5 Banking Services		Please provide peak daily ACH credit and debit file amounts, by account if possible.	<p>Peak daily ACH credit and debit file amounts:</p> <p>Checking accounts</p> <ul style="list-style-type: none"> • North American Payroll Checking <ul style="list-style-type: none"> ○ \$52 million • Employees Retirement System Accounts Payable Checking <ul style="list-style-type: none"> ○ \$6 million • Police and Fire System AP Checking <ul style="list-style-type: none"> ○ \$2 million <p>EFT Accounts</p> <ul style="list-style-type: none"> • NAP EFT <ul style="list-style-type: none"> ○ Debit \$1.3 billion • ERS AP EFT <ul style="list-style-type: none"> ○ Debit \$11 million • PFRS AP EFT <ul style="list-style-type: none"> ○ Debit \$2 million <p>Deposit Accounts</p> <ul style="list-style-type: none"> • Check Deposit Account <ul style="list-style-type: none"> ○ \$79 million

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				<ul style="list-style-type: none"> • EFT Deposit Account <ul style="list-style-type: none"> ○ \$8.4 million
46	2.5 Banking Services		Are transaction volumes consistent throughout the year, or do you experience seasonal peaks? If you experience seasonal peaks, please provide additional details.	NYSLRS experiences seasonal peaks with deposits, with maximum volumes occurring November through mid-December.
47	2.5 Banking Services		Please define Electronic Bank Transfer. How do these payments differ from ACH or Wire payments?	Electronic Bank Transfers refers to moving funds between different bank accounts.
48	2.5 Banking Services		<p>Please provide volume breakdown of EFT (Disbursements) payment types:</p> <ul style="list-style-type: none"> • ACH • Electronic Bank Transfers • Wire Transfer – domestic <p>Wire Transfer – foreign</p>	<p>Annual volumes:</p> <ul style="list-style-type: none"> • ACH – about 6 million payments • Wire Foreign - 220
49	2.5 Banking Services		<p>Please provide dollar breakdown of EFT (Disbursements) payment types:</p> <ul style="list-style-type: none"> • ACH • Electronic Bank Transfers • Wire Transfer – domestic <p>Wire Transfer – foreign</p>	<p>Annual disbursements:</p> <ul style="list-style-type: none"> • ACH - \$15 billion • Wire foreign - \$235,000
50	2.5 Banking Services		<p>Please provide volume breakdown of Deposit (Receipt) for NYSLRS EFT Deposit Account:</p> <ul style="list-style-type: none"> • ACH • Direct Debit 	<p>Annual deposit volume:</p> <ul style="list-style-type: none"> • ACH - 12 • Direct Debit – 54,000
51	2.5 Banking Services		<p>Please provide dollar breakdown of Deposit (Receipt) for NYSLRS EFT Deposit Account:</p> <ul style="list-style-type: none"> • ACH <p>Direct Debit</p>	<p>Annual deposits:</p> <ul style="list-style-type: none"> • ACH - \$20 million • Direct Debit - \$565 million

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52	2.5 Banking Services		Please provide total number of ACH Company IDs required.	5 ACH Company IDs
53	2.5 Banking Services		Are all ACH originated items sent via file transmission? Are there any online ACH modules needed?	Most ACH originated items are sent via file transmission but some are entered through the banking portal. An ACH module is needed.
54	2.5 Banking Services		Please provide annual number of ACH origination file transmissions.	NYSLRS averages approximately 750 ACH origination file transmissions annually.
55	2.5 Banking Services		Please provide annual volumes for ACH Returns.	See response to Question #24
56	2.5 Banking Services		Please provide annual volumes for ACH Notifications of Change.	See response to Question #24
57	2.5 Banking Services		Please provide annual volumes of ACH Deletions.	Less than 10 annually.
58	2.5 Banking Services		Please provide annual volumes of ACH Reversals.	Annual volume of ACH Reversals averages less than 40.
59	2.5 Banking Services		Do you have any outgoing foreign wires that are not in USD?	No, NYSLRS sends wires in USD.
60	2.5 Banking Services		Please describe process for posting incoming ACH payments. Do incoming ACH payments include addenda? Do you require any special reporting for incoming ACH payments?	NYSLRS only requires identifying information for an ACH. NYSLRS does not have any addenda requirements for incoming ACH payments.
61	2.5 Banking Services		Do you include addenda on any ACH originated payments? If yes, please provide additional details, including volumes.	NYSLRS only provides the basic identifying information for ACH originated payments.
62	2.5 Banking Services		Please provide annual volumes for all deposited check returns.	See response to Question #25
63	2.5 Banking Services		Please provide annual volumes of all positive pay exceptions.	NYSLRS has about 7,000 annual positive pay exceptions.

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64	2.5 Banking Services		Please provide annual volumes of all disbursed checks that are returned.	Positive pay exceptions annually result in the return of 460 checks.
65	2.5 Banking Services		How many foreign checks are deposited on an annual basis?	This is a very small volume, estimated at under 10 annually.
66	2.5 Banking Services		Please provide a list of all countries foreign checks are received from, with a 2024 volume count by country, and advise which countries are payable in USD or foreign funds or both.	Philippines - Pesos Portugal – Euros Canadian - Dollar
67	Table 5.1 Req # 3.2		How many total Positive Pay check issue files are transmitted daily?	Positive pay check issue files are transmitted up to one per account daily.
68	Table 5.1 Req # 3.3.b		Please provide the current format for Positive Pay check issue files.	See Q&A Attachment 2 – Positive Pay.
69	Table 5.1 Req # 3.4		How are your disbursement accounts currently funded? Do you use a ZBA structure?	Yes, NYSLRS uses a ZBA structure for disbursement accounts.
70	Table 5.1 Req # 3.10		Do you know how many check payees use branch services to cash their pension check?	NYSLRS does not have this information.
71	Table 5.1 Req # 3.14A		How many stop payments are issued per month? Of those stops, how many are placed using an online portal and how many are placed via file transmission?	NYSLRS issues about 600 stops per month. Stops are placed via file transmission with online portal stops being used infrequently for emergencies.
72	Table 5.1 Req # 4.1		Do you use Same Day ACH?	NYSLRS does not currently use Same Day ACH.
73	Table 5.1 Req # 4.8		How many ACH reversals are submitted via the online portal vs. file transmission?	Annually, NYSLRS submits about 30 reversals via the online portal. Annually, NYSLRS submits 15,000 reclaims via file transmission and 10 recalls via online portal.
74	Table 5.1 Req # 8.1		How many physical deposits are processed on an annual basis?	NYSLRS estimates that 12,000 physical deposits are processed on an annual basis.

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75	Table 5.1 Req # 8.1		How often would a deposit include cash?	None. See Amendment #2 of RFP0003. Section 5.1 (Banking Services and Responses), Table 5.1, Section 8 (Physical Deposits), REQ# 8.1, which has been updated to remove the reference to cash
76	Table 5.1 Req # 8.1		Please provide total dollars deposited in cash deposits on annual basis.	See response to Question #75
77	Table 5.1 Req # 8.1		How much cash might be included in a deposit and would deposits include any coin?	None. See Amendment #2 of RFP0003. Section 5.1 (Banking Services and Responses), Table 5.1, Section 8 (Physical Deposits), REQ# 8.1, which has been updated to remove the reference to cash
78	Table 5.1 Req # 8.1		What is the largest daily cash deposit amount?	See response to #77, above.
79	Table 5.1 Req # 8.1		How are physical deposits handled today? Does your current provider provide an armored courier? Is the courier a subcontractor?	There are no cash deposits. The bank's courier picks up physical checks and brings them to the bank.
80	Attachment E1 Cost Proposal		Are you willing to provide a current account analysis statement with pricing redacted?	NYSLRS declines to respond.
81	Attachment E1 Cost Proposal		For backup check printing, please confirm that the State plans to reimburse for postage fees.	Yes. NYSLRS will reimburse postage fees incurred for backup check printing.
82	Page 85. Compliance Questionnaire V.B		Please provide the latest version of the annual compliance questionnaire.	See Q&A Attachment 3 – NYS CRF Compliance Questionnaire.
83	Table 5.3. Security Reponses Page 51. 34.5		Please provide details on what the NYSLRS multi-level transaction authorization and approval rules are.	Staff enter payment transactions in the banking portal and a supervisor approves and releases payment.
84	N/A – General Question		Who is the incumbent banking services provider? How long have they been providing these services?	NYSLRS declines to respond.

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85	N/A – General Question		Will this contract be under the Tax ID number of the State Comptroller or does the NYSLRS have a separate TIN?	No, NYSLRS uses multiple TINs for each of the plans/funds that it oversees. The applicable TIN(s) will be provided upon contract award to the successful Proposer.
86	Appendix F RFP Page 119- Questions 21 and 22 (a-e)		Would you please confirm if these questions are applicable and/or require response for a Banking Services only RFP?	NYSLRS declines to respond.
87	Appendix F RFP Page 119- Questions 21 and 22 (a-e)		Can you please provide details on what constitutes fiduciary review services?	NYSLRS declines to respond.
88	4. Disbursements – ACH		Can NYSLRS provide the current ACH file layout that is utilized	See Q&A Attachment 4 – ACH Interface.
89			Is a one-line acknowledgement file in .txt format, including file totals, acceptable?	Yes
90	6. Reporting for Disbursements		Would .txt Nacha format be acceptable?	Yes
91	8. Physical Deposits		What courier is being used and is the courier taking the deposits to a branch or a Cash Vault for processing? What is the address(es) deposits are retrieved from?	NYSLRS' current bank subcontracts for courier services. Deposits are received at 110 State St, Albany, NY.
92			Please provide average cash deposit amount and average number of checks sent for deposit monthly.	See response to Question #75. NYSLRS estimates that 1,000 physical deposits are processed on a monthly basis.
93			Who is the current courier?	NYSLRS declines to respond regarding the identity of the courier. See response to question #91.
94	19.1 Backup Check Printing Services		Annually, how many times is backup check printing been needed?	NYSLRS has never had to use these services. Backup check printing services will be needed in the event that its primary check printing services are unavailable.