THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

REQUEST FOR QUALIFICATIONS OF FIRMS
REQUEST FOR PROPOSALS NO. 033-LL10

BANKING SERVICES

I. NAME AND ADDRESS OF REQUESTER

A. School Board of Miami-Dade County, Florida

Office of Treasury Management
1450 N.E. Second Avenue, Room 615
Miami, Florida 33132

II. GENERAL INFORMATION

A. Purpose

The School Board of Miami-Dade County, Florida (the "District") requests sealed proposals for duly qualified and eligible entities (the "Proposers") prepared to provide banking services for most of the District's accounts and related financial services, see Attachment A for current chart of District accounts and services.

The District wishes to achieve secure, reliable, cost effective, and efficient processing of the District banking services with financial partners who demonstrate a commitment to technology enhancements, earnings potential, and availability of credit for their clients.

B. Structure and Instructions for Submission of Proposal

1. The contents for the Request For Proposal for Banking Services is structured as follows:

   I. Name & Address of Requester
   II. General Information
   III. Core Banking Services – (Requested Responses)
      A. Minimum Requirements
      B. Specific Account Requirements
      C. General Core Banking Requirements
      D. Deposit Processing
      E. Check Processing
      F. ACH
      G. Wires
      H. Custodial Services

IV. Additional Financial Services – (Requested Responses)
   A. Card Services
      1. Purchasing Card
      2. Pay Card
      3. Point of Sale – Merchant Services
      4. Web-based Collections
   B. Supplemental Early Retirement Plan
      1. Custodial and Disbursement Services
      2. Investment Management
   C. Automated Teller Machines (ATM)
V. General Vendor Requirements – (Requested Response)

2. Instructions for Submission of Proposals:

Twenty hard copies of the proposal, one of which shall be an original, and three copies of the proposal responses on a CD ROM must be received by 2:00 p.m. (Eastern Standard Time) February 15, 2011, at:

The School Board of Miami Dade County, Florida
Bid Clerk, Division of Procurement Management Services
1450 Northeast Second Avenue, Room 352
Miami, Florida 33132

The responses to Sections III through V included in the CD ROMs must be in Microsoft Word format and in the same sequence as delineated. Any supporting documentation for Sections III through V, in addition to any other submission requirements are not required to be in Microsoft Word format, but must be clearly cross-referenced to the relevant section, page and requirement, which it supports in the RFP.

Proposer may choose to respond to all services being requested or only to certain service(s) and/or account(s) under Section III – Core Banking Services and/or Section IV, Additional Financial Services. For Section III Core Banking Services and for Section IV Additional Financial Services, if a service or specific requirement is not provided by the Proposer or the Proposer is choosing not to provide the service, then the response should be “Not Available”.

In all instances Proposers must respond to the General Vendor Requirements.

To assist the selection committee, please ensure responses adequately address all questions and requirements under Section III through V.

The responsibility for submitting this proposal to the District on or before the stated time and date will be solely and strictly the responsibility of the Proposer. The District will in no way be responsible for delays caused by

the United States mail or any other delivery service or caused by any other occurrence. The proposal must be submitted in a sealed envelope or box marked "BANKING SERVICES."

C. Background

The School Board is a public corporation existing under the laws of the State of Florida, particularly Section 1001.40, Florida Statutes, and is the governing body of School District of Miami-Dade County, Florida. The District is the fourth largest school system in the nation as measured by student enrollment. As of October, 2010, the District consisted of 438 schools and vocational/technical centers, approximately 347,133 students and approximately 44,132 full and part-time employees, including 20,322 full-time teachers.

Management of the District is independent of the various municipal governments of Miami-Dade County, including Miami-Dade County itself. The School Board consists of nine members elected from single member districts. Among other duties the School Board has broad financial responsibilities, including approval of the annual budget, adoption to school tax levy, and establishing a system of accounting and budgetary controls. The School Board appoints the Superintendent of Schools, Mr. Alberto M. Carvalho, who is responsible for managing the District. Responsibility for financial functions of the District is under the direction of Associate Superintendent/Chief Financial Officer, Dr. Richard H. Hinds, who reports directly to the Superintendent.

The Office of Treasury Management is under the direction of the Treasurer, Ms. Silvia R. Rojas, who reports directly to the Associate Superintendent/Chief Financial Officer. The Office of Treasury Management is responsible for Cash, Investment and Debt Management functions of the District. A Treasury Advisory Committee provides technical financial assistance related to Cash, Investment, and Debt Management functions of the District. The Committee is composed of six external members representing the local financial community, the Chief Financial Officer, Treasurer, Controller, Chief Budget Officer, and a School Board member.

The District recently implemented the ERP SAP financial module and is currently in the process of implementing the SAP Payroll module.

Pertinent financial documents may be found on the following addresses:

District Deposit & Investment Policies
http://ehandbooks.dadeschools.net/policies/155.pdf

Treasury Polices
http://www.dadeschools.net/schoolboard/rules/Chapt3/3a-1.012.pdf

District Debt Management Policies
http://ehandbooks.dadeschools.net/policies/156.pdf

Comprehensive Annual Financial Report
http://financialaffairs.dadeschools.net/CAFR_09/index.htm

Other Financial Documents are available on the District Web Site
http://financialaffairs.dadeschools.net/manuals.asp

D. Terms of Contract

The School Board, by Florida law, must reserve the right to cancel the contract in the event the services rendered do not comply with the provisions of the proposal and/or the quality of services is found undesirable. The Proposer shall comply with all municipal, state, and federal statutes prohibiting discrimination. The Proposer shall at all times comply with local, state, or national standards for the provision of services, whichever is more stringent.

The District reserves the right to negotiate modification with any Proposers as necessary to serve the best interest of the District. This includes the right to contract with more than one financial institution if, following the evaluation of the proposals, such action is deemed to be in the best interest of the District.

This document provides estimates of the anticipated volume of services that will be required. These are the District's best estimates and in no way constitute a guarantee as to the amount of business that will accrue to the successful Proposer(s).

Financial institutions shall thoroughly examine and be familiar with this document. The failure or omission by any financial institution to receive or examine this document shall in no way relieve the financial institution of obligations with respect to its proposal. The submission of a proposal shall be evidence of compliance with this paragraph.

The contract between the School Board and the successful Proposer(s) is to be for a period of three years, with an option to renew for three additional years. Any amendments, changes, restrictions or modifications to the agreement(s) that will result in any increased costs, risks or fees to the School Board require prior notification and written approval of the School Board.

The District reserves the right to establish demand deposit accounts with other financial institutions or to receive the same or different services as needed to conduct its business.

Under the Florida Public Records Act and the Florida "Sunshine" Laws, all proposal materials and results of the District's evaluation are open to public inspection, except for what is exempt under Florida Statute Public Records Law,

Section 119.071(3) relating to sensitive information regarding security details and Section 119.071(5) relating to account(s) information. In your response to the RFP, stamp any page that it is exempt from public inspection.

It is imperative that the financial institutions have and maintain sufficient staff to support the required services at all times without interruption due to personnel turnover, vacations, illness, or other internal disruptions. Severe or repeated breakdown of service will be cause for termination of the contract as indicated above.

“Trade secrets” are considered to be secret; of value for use or in use by the business; and of advantage to the business, or providing an opportunity to obtain an advantage, over those who do not or use it, as defined by Section 812.081(1), Florida Statute and must be stamped “confidential” at the time of submission.

The District, or its authorized representatives, shall have access to the books and records maintained by the financial institutions with respect to District accounts at all reasonable times. This access will include, but is not limited to, the inspection and/or copying of such books and records and any related memoranda, checks, correspondence or documents. The financial institutions shall preserve such books and records for a period of not less than five years.

Financial institutions will prepare a quarterly service charge billing for services rendered. This billing must be presented in a format similar to the proposal's data price form, with a total of all service charges for the quarter. At no time will the accounts be charged directly for service charges, unless approved in writing by the District.

In formalizing this agreement, the District will reserve the right to restate and/or renegotiate with the selected financial institution such pricing additions, deletions, changes, or clarifications of the provisions of this agreement as may be necessitated by law or circumstance.

The Proposer shall provide and pay for installation of software and web-based communication system(s) including, but not limited to wire transfers, ACH transfers, stop payments and balance reporting, which shall include benchmark tests and adjustments to bring these systems to an acceptable operational state.

The new Banking Services Agreement will be effective on or about September 1, 2011. The District reserves the right to extend the implementation date for certain accounts and/or services beyond this date to serve the best interest of the District. Banks currently doing business with the District agree, by submitting a proposal, to maintain current prices and level of services on the current relationship until 365 days after the effective date of the new Agreement, or September 1, 2012, whichever is first.

E. Evaluation of Proposals

The following representatives of the District will evaluate proposals in order to ascertain which proposal best meets the need of the District:

Chair of Treasury Advisory Committee or alternate designee

Chief Financial Officer

Assistant Superintendent School Operations

Controller

Treasurer

Executive Director, Information Technology Services

Representative, Procurement Management Services (Non-voting)

Representative, Division of Business Development and Assistance (Non-voting)

Support staff from several District Offices will assist the Selection Committee in reviewing Proposer's responses, as applicable.

Evaluation considerations will include, but are not limited to the following:

1. Responsiveness of the proposal, clearly demonstrating an understanding of the services to be performed
2. Compliance with all requirements and guidelines delineated in the RFP
3. Expertise in banking and or financial services for a large public entity
4. Financial viability and a track record for banking and or financial services must be demonstrated
5. Past performance with District, if applicable
6. Quality and scope of services delineated in the proposal
7. The ability to respond in timely, accurate and complete manner to the District's requirements
8. Pricing structure and total cost to the District

The School Board reserves the right to reject any or all proposals, to further negotiate any proposals, to accept or reject any items or combination of items, to request clarification of information submitted in any proposal, and to request additional information from any Proposer.

In addition, the District reserves the right to waive, at its discretion any procedural irregularity, informalities, immaterial defects or other improprieties, which the District deems reasonably correctable or otherwise not warranting rejection of the proposal.

No debriefing or discussion will be held with unsuccessful Proposers.

F. Proof of Professional Liability Insurance and Indemnification Requirements

The successful Proposer, when selected for this RFP, shall agree to provide proof of Professional Liability Insurance and shall also agree to, and include the following language in their contract:

The Proposer shall hold harmless, indemnify and defend indemnitees (as hereinafter defined) against any claim, action, loss, damage, injury, liability, but not by way of limitation, attorney's fees and court costs arising out of bodily injury to persons including death, or damage to tangible property arising out of or incidental to the performance of this Contract (including goods and services provided thereto) by or on behalf of the Proposer, excluding only the sole negligence of culpability of the indemnitee. The following shall be deemed to be indemnitees: The School Board of Miami-Dade County, Florida, and its members, officers and employees.

G. Proof of Insurance Coverage Requirements

At the time an award is made, the successful Proposer shall be responsible for providing the School Board with certificates of insurance which indicate that insurance coverage has been obtained and meets the requirements as outlined below:

1. Workers' Compensation Insurance for all employees of the Proposer as required pursuant to the provisions of Section 440, Florida Statutes.

2. Commercial General Liability Insurance on a comprehensive basis in an amount not less that $1,000,000 combined single limit per occurrence. The School Board of Miami--Dade County, Florida, its employees and agents must be listed as an additional insured on the policy.

3. Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with the work as outlined in this RFP, in an amount not less than $300,000 combined single limit per occurrence for bodily injury and property damage liability.

4. Professional Liability Insurance (e.g. malpractice) in the name of the Proposer, with limits of liability not less than $3,000,000 per wrongful act, for Proposers handling District owned property in the care custody and control of the Proposer.

5. Crime Protection Coverage for Proposers handling District owned property:

   The Proposer shall obtain, at the Proposer's expense, and keep in effect during the term of the contract, Employee Dishonesty, Third Party Fidelity Bond, and Inside/Outside Money and Security coverage's for District owned property in the care custody and control of the Proposer. Coverage Limits shall not be less than $10 Million.

All certificates of insurance submitted must be issued by companies authorized to conduct business under the laws of the State of Florida, with an A.M. Best rating (most currently published) must be no less than "B +" as to management, and no less than "Class V" as to financial strength. Certificates shall indicate no modification in insurance be made within thirty (30) days advanced written notice to the additional named insured or certificate holder.

Florida Statute 1010.07 relating to contractor-bonding requirements must be met, as well.

H. Implementation Schedule (Tentative)

The planned schedule for implementation of this Request For Proposals, is as follows:

Procurement Contract Review Committee ..... November 18, 2010

Mailing of Request For Proposals..... December 10, 2010

Submission of Questions by Proposers..... January 6, 2011

Responses to Questions ..... January 18, 2011

Opening of Proposals ..... February 15, 2011

Evaluation of Proposals ..... March 7, 2011

Oral Presentations (if required on or about)…… ..... April 5, 2011

Recommendation for Award ..... May 11, 2011

I. Additional Information

Any additional information regarding proposal procedures may be obtained from:

Division of Procurement Management Services
Ms. Barbara Jones, Director
1450 N. E. Second Avenue, Room 356
Miami, Florida 33132

III. CORE BANKING SERVICES – REQUESTED INFORMATION

A. Minimum Requirements

Must demonstrate eligibility to submit a proposal for the Core Banking Services by confirming the following minimum requirements:

1. Located within Miami-Dade County, Florida
2. Approved State of Florida Qualified Public Depository
3. Approved School Board Designated Depository
4. Member of the Federal Reserve System

Proposer responding to any services in Section III, must also respond to Section V, questions & requirements.

B. Specific Account Requirements

For each of the following account and/or account types confirm agreement with requirements and availability of services:

1. <u>Pooled Cash/Master:</u>

a) Processing most District receipts either via Electronic Funds Transfers or check are processed
b) Processing Wire and/or ACH transactions
c) ACH Debit Block employed
d) No checks are to be drawn on account(s)
e) Master to other District "Zero Balance Account" (ZBA)
f) Must allow for daylight overdrafts protection to allow for timely processing of District wires & ACH's
g) End of day balance are to be invested or swept into approved money market mutual fund and/or earning interest at an agreed upon rate.

2. <u>Payroll Account:</u>

a) District employs 100% Direct Deposit policy
b) Approximately 300 to 600 checks to be processed every two weeks due primarily to new hires, corrections, and bank account changes
c) Additional 300 checks processed to third party payroll related vendors, which will be issued under the Vendor Account when SAP Payroll is implemented
d) Positive Pay employed for check number, amount, & payee name
e) Encashment (Paid Check File) to be transferred for District daily reconcilement of account
f) Full or partial account reconcilement to be employed

g) Controlled disbursement to be employed
h) Employees payroll check cashing for free
i) Stop Payments processing to be employed
j) Check Imaging to be employed
k) Daily balance ZBA to master

3. <u>Vendor Account:</u>

a) Approximately 30,000 checks processed annually
b) ACH Origination for vendor payments employed
c) Positive Pay employed for check number, amount, & payee name
d) Encashment (Paid Check File) to be transferred for District daily reconcilement of account
e) Full or partial account reconcilement to be employed
f) Controlled disbursement to be employed
g) Stop Payments processing to be employed
h) Check Imaging to be employed
i) Daily balance ZBA to master

4. <u>Food Service Account:</u>

a) This account is used to deposit receipts from all of the School Board's cafeterias with annual collections totaling $27.5 million. Total items deposited and deposit credited of approximately 132,000 and 63,000 respectively are processed annually along with approximately $10 million worth of coins. Deposits from approximately 350 school cafeterias are made by armored car services on a daily basis. The armored car service is under separate contract with the School Board.
b) The selected Proposer must provide depositing services for currency, checks, and a significant number of coins.
c) The selected Proposer must make provision to count and sort the coins, currency and checks in a secure centralized location.
d) Approximately twenty incoming and/or outgoing transfers per month will be processed.
e) Each school's 4 digit location number and 4 digit deposit number is included in the MICR line of the deposit slip and must be captured by the bank.
f) A daily deposits file shall be transmitted to the District via FTP including each school's deposit amount and corresponding 4 digit location and deposit ticket number.
g) Pricing for deposit slips will be included in the Pricing Section V. I.

5. <u>Schools Internal Funds/Centralized Banking</u>

Currently the schools can select one of the District's authorized and State approved qualified public depository to provide banking services. Schools invest excess funds through the District School Money Market Pool administered by Treasury staff. There are currently 381 school internal funds demand accounts held in 20 different banks.

Under the current banking structure it is anticipated that the school's internal fund accounts will have the following volumes:

- Total items deposited of over 250,000 and deposits credited of approximately 25,000 annually.
- Total checks issued 70,000

The District is seeking creative solutions from its main banking partner to collaboratively implement a centralized banking solution that will provide reduced cost, increase efficiencies, controls, and earning potential. Transparent and accurate banking information for individual school reporting, along with continued school control over their funds and the strengthening of controls over depositing & disbursements are to be achieved. As part of this process the District will seek to implement a new financial accounting system for the school's internal funds accounts that will also provide Web-Based Collections integration. In addition, the District may employ reconcilement and In-house Bank functionality under the recently implemented ERP SAP system.

a) Provide all available options for the District to achieve Centralized Banking for schools' Internal Funds that includes projected estimated savings, increased efficiencies, controls & earnings potential.
b) Provide a thorough plan of action for implementation of each available option.
c) Provide examples where the bank has previously implemented Centralized Banking for other school districts.

C. General Core Banking Requirements

Proposer requesting to provide services to any of the District's accounts or services in Section III must indicate availability of services and respond to all questions in Section III. C. - General Core Banking Requirements.

1. **<u>Web-Based Banking:</u>** Of utmost concern to the District is the safeguarding of assets in executing transactions in an Internet based environment.

   a) Describe in detail all security issues related to the bank's Web-based banking product, including but not limited to the following issues:
      - Encryption of data or database
      - Authentication (Digital Certificates)
      - IDs and Passwords
      - Time Out
      - Firewalls and Network Security
      - Security Administration
   b) Provide a flow chart of the bank's private network environment as it relates to the Web-based banking product and include any third party

banking partners involved in the processing of the District's transactions. Include all tools used to protect the bank's private network environment.

c) Provide 3 references, of similar size and complexity as the District, of clients utilizing the bank's Web-based banking product.
d) Provide any external industry recognized best practices review of the bank's Web-based banking product's data integrity and security processes.
e) Provide major instances in the past year where the bank's clients were targeted by fraud on the bank web-based systems and describe bank support and resolution of each instance.
f) Provide methods/options available to obtain confirmations, advices, and statements.

2. **Information Reporting**:

The District currently utilizes the bank's proprietary systems to obtain balance and transactional reports on its demand accounts. These reports are flexible as to detail and summary information provided. They include prior day transactions and balances, as well as certain same day postings, such as electronic data interchange items and controlled disbursement clearings.

a) The Proposer must demonstrate the same level of functionality the District currently employs.
b) What are the hours of access to the information reporting system and availability of previous and same day information? If information is delayed, how and when will the District be notified?
c) Does the bank provide current day information, such as electronic funds transfers and controlled disbursement clearing amounts? How frequently is this information updated throughout the day? Provide a list of transaction types available on your current day reports.
d) Describe the level of detail provided in previous and current day reports and provide examples of balance and transaction reports.
e) Discuss the features of your inquiry capabilities. Does the bank's system offer the ability to inquire about specific transaction types?
f) How many days of history can be accessed through the system? Provide sample reports.
g) What tools/controls are utilized to assure the completeness and accuracy of the information being provided?
h) What other bank services or features are available through the system?
i) In what formats is information available for retrieval, *e.g.*, Excel, text, BAI, formatted reports?
j) Describe how information can be exported. Can macros be created to automatically export specific information on a daily basis? Can the export be done on a time sensitive schedule? Can the macro also

include commands to encrypt the data? Describe all security features related to the exporting of banking information through the bank's information reporting system.

3. **File Transfer Protocol (FTP)**: The related banking systems must be able to interface with District's FTP servers and must use encryption/ authentication techniques.

   Currently file transfers for direct deposits, positive/control pay issues, encashment/paid checks and food service deposits are being transmitted via FTP interface. The District is requesting that these transmissions be done via PGP encrypted File Transfer Protocol (FTP) utilizing the best security processes available. Of utmost concern to the District is the safeguarding of assets in executing transactions in an Internet based environment.

   a) Provide 3 references of successful implementation of FTP transmissions.
   b) Describe all options available for FTP transmissions.
   c) For each option listed in the previous question describe in detail all security issues including, but not limited to the following:
      - Secure Socket Layer (SSL)
      - Pretty Good Privacy (PGP)
      - Any other encryption standard used
      - Authentication Techniques
      - Firewalls and Network Security
   d) Provide a flow chart of the bank's private network environment as it relates to the bank's FTP transmissions and include any third party banking partners involved in the processing of the District's transactions. Include all tools used to protect the bank's private network environment.

4. **Treasury Workstation Interface**:

   The District's bank's must interface with the SunGard's ICMS Treasury Workstation to allow for daily automatic polling and reconciling of most of the District's demand accounts and custodial accounts.

   Describe all interface options available, including transmission & exporting options, security features employed and associated fees for each option.

5. **Investment Options**:

   a) Provide available money market options.
   b) Provide interest rate for the earnings on funds held on deposit and collateralized through the State Qualified Public Deposit Program and length of time rate is guaranteed, as well limitation as to balance

maximum or minimums.

c) Are FDIC charges to be deducted from earning rate?
d) Is there a differential rate associated with earnings credit for compensating balances for account analysis charges? If so provide length of time guaranteed and any limitations or deductions.

6. **<u>Other</u>**:

a) Provide optional services not included and describe fully all functionality, security, limitations and pricing.
b) Provide all options available for obtaining Account Analysis Statement
c) Provide listing demonstrating bank support for the District in the past five years
d) Provide listing of all community reinvestment activities in the past three years

D. Deposit Processing

Deposit processing is needed for the Food Service Account and School's Internal Fund accounts via the Proposer's Money Center services and for District deposits via Remote Deposit Capture services. The District currently employs separate web-based collection services for the Food Service account, concurrency collections, and for risk management insurance collections. Web-based collection services will be included in Section IV. – Collection Card Services.

1. **<u>Cash Vault/Money Center Processing & Reconcilement</u>**:

Cash vault (money center) services would be needed for both the Food Service and the future school's centralized deposit account(s). Some school's that currently have internal funds accounts with your bank may also opt to process deposits through the cash vault.

School location numbers and deposit numbers must be captured and reportable both by file transmission and by export from the web-based information reporting system on a daily basis.

a) Describe in detail the vault services to be provided. Include security procedures, change order procedures, cut-off times, and any other features or limitations.
b) Describe in detail how coins and currency are counted and proofed. Are all discrepancies identified with the account debited or credited, or is there a threshold for discrepancies written off? Are adjusted debits or credits reported separately with the applicable location numbers? Can the District be informed immediately when shortages/overages are identified over the threshold amount of $100?
c) Can return items be reported separately with location numbers? What other information can the bank report on? Within what time frame are return items remitted to a centralized office or school location?

d) What confirmations are provided for deposits made? Can validated deposit slips be returned to a centralized location and/or to the school's location? If not, please provide alternative method for validating deposit amounts to the schools.
e) All deposits discrepancies, including NSF and debit/credit charges should be reported via an advice submitted directly to the District's Food Service Accounting central location. Describe all available reporting methods. (The District will seek to employ Collection Agency in the near future)
f) Describe the methods used for exporting or transmitting deposit information (amounts and location numbers). What tools/controls are utilized to determine that the information is complete and accurate? Can the deposit information be exported or transmitted on a daily basis? Can the school location field be used as an index to search, export and report deposit information, if so describe all functionality.
g) What is the average and guaranteed maximum turn around time within which a bank once notified can research and correct a reconciling item?
h) All return items are to be re-deposited and returned either to a designated centralized location or to the school's location for the school's internal funds accounts.
i) Who is your third party vendor for printing of deposit slips and endorsement stamps? Can pricing be guaranteed for the term of the contract? Are outside vendors allowed?

2. <u>Remote Deposit Processing:</u>

The District utilizes remote deposit services to electronically deposit checks from 2 central locations, processing on average 150 checks daily, which may be expanded to more locations.

a) The District currently utilizes Digital Check Teller Scan TS230 check scanner. Does your service support the equipment currently used by the District? If not, provide all available options, including technical capabilities, quality standards, security features, cost, and if can be purchased from a third party.

b) Confirm that the proposed service will provide the same functionality employed in the current system, as follows:

- Deposits are processed for same day availability in the District account.
- Check & money order data and images both front and back are captured electronically
- Deposits are automatically balanced
- Generates deposit tickets automatically
- Provide separate daily electronic confirmation of deposit totals

- Must provide unique numerical identifier, such as a batch number, for each deposit
- Capable to download and save locally check images and related bank's deposit reports
- Available at least from 8 AM to 4 PM on a daily basis during regular banking days to process remote deposit transmissions from the District
- Hard copy notifications of all returned items must be submitted directly to the office of Treasury Management with electronic notifications available through the bank's online system.
- Provide security and appropriate internal controls such as user IDs and passwords

c) Provide description of the proposed remote deposit system that includes functionality, security, technical capabilities, and limitations, including but not limited to the following:

- Process for balancing deposit by District prior to transmitting to bank and after by the Proposer
- Limitations on the number of accounts to which District can apply deposits from each site, number of checks processed, multiple deposits in same day
- Procedures for handling deposit corrections, duplicates, returns and/or adjustments including notification and timelines
- Ability for addition, deletion, and rescanning of checks during both the correction and balancing process
- Ability to print the company's endorsement on checks & if so, can the endorsement be customized
- Does your service offer the ability to print processing details (e.g., depository site) on scanned checks? If so, discuss any limits on the types or amount of information that can be printed and/or the placement of the printed information on the check.
- Process used to index imaged data including retrieval and exporting capabilities
- Hardware and or software systems requirements including Web-based communications requirements and security constraints
- Security features included with service
- Transmission system requirements, process and support for errors in file processing such as duplicate transmissions or lost of data
- Compliance with NACHA rules and ability to convert return items to ACH or other electronic payment types
- Audit Trails including length of time data is stored
- Information reporting capabilities including sample reports

d) If later requested, describe capability to employ deposit reconcilement services and or interface returns with the District's SAP or Treasury

Workstation systems.

E. Check Processing

Along with the Payroll and Vendor accounts the District may also consider having a Proposer service the District's health and liability claim payments processed by third party agents, which processes approximately 625,000 & 66,000 payments annually for the District, respectively.

1. For each service to be employed below provide description of process including set-up, execution, controls, and reporting as applicable, along with timelines, limitations and options:

   a) Positive Pay employed for check number, amount, & payee name
   b) Encashment (Paid Check File) to be transferred for District reconcilement of account
   c) Full or partial account reconcilement to be employed
   d) Controlled disbursement
   e) Stop Payments
   f) Check Imaging
   g) Daily balance ZBA to master

2. Describe all security issues related to the above noted services.
3. Does the positive pay and/or control pay systems interface with the teller system? Describe any limitations or deadlines.
4. Proposer must be able to receive positive pay checks and transmit paid checks information (amounts and check numbers) via FTP encrypted files on a daily basis. What tools/controls are utilized to determine that the information is complete and accurate?
5. Does the stop payment system interface with the teller system? Describe any limitations or deadlines, including how long are stop payments stored.
6. Describe the procedures, time frame, limitations and controls involved in handling fraudulent transactions such as forgeries, alterations & counterfeit checks.
7. When a fraudulent transactions occurs all documentation related to the transactions, including communication with the bank of first deposit should be provided to the District upon request.
8. Describe in detail all available reconcilement services including full reconciliation, including timelines, sample reports and limitations.
9. What is the average and guaranteed maximum turnaround time within which a bank once notified can research and correct a reconciling item?
10. What is the guaranteed turnaround time for providing a copy of a canceled check? Does the electronic banking system provide image delivery of canceled checks and how long is the data available?
11. The District might need to include the location numbers as part of the checking account numbers for each school. Describe in detail the bank process for including the school's location number on the MICR line and

available methods for providing this information to the District .

F. Automatic Clearing House (ACH)

The District utilizes ACH services for payment and cash receipt purposes. ACH payments include the biweekly payroll direct deposits file with approximately 30,000 transactions and totaling over $30 million. A separate ACH file generated through the bank's ACH web-based system funds the Credit Union employee accounts totaling over $27 million.

In addition, the District is piloting the paying of vendors via ACH with an anticipated initial volume of approximately 100 transactions exceeding $17,000,000 per month. After successfully implementing a mandatory payroll ACH payment policy for all employees, the District's goal is to increase ACH payments for our vendors through the newly implemented SAP Accounts Payable platform.

The District usually transmits the current Direct Deposit file on Tuesday for a Friday pay date of the same week. District staff provides control totals on Tuesday, deletions to the file are submitted by Wednesday afternoon and the file is released late Wednesday for processing through the ACH system for the Friday effective pay date. Monday through Wednesday of the following week the District receives returns. During holidays and other special times this schedule is altered to accommodate District needs for up to 45 days.

ACH payments are also originated via the banking web based system for treasury related transactions such as transfers between District accounts. The District also receives the majority of all revenues via ACH credit transactions. In addition, the District will seek to implement an ACH Debit file for processing retiree's insurance payments in the near future.

1. Direct file transfer of ACH payments must be available via PGP encrypted FTP file for both payroll direct deposits and vendor payments with the following services:
    - Origination services
    - Fraud prevention services
    - Exception processing/handling services

2. Bank must be able provide the necessary support and coordination to implement the ACH files transmission. This includes providing the required file format and testing to ensure that ACH files are complete and secure. Define expected quality levels and desired support services.

3. Discuss the bank's methodology for determining debit and credit exposure limits.
    a) What factors do you use to determine debit and credit exposure limits?

b) Will the District be told what its exposure limits are?
c) Are the limits set by account, by account group, by a Cash Management Agreement per company (the net balance of all accounts of a company considered as if it were one account)?
d) What information must the District provide in order for you to determine those limits?
e) Are these limits negotiable?
f) How often will these limits change?
g) How do you determine limits when pre-funding is required?

4. Does the bank have a file limitation for maximum dollar amounts or number of entries, and are there any time and or day constraints for transmitting file?

5. Provide the cut-off times, relative to Settlement Date broken out by same day, next day & 2 or more days settlement, for Direct Transmissions or for web-based banking customer initiation of ACH, including book transfer. Please specify cut-off time differences between credits and debits (if applicable).

6. Describe in detail the direct deposit file processing. Include any limitations, deadlines, and special features. The Proposer must adhere to the District's current schedule for processing the direct deposit file whereby the file is warehoused at least 36 hours prior to effective payment date? Provide maximum length of time a file can be warehoused for a future settlement date. Describe how the Proposer will provide the flexibility to accommodate District special timing needs as delineated above.

7. Can the bank store a direct deposit file that has already been processed for a period of time of up to three months, in case it is needed as part of the District's disaster recovery options? Provide any other available solution to provide support for the District's direct deposit file disaster recovery plan.

8. Describe the bank's procedures regarding late transmissions of files. Is it possible to transmit a file and have it processed after the cutoff with proper notification to the processing unit?

9. Does the bank outsource any of the proposed services? If so, provide the name and address of any third-party processor. List the services that they provide, how long they have provided these services to the bank, and discuss any anticipated changes in the relationship.

10. How does the bank notify the company of administrative returns? What tools and/or processes are available to the company to minimize

administrative returns?

11. Can the Proposer meet the current District timelines regarding deletions and returns? Describe all deadlines, options and limitations relating to ACH direct deposit file transmission and processing as it relates to the processing of deletions & returns.

12. What service does the bank provide for the company to modify and/or delete a transaction prior to the file being released to the ACH operator?
    a) What modifications and/or deletions can be made?
    b) How does the company provide the bank with instructions?
    c) If modifications and/or deletions are permissible, what is the deadline for receiving instructions to modify and/or delete a transaction?
    d) Who can make these requests?
    e) How is security determined?
    f) If an entry is deleted from a file, can the rest of the file then be released?

13. What service does the bank provide for the company to reverse a transaction or file that has been released to the ACH operator?

    a) What are the procedures and deadlines for the company reversing a file? Batch? Item?
    b) Describe your bank's process for reversing files, batches and items.
    c) What security procedures are used? Do you provide standard request forms?
    d) How will the District be provided confirmation of results from the attempted reversal of files or transactions?
    e) Confirm that all data fields provided in the ACH file are included in any notice sent back to the District of return. Provide sample of reports or notices.

14. Does the bank accept both debits and credits on the same file? If so, are there any additional requirements?

15. Does the bank provide a database of ACH member institutions? If so, describe.
    a) How often is this database updated and communicated?
    b) How does the company access this database?
    c) Is there any charge for access?

16. Describe the bank's process for ACH returns and Notifications of Change on originated entries.
    a) When will the funds for returned entries be posted to the customer's account?
    b) Can the bank automatically redeposit originated ACH entries returned for insufficient or uncollected funds?

c) Can the bank provide the customer with the tools to decide which entries to redeposit?
d) How often can items be redeposited?
e) When items are redeposited, are any entries posted to the customer's account?

17. Describe in detail all security and controls related to the ACH system, including but not limited to the following:
    a) Segregation between set-up, initiation, approval, and transmission
    b) User ID's and Passwords
    c) Verifications
    d) Transmissions
    e) Security Administration

18. Describe all the procedures, controls and security issues involved the security administration services for the District.

19. Does the system provide for dual security administration functionality, whereby two individuals with security administration authorization would be needed to perform this function? Does the bank have the ability to limit the set-up of security administrators only by the bank and/or have dual set-up of security administrator's functionality as well? Describe in detail the procedures for setting-up security administrators and for logging and reporting these changes.

20. ACH web-based banking system should have the capability to retain repetitive ACH payments instructions that can be combined in the form of batches. Can the system interface with external source to accept batch downloads. Describe security over this functionality and how updates to the payment instructions are handled.

21. Describe all issues related to addendum records, including reporting on incoming EFT's.

22. Describe how confirmations of ACH transactions are provided and provide sample reports and/or screens.

23. Describe the inquiry and reporting capabilities and provide sample ACH reports and/or screens.

24. Describe all audit log capabilities and provide sample reports and/or screens.

25. Indicate whether Universal Payment Identification Code (UPIC) is available to provide instead of bank account numbers to receive ACH payments.

G. Wire Transfers

The District executes approximately 300 incoming and 700 repetitive outgoing wire transfers annually. Only repetitive transfers are authorized. No free form or non-repetitive transfers are allowed. Currently the bank sets-up all authorized repetitive wires for the District on the Wire web-based banking system. The system must provide for segregation of duties, whereby staff members who initiate are separate from staff members who approve the wires.

1. Describe in detail the wire system and all available transfer options.
2. Describe any limitations, deadlines, and/or special features.
3. Describe in detail all security and controls related to the wire system, including but not limited to the following:
   a) Segregation between set-up of repetitive wire agreements, initiation, approval, and transmission
   b) Personal Identification Numbers (PIN)
   c) User ID's and Password
   d) Verifications
   e) Test Key
   f) Transmissions
   g) Security Administration
   h) Audit Logs
4. Describe all the procedures, controls and security issues involved the security administration services for the District?
5. Does the system provide for dual security administration functionality, whereby two individuals with security administration authorization would be needed to perform this function? Does the bank have the ability to limit the set-up of security administrators only by the bank and/or have dual set-up of security administrators' functionality as well? Describe in detail the procedures for setting-up security administrators and for logging and reporting these changes.
6. Describe the set-up and processing of repetitive transfers. Can the system limit wires to only process repetitive transfers?
7. Describe how confirmations of wire executions are provided and provide sample reports and/or screens.
8. Describe the inquiry and reporting capabilities and provide sample wire reports and/or screens.
9. Describe all audit log capabilities, including access rights. Provide sample reports and/or screens.

H. Custodial Services

The District's main custodial account includes the safekeeping of all securities purchased for the Pooled Cash Portfolio, the General Obligation Bond Portfolio, and the school's Money Market Pool portfolio. Approximately 120 securities are purchased and are sold or matured on an annual basis.

All securities owned by the District are to be settled Delivery Versus Payment (DVP) and are to be held exclusively for the account of the District and shall be segregated under the Trust Account that is maintained by the Custodian at the Federal Reserve Bank. The internal records of the Custodian shall indicate specifically and on a separate account basis that the securities are the sole property of the District. Each entry shall be properly identified to reflect the securities are being held exclusively for the District's account.

1. The Custodian shall maintain complete accounting records showing all transactions applicable to the principal account and to the income account. An advice of each purchase, sale, or maturity is to be remitted to the District. On a monthly basis two statements are to be remitted to the District, which show all transactions of the principal and income since the date of the last preceding statement and a list of assets held.

2. Credits to the applicable demand accounts for maturities or sales must provide same day availability of funds with daylight overdraft protection to allow for timely processing of District's wires and ACH's

3. Describe your system for the registration and custody of assets. Include the bank's depository memberships and services obtained.

4. Describe the physical security systems of your vault and custody area. If a third party provides these services, then describe that arrangement and the physical security systems and custody area of the third party.

5. List all insurance coverage relevant to the custody department and all sub-custodians. List types of coverage, amounts, and the types of losses covered.

6. Describe the procedures, deadlines, automated processes and authentication techniques for each of the items listed below:
   a) Receipt of trade instructions, including same-day trades
   b) Affirmation processing (DTC). Indicate what provisions have been made for interactive ID
   c) Securities movement and control (SMAC) systems update
   d) Notification of settled trades, failed trades, available balances, etc.
   e) Securities position reporting and reconciliation
   f) Reporting of income on securities held
   g) Trade discrepancies

7. Describe the process for debiting and crediting the applicable demand accounts.

8. Describe the frequency, procedures, limitations, vendors, and controls involved in the pricing of the securities held for the District.

9. Describe any performance analytics that are available.

10. Provide samples of all reports, statements, advices, and/or screens that are available.

IV. ADDITIONAL FINANCIAL SERVICES

Proposers who respond to these services and not to Section III - Core Banking Services do not need to meet the minimum requirements included under Section III. A. Proposer responding to any services in Section IV, must also respond to Section V, questions & requirements.

A. Card Services

1. <u>Purchasing Card/E-Payables:</u>

The School Board of Miami-Dade County has been using purchasing credit cards for more than 10 years. The cards are used mainly by schools and departments for the purchase of materials and supplies costing less than $3,000. Cards are primarily issued to the Principals and Department Administrators to be used for their entire unit's small purchases via phone, fax, or electronic means. In some instances, cards are issued to additional specific individuals that have a need to purchase directly from a store. In addition, cards for specific departments may be issued to procure items on current bids that exceed the regular $3,000 limit. Anticipated volume include over 600 cards generating $15 million in annual purchases with 35,000 transactions processed per year. District seeks to increase the rebate amount by employing E-Payables in coordination with the Purchasing Card program.

a) Proposer must have the ability to issue new cards to cardholders under the established program, for purchases of materials and supplies, based on authorized setup usage restrictions.
b) Must provide a rebate to the District based on a predetermined percentage of purchased dollar volume.
c) Provide all available options for rebates including participation in consortium programs and the ability to expand purchase via E-Payables
d) Describe inclusion of E-Payables program and functionality, including limitations and requirements

e) Provide issuance of additional purchasing card to various locations based on authorized setup restrictions within 72 hours.
f) Purchasing cards must have no annual fee.
g) All charges must be billed on a monthly basis, with the flexibility to be billed directly in total to the District and/or directly to each individual school.
h) System must provide the following individual card controls:
    - maximum spending limit per card
    - spending limit per transaction
    - merchant code block
    - velocity or usage limit
i) Describe the card controls and usage restrictions options supported by your program:
    - Company level restrictions
    - Cardholder level restrictions
    - Department level restrictions
    - Merchant Category Code/Standard Industry Classification (MCC/SIC) restrictions
    - Cash advance restrictions
    - Dollar limits
    - Velocity restrictions (i.e., frequency of use)
j) Provide 1099 support pertaining to current and future changes in regulations.
k) Provide quick turnaround to temporarily open blocked merchant codes for emergency purchases. Please describe procedures and time frame.
l) Except for a ghost account used to purchase airline tickets, the purchasing cards will not be used for travel and entertainment (T&E) transactions and/or fleet transactions.
m) How many suppliers accept your purchasing card?
    - Worldwide
    - In North America
    - Provide Level II and Level III Data
n) What third-party processor is used for authorization and transaction posting?
o) Do any third-party partners perform other functions, such as systems support or customer service? If so, explain.
p) What billing cycles are available?
q) What options are available for statement delivery and can daily file transmission be provided?
r) Provide options for payment terms from statement date.
s) What options are available for the company to make payment (e.g., EDI, ACH, check)?
t) Do you have the capability of billing multiple business units, i.e. locations and receiving payment from those separate business units? Also system must allow for managing, storing and reporting payments by locations numbers.

u) How do you handle merchant education, support and enrollment?
v) Describe any unique features provided by the issuer's product that we should consider.
w) Does the program provide the option of customizing the card with a corporate logo? If so, is there a charge?
x) What are the liabilities of the company and employees in the event of fraud, abuse or loss of a card? Do you provide fraud insurance? If so, what are the stipulations and fees associated with the insurance?
y) Does your program screen transaction activity for fraud patterns? If yes, explain. If no, is this capability planned for future implementation and if so, when?
z) Describe your card management process and timelines including:
    - New card issuance
    - Cancellation of cards
    - Modification of card parameters (e.g., dollar limits, MCC restrictions, etc.)
    - Lost/stolen cards
    - Replacing cards (including "emergency" situations)
    - Modifying a cardholder's profile
aa) Provide samples of reporting capabilities and describe web-based system functionality as follows:
    - View transaction rejects
    - Release merchant code blocks
    - Enter applications
    - Change limits and velocity transactions on accounts
    - Cancel cards
    - Increase/decrease limits
    - Report transactions by merchant
    - Report transactions by merchant code
    - Report Active cardholders with transaction and velocity limits
bb) Describe all automated reconciliation services offered including limitations and requirements.

2. <u>Pay Card:</u>

The School Board of Miami-Dade County has been using payroll pay cards for approximately two years after implementing a mandatory direct deposit program. The current program utilizes an account owned by the employee that only allows for Visa Debit Card transactions and ATM withdrawals. The cards are used by over 300 employees that do not have bank accounts or find it convenient to use a pay card.

a) Proposer must have the ability to issue pay cards to new cardholders to receive direct deposit pay regardless of credit history.
b) Vendor must provide a unique account for each employee that can be used to transfer via ACH the biweekly payroll payment. Transferred funds must be loaded to each individual card and be available for use

on the payroll date.

c) Provide issuance of additional cards to new cardholders based on authorized setup restrictions within 48 to 72 hours.
d) Pay cards must have no annual fee to the District.
e) System must provide the following features:
    - Card protection via PIN or transaction signature
    - Capability to draw all funds credited to card
    - Provide one free ATM withdrawal per pay period
    - One free delivery of card per year
    - As an alternative, the program should also provide the capability to get cash by writing a check.
    - Cardholders should have the capability to check balances by phone, and have access to live agents and/or website to resolve problems.
f) Provide price schedule including any additional charges to cardholders.

3. <u>Merchant Services – Point of Sale Terminals:</u>

A total of 9 schools process through Point of Sale Terminals via credit cards or debit cards totaling approximately $1.3 million annually. The machine(s) currently processing the District's transactions are as follows:

- Tranz 330
- Tranz 380
- Pinpad 1000
- Printer 900
- Omni 3200
- Link Point LPAI0
- First Data FD100

a) Does your service support the equipment currently used by the District? If not, provide all available options, including technical capabilities, quality standards, security features, cost to purchase lease or rent, and any maintenance related charges, and if can be purchased from a third party.
b) Must be able to process VISA, Master Card, American Express and Debit Cards
c) All charges for merchant services must be billed on a monthly basis, with the flexibility to be billed directly in total to the District or directly to each individual school.
d) Must provide a simplified price schedule that eliminates miscellaneous charges for different reward types or special fees and includes any one-time or set up charges, research fees and <u>all</u> <u>other</u> <u>fees</u> that will or could be charged (e.g., interchange rates by location, regular and ad hoc reporting costs).
e) Credit card deposits must be posted directly to each school's account, which must be a State approved Qualified Public Depositor.
f) Describe all settlement processes, timeline, requirements and limitations.

g) Are settlement amounts listed separately on the bank statement or will they appear as one lump sum? Will Saturday and Sunday activity be combined into Monday?
h) Describe the ticket retrieval request process and turn around time.
i) Will you provide a designated contact person or a department to help District manage training and charge backs?
j) Are credit card charge backs and other debits adjustments netted from daily proceeds, or are they debited separately?
k) Describe your debit card processing capabilities. Which networks can you use and can the lowest cost network be programmed?
l) Describe the dispute process and procedures for both cardholders and merchants.
m) Describe the bank's processing system for identifying and handling duplicate transactions?
n) Do you provide fraud-management training or awareness programs?
o) Are there limitations on the number of transactions contained in a batch or files transmitted daily?
p) What option is available to process the charge and record the approval if the system or equipment is down? How are these transactions differentiated from charges processed normally?
q) Describe the daily and/or monthly reconciliation reports available to the merchant, including ad hoc reporting capabilities.
r) Is historical information regarding sales, refunds, and charge backs maintained in a database for access by the District? If yes, what access method is available and for how many months may historical data be retrieved?

4. <u>Web-Based Collections:</u>

The School Board desires to consolidate and expand web-based collections The goal of the District is to expand web-based collections to reduce costs and increase efficiencies in a secure environment. See School Internal Fund/Centralized Banking Section II. 5 where the District will seek to implement a new Internal Fund accounting system to integrate with a web-based credit card payment gateway system and provide this option for all school related collections.

Currently, an internet based credit card payment gateway system is employed for concurrency fees with approximately $40,000 in annual charges. In addition, parents pre-pay via credit card their children's school cafeteria charges utilizing a third party web-based provider integrated with the point of sale food service system. Current volume exceeds $2,900,000 in annual charges with over 95,000 transactions processed and represent approximately 9% of collections.

a) All charges for merchant services must be billed on a monthly basis, with the flexibility to be billed directly in total to the District or directly to

each individual school.

b) Credit card payments must be posted directly to each school's account.

c) Must be able to process VISA, Master Card, and debit cards with the Visa/Master Card logo.

d) Should provide capability to charge a convenience fee for certain transactions. If a convenience fee is used, the District must be advised of changes in the convenience fee environment as dictated by the credit card industry and make recommendations that would serve to insure that schools remain in compliance with all rules and regulations of the credit card industry.

e) Should have capability to provide a Daily Settlement Reconciliation File that will enable the schools to automatically reconcile the settlement amount to the District's financial system. The file's merchant/agency amounts and batch information shall correspond to the daily ACH credits.

f) The Proposer shall be required to make certain that the District's electronic payment receipts system is operated through a properly secured technique consistent with industry standards. This must include encryption methods to ensure the confidentiality of information during transit; a means to provide for no repudiation of transaction information; and an authentication system sufficient to ensure use of the system is restricted to authorized persons. Usage of the system must create sufficient audit trail to provide the information necessary to identify specific transactions, their source, affect and modification. Please describe your program that ensures the highest level of security for this system.

g) Must provide a simplified price schedule that eliminates miscellaneous charges for different reward types or special fees and includes any one-time or set up charges, research fees and <u>all</u> <u>other</u> <u>fees</u> that will or could be charged (e.g., interchange rates by location, regular and ad hoc reporting costs).

h) Are discount fees calculated on gross or net sales?

i) Provide a funds availability schedule by card type. What is the settlement transmission time frame for Visa, MasterCard, Discover, American Express, Diners and JCB?

j) Are credit card charge backs and other debit adjustments netted from daily proceeds, or are they debited separately? Are funds debited from the operating account or a separate escrow account?

k) Describe your debit card processing capabilities. Which networks can you use can the lowest cost network be programmed?

l) Describe the dispute process and procedures for both cardholders and merchants.

m) Do you offer processing solutions that perform:
    - Deferred billing
    - Installment billing
    - Recurring billing

- Fraud-management training or awareness programs

B. Supplemental Early Retirement Plan

The District is requesting investment management services, claims benefit disbursement services, and custodial services for the Miami-Dade County Public Schools Supplemental Early Retirement Plan (Plan), see Attachment B-1. On July 1, 2000 the Plan was closed to new employees and had no additional employees vesting after July 1, 2003. There are currently approximately 628 beneficiaries and approximately $24 million in Plan assets. Authorized School Board staff also act as Plan Administrators. Other pertinent information on the Plan can also be found in the District Annual Financial Report Note 20, at the following address: http://financialaffairs.dadeschools.net/pdfs/AFR_10-11.pdf

A Proposer may choose to only provide Investment Management Services or only the disbursement and custodial services, or may choose to provide all requested Services for the Plan.

1. **Disbursement & Custodial Services**: The selected Proposer must provide disbursement services for the distribution of monthly retirement benefit and applicable IRS payments and reporting, as well as act as the District's Custodian for the Plan. Section III. H. Core Banking Services – Custodial Services must also be completed along with this section. In addition, the selected Proposer must comply with all other requirements contained in Plan document, and confirm agreement with or provide responses for the following requirements:

   a) Disbursement services should include system capability to monitor payment of benefits with different option conditions (e.g. stop after 10 years; increase benefits by 3% cost-of-living adjustment each July 1) and produce special reports as required.
   b) Process payments for administrative expenses of the Plan
   c) Process stop payments, change payees upon death of participant, change payee information, and all other related payment file maintenance.
   d) Proposer must assume liability for any erroneous payments made, which are not specifically approved by authorized District staff.
   e) The following reports and deadlines are required:
      - Verification report by the 20th of each month, listing the payees and amounts to be paid at the end of that month
      - Summary report of all actual payments made during the month.
      - Annual report detailing all account activity during the previous fiscal year as well as the end-of-year financial statement (Fiscal year ends June 30)
      - Filing all reports and returns required by the United States and the State of Florida laws and/or regulations.

f) Describe organizational structure to process retirement benefit payments. Are benefit payments processing done internally or through an outside service bureau?
g) Describe the normal pension payment cycle. Indicate the dates for file maintenance, benefit distribution process including timeline, limitations, flexibility for more than one address or payment type, i.e. checks and/or ACH direct deposits.
h) Describe all online services & reporting capabilities for both the District and Plan Beneficiaries.
i) Describe systems capabilities to record changes in beneficiary status and payment processes (e.g., addresses, mortality, and check clearing).
j) Describe procedures for processing stop payment order.
k) Describe procedures for tax withholding services.

2. **Investment Management Services**: The selected Proposer must provide ongoing guidance as to investment policies, investment strategy development via asset liability projections that seeks to offset financial risks of the plan, execution of daily investment transactions, performance measurement and performance reporting. See Attachment B-2 for the 2009 Actuarial Report & June 30, 2010 update of Unfunded Pension Benefit Obligations. Also current Investment Policies can be found at the following address:

   http://www.dadeschools.net/schoolboard/rules/Chapt4/4D-1.102.pdf

   a) Provide a history of assets under management by your organization for at least the past ten years
   b) Describe organizational structure, decision making process, benchmarks and analytics used for research, investments, trade execution, performance measurement, and reporting.
   c) Describe any third party or external resources utilized for each of the functions noted in questions #2.
   d) Demonstrate your organization's methodology for determining investment strategizing development via asset liability projections by providing a review of District's possible optimal investment strategies based on information provided.
   e) Provide recommended optimal investment strategy/portfolio(s) that is recommended for the Plan based on the information provided.
   f) Describe your screening process for ensuring that investments meet the Plan's investment policy and how is the District protected in the event the investment manager makes an investment that initially or at any time during the holding period falls outside the company's investment policy?
   g) Describe the primary investment management style(s) that your organization uses for the recommended investment strategy/portfolio.
   h) Provide annualized total returns for each of the past five years and as

of ten years broken out by fixed income, equity, and short-term sectors and in aggregate by portfolio for the recommended investment strategy/portfolios

i) Provide the number of accounts currently managed under the recommended investment strategy/portfolios, and the average dollar value and total assets under management as of December 31, 2010 by the following categories:
   - 0 to $20 million
   - $20 million to 50 million
   - $50 million to 100 million
   - Over $100 million

   Indicate how many accounts represent public retirement funds in each category.

j) Provide a comprehensive review of your performance measurement services available that includes portfolio analysis, asset allocation and brokerage analysis for both US and non-US accounts. Provide examples of performance reports. Indicate report(s) frequency, methods for distributions and delivery dates.

k) Provide short biography of key portfolio manager/decision maker over the past five years involved in the recommended strategy/portfolio and who will be responsible for the Plan's primary investment decisions.

l) Provide the name, asset size, and phone number of three references meeting the following criteria
   - Similar investment strategy proposed for Plan
   - Public Retirement Fund
   - Same portfolio manager
   - Account size $10,000,000 to $50,000,000

C. Automated Teller Machines (ATM)

Request the installation and servicing of ATM machines at several District locations. Currently three ATMs are set-up in the administration building(s) lobby averaging monthly volumes totaling approximately over 2000 transactions managed by two entities.

1. Provide the specification and features of the ATM machine to be installed.
2. Specify required space & infrastructure to be provided by the District to install ATM machine.
3. Provide fees charged to the users, any fees to be charged the District and available revenue sharing arrangement with the District.
4. Provide copy of proposed contract.
5. Describe in detail all services and any possible liabilities to the District for these services.

V. GENERAL VENDOR REQUIREMENTS

A. Compliance with Regulatory Authorities

All banking services proposed must comply with all applicable federal, state and local guidelines in addition to all M-DCPS Board Rules and internal procedures in effect as of the date of the proposal. The Proposer must be capable of demonstrating their commitment to updating and maintaining the proposed service(s) to ensure that they remain in compliance with these requirements.

Consideration should be given (but not limited) to the following items:

- 12 CFR 205 Electronic Fund Transfers (Regulation E)
- Florida Department of Education State Board of Education Administrative Rule 6A-1.0012 'Minimum Security Measures for Direct Deposit by Electronic Transfer of Funds or other Medium' and related Florida Statutes 215.85, and 1010.11
- Florida Statutes Chapter 1010 Financial Matters Chapter 1011 Planning & Budgeting under XLVIII – K-20 Education Code
- All School Board rules noted in Section II. B.

Florida Statutes may be accessed at: http://www.leg.state.fl.us/

School Board rules may be accessed at:
http://www.dadeschools.net/schoolboard/rules/

B. Vendor/Product Background

1. Financial Viability – Must provide the following information regarding your company:
   a) Latest audited annual financial report.
   b) Credit ratings from the following agencies: Standard & Poor's, Moody's, Fitch, Sheshunoff, Dun & Bradstreet or Lace. Include ratings for senior debt, subordinated debt and long-term deposits, if applicable.
   c) Bankruptcy information of Proposer or affiliated firm for which Proposer has a controlling interest
   d) Pending litigation, if any
   e) Has there been any legal action against your company during the past five years? If yes, please explain.

2. Staffing
   a) Provide the names, titles, and resumes indicating qualifications, educations, and experience of the key individual responsible for the District account. Include the relationship manager, the treasury management personnel, and the customer service representative.
   b) Describe the role of each key individual in servicing the District's accounts.

c) Provide percent of turnovers in the key areas to be involved with the District.

3. Experience & Commitment

a) What differentiates your bank/company and customer service from that of other vendors? Are you willing to guarantee both the timeliness and quality of your customer support?
b) Provide the latest BAI survey results relating to measured performance of systems processing, quality of service provided, and error handling for you institution, if responding to Section III, Core Banking Services.
c) Provide Nilson report results on volume, if responding to purchasing card, merchant services or web based banking services.
d) Describe overall policy, guarantees, and commitment to the bank's error handling. Specifically detail procedures and guarantees for the bank handling of errors related to the wire, ACH, web-based banking and/or any other services provided via the Internet.
e) What is the size and makeup of the existing customer base actively utilizing banking services and/or financial products being proposed and how long has each banking service and/or financial product been offered?
f) Describe instances whereby the Proposer has provided available credit to their clients and include amount, terms and facility type.

4. References

Provide at least 3 references, preferably of school districts and/or government entities utilizing your system. Please include entities of similar size as our District, and having varying length of experience utilizing the proposed system. Include entity's name, address, contact name & phone number, size of account, brief description of services provided, and date, term, dollar amount of the agreement over the term of the contract, annual estimated charges.

C. Security

1. Each banking system security architecture should allow for the designation of a security administrator. Security for each module should be hierarchical and allow for the assignment of granular access to users for individual screens, reports, and data elements.

2. Describe how system, individual program, and user passwords are handled.

3. Describe the User ID and password functionality. Does it follow general

Information Security Best Practices? For an example of what the Miami-Dade County Public Schools District does, see the District's Network Security Standards at: http://pdfs.dadeschools.net/techsupport/datasecurity/Network%20Security%20Standards%202008.pdf

4. The banking systems must have secure remote access capability, including funds transfers, with full functionality and security in place.

5. The system must use encryption/authentication techniques with procedures clearly documented for the user.

6. Audit trails and logs are required to show what functions have been performed and by whom. These audit trails should be able to identify the originating module in addition to the originating user for each transaction. System generated transactions should also be included in the audit trail.

7. There should be provisions for the system to handle security measures such as bank-provided user ID's and passwords. Access to these user ID's and passwords should be restricted. All user ID's and passwords should be encrypted while stored and in transit to prevent unauthorized access.

8. Can a user be prevented from seeing functions on the menus, which the user is not authorized to perform?

9. If the system (hardware or software component) needs to be serviced, what security measures are in place to safeguard the veracity of our data?

10. Describe any additional or optional security features available.

11. Provide a copy of your latest SAS 70 Review, if applicable. If not provide a third party industry recognized, best practices control review of the banking systems the District will be utilizing. The District will require a copy of the latest SAS 70 Report on an annual basis from the selected Proposer(s).

12. Are there timeouts built in to the application screens with user defined times and passwords?

13. If application is Client/Server based, it will be required to run under Windows Active Directory Group Policies and User and Computer rights and permissions.

14. Will the vendor require access to the system through the Miami-Dade County Public Schools (MDCPS) firewall and if so, is a VPN and/or encryption provided? The vendor is hereby notified that any breach of

MDCPS computer assets by the vendor's staff, including unauthorized system use and data access, is a violation of MDCPS Network Security Standards (see link above) and could result in legal action.

15. The District uses Pretty Good Privacy (PGP) to encrypt data sent via an FTP process either to or from the bank. The bank and the District must exchange PGP public keys and then encrypt and sign all files to be exchanged to prevent this data from falling into the wrong hands.

D. Fraud Prevention

1. Describe all security measures employed to protect the confidentiality of the District's transaction information?
2. What limitations, deadlines, requirements, programs and services must the District employ or adhere to that will reduce the District's exposure to risk of fraudulent transactions being processed?
3. What available options increase the District's exposure to risk of fraud? Describe how these options are specifically addressed in the service agreements?

E. Disaster Recovery

1. Describe the back-up plan for the Proposer's system(s).

2. Describe your disaster recovery program. How quick is the guaranteed turn-around time, e.g. 24 hours, 48 hours, etc.? Does the software license restrict making backup copies for disaster recovery, testing, and user training purposes?

3. For each service delineated in the RFP, provide time limit, method and guarantee for providing old files and information.

4. Describe available services, options, and support for District's own Disaster Recovery needs.

F. Systems Upgrades & Customization

1. How long has the current release of the proposed banking system(s) been available?

2. How often does your company issue new releases (version and maintenance) and how many versions or releases of the proposed system(s) software do you support?

3. Describe how customers are notified of version upgrades and maintenance releases? Are customers required to pay for maintenance charges for specific products?

4. Will documentation updates be provided when new releases or versions are installed or updated?

5. Describe to what extent the end user may customize the banking systems and how access to customizations can be limited. Will customizations be covered by the product warranty?

6. What differentiates your bank support for technical upgrades, product implementation and/or customization request from that of other Proposers? Are you willing to guarantee both the timeliness and quality of your customer support?

7. How do you plan to keep your services current/competitive, and what is your commitment to providing the required technical support for upgrades and customization request to address the District's ongoing needs?

G. Customer Service & Quality Control

1. Describe your company's customer service organization structure, including location of customer support offices and how many employees are devoted to support the District.

2. Describe the customer support for future system updates, enhancements and new versions of the software.

3. Describe the available technical customer support for computer hardware, software, and communication problems, and problem escalation procedures.

4. What is your historical response time? Describe the remote and on-site diagnostic support provided.

H. Implementation

1. Provide a brief description of the installation and implementation process.

2. Provide a detailed implementation schedule, including:
   a) Timeline
   b) Task list
   c) Task due dates
   d) Assigned responsibilities
   e) Contingent events
   f) Resource requirements (District & Proposer)
   g) Information requirements

3. Provide an acceptance test plan that includes the most specific means for validating the successful implementation plan and on-going monthly performance in accordance with the requirements of this RFP.

4. Describe the type of support provided during implementation, including associated costs and additional implementation services, if any. Include an estimate for implementation assistance and any associated costs or expenses, including travel that may be required.

5. Describe the process to convert historical data currently available and maintained by the District.

6. Describe the initial and on-going training for upgrades and enhancements provided, and any associated cost.

7. On an average, how long has it taken your customers to fully implement banking services for institutions the size and complexity of the District? Do you have any customers that have not been able to interface with your systems? If so, describe in detail each situation.

I. Pricing

Copies of the October Account Analysis Statement will be available only upon request due to security concerns.

1. Proposer must provide price breakdown by requested services as per Attachment C. If not responding to certain services indicate "Not Applicable".
2. Can required hardware, if any, be purchased from another vendor?
3. Provide pricing differential if any for available option proposed for the school's Internal Funds Centralized Banking Initiative. Provide any special account pricing for the school's current Internal Funds Accounts, if responding to this Section III. B. 5.
4. Provide pricing for the deposit slips and endorsement stamps for 350 school locations.
5. Provide price schedule for Pay Card Services as noted under Section IV. A. 2, if applicable.
6. Provide price schedule for Disbursement Services for the Supplemental Early Retirement Plan under Section IV. B. 1, if applicable.
7. Provide price schedule for Investment Management Services for the Supplemental Early Retirement Plan under Section IV.B. 2. If applicable.
8. Provide pricing differential if any, for optional services.
9. Full payment will be made within 45 days after receipt of quarterly statement/invoice.
10. Upgrades or new versions of banking software/systems should be part of contracted service charges.
11. Include all licenses or user fees for use of banking software in the pricing provided in Attachment C.

12. Responses on Attachment C or other pricing schedules preferred to be provided in Microsoft Excel format as well as hardcopy to facilitate review.

J. Other

1. Provide copies of all applicable agreements
2. Provide any other optional services for the District to consider not previously discussed and describe fully all functionality, security and limitations.