

5. SECTION B - SCOPE OF SERVICES:

5.1. Background

Montgomery County, Maryland is located adjacent to the nation's capital, Washington, D.C., and includes 497 square miles of land area. Bordering the County are Howard County to the northeast, Prince George's County to the southeast, Frederick County to the northwest, the District of Columbia to the south, and Virginia to the southwest. For more information regarding the County and its economy, please visit the County's website at www.montgomerycountymd.gov.

5.2. Intent

Montgomery County, Maryland (hereafter referred to as "the County"), is soliciting proposals from qualified Offerors for banking to be provided to the County as specified in this Request for Proposal (RFP).

The County may award multiple contracts as a result of this solicitation until the County's needs are met.

The County's overall objectives for this RFP are to:

1. Select provider(s) who offer efficient and effective services, and product solutions that will support the County's current and future banking needs.
2. Choose institution(s) that employs advanced technology in their processes and who will help the County apply that technology to improve its business processes.
3. Establish optimal pricing for the services defined within this RFP.
4. Select provider(s) who offers superior customer service, timely implementation support and responsive problem resolution.
5. Select provider(s) who offers innovative products and services while adhering to the compliance standards in the safekeeping of County's assets.

5.3. Scope of Services and Requirements

5.3.1 Banking Practices and Structure

5.3.1.1 Current Depository Services

The County contracts with one bank for its primary banking services including all lockboxes. The County manages its cash on a pooled cash concept using both Zero Balance Accounts (ZBA) and non-ZBA accounts. The majority of the revenue collections are deposited into a deposit account and then transferred into a concentration account. All account balances in all other accounts such as investments, credit card, etc. are transferred into the concentration account daily. Additionally, the concentration account also funds the County's disbursement accounts. The concentration account dictates the County's compensation balances for analysis charges. Different County departments deposit through various methods, including, but not limited to, branch deposits and vault services via armored courier. These departments utilize serially encoded deposit tickets to identify the depositor for reconciliation purposes. The County maintains several other depository banking relationships with other financial institutions to provide convenient branch locations for departments to make deposits. These other bank deposits are concentrated daily less a predetermined target balance into the County's primary deposit bank.

Attachment F is a Cash Flow chart listing of all depository services utilized by the County.

5.3.1.2 Mandatory Depository Services - Requirements

The depository services listed below are mandatory:

- a. Offeror must provide a dedicated, experienced Relationship Manager with five or more years of experience with government banking. The Relationship Manager must at all times be cognizant of County services provided under the Contract and must meet with the County at least once each month to discuss any ongoing issues or to inform the County about new services or products of interest. The Relationship Manager must be available by telephone and email Monday through Friday from 8 AM until 5 PM, Eastern Standard Time, to respond to the County's questions and needs. If the Relationship Manager is on leave or otherwise unavailable, the Contractor must provide a backup Relationship Manager, who must also be cognizant of all County Services provided under the Contract. Contact information for the backup Relationship Manager must be provided at least three days in advance of the primary Relationship Manager's absence.
- b. The bank must be "Well Capitalized" as defined by the Federal Deposit Insurance Corporation.
- c. At least one of the Offeror's bank branches must be located within Montgomery County, Maryland.
- d. The Offeror must be able to provide multiple Zero Balance Accounts (ZBA) and concentration account tiers.
- e. The Offeror must provide a funds availability schedule to be applied to the County's deposits.
- f. The Offeror must provide an efficient and effective approach of collecting from 20 locations and depositing in a manner that the County receives same- or next-day availability using remote deposit capture. The County must be able to scan other documents in addition to checks using this technology. Scanners must be able to apply virtual endorsements to items.
- g. As discussed in detail in Section 5.4.5, the Offeror must provide for the collateralization of all collected funds deposited to any bank account within the scope of this section in accordance with the State and/or County Code.
- h. Offeror must require the signature of the County's Director of the Department of Finance or authorized designee to open or close an account utilizing the County's Tax ID number.
- i. The Offeror must provide a robust and secure web-based service that enables the County to:
 1. Monitor both ledger balances and available balances daily
 2. Access all previous day and current day transaction detail and summary reporting
 3. Access real time ACH and Fedwire credits/debits
 4. Receive multi-bank previous day balance reporting
- j. The Offeror must provide the following reports:
 1. Daily deposit report showing deposit location codes
 2. Daily collateral report
 3. Monthly analysis report
- k. The Offeror must be able to send/receive, encrypt/decrypt, and process electronic file transmissions via Secure File Transfer Protocol (SFTP) transmission.
- l. Offeror must accommodate night depository services and/or weekend deposits by County departments, as needed.
- m. Offeror must accept walk-in deposits at all of its branches located in Montgomery County, Maryland.
- n. Offeror must accept loose coin for deposit at all of its branches located in Montgomery County, Maryland. Breakdown of coin is not tracked by the County.

- o. Offeror must exchange currency for coin and/or other denominations at all of its branches located in Montgomery County, Maryland.
- p. Offeror must be able to send emails acknowledging receipt of cash deposits to the County and hold deposit receipts for next-day pickup.
- q. Offeror must provide Account Verification Services.
- r. Offeror must provide change fund services.
- s. Offeror must be able to provide secure testing/development environment for interfaces.
- t. Offeror must be able to support custom data like batch id on the NACHA file and return on the BAI file to facilitate reconciliation.
- u. Offeror must be able to process multiple batches/files within the same day.
- v. Offeror must be able to provide secure mechanism for interface data into the bank.
- w. Offeror must be able to accept standard banking files from Third Party Vendors on County's behalf if decided by the County.
- x. Offeror must be able to provide acknowledgements for all interfaces.
- y. Offeror will provide the County upon request a Statement of Standards for Attestation Engagement 18 report.
- z. Offeror must provide a resource as needed to provide assistance on NACHA compliance related questions and updates.
- aa. The Offeror must describe in detail its process for handling tainted, damaged, contaminated, or unfit currency.

5.3.1.3 Desirable Depository Services

The depository services listed below are desirable but not mandatory:

- a. The Offeror must describe its ability to accept compensating balances as payment for services rendered. Any excess earnings credit or earnings deficit must be carried forward month to month for the term of the contract
- b. Describe your branch network located within Montgomery County, Maryland.
- c. The County would like to consider alternatives to its present cashiering operation, which is located at 27 Courthouse Square Suite 200, Rockville, Maryland. The cashiering operation primarily receives payments from the public for various types of remittances to the County, including property tax payments. Alternatives could include: 1) accepting County payments at the Offeror's existing branch locations, specifically in and around the City of Rockville, or 2) taking over the current operation and location as a satellite branch operation. The Offeror must describe the feasibility of accomplishing this objective and its recommended approach.
- d. Offeror must describe services available and equipment needed if the County should decide to accept deposits and/or payments via a kiosk system for departments such as Libraries and Permitting Services.
- e. Offeror must describe other services available for receipts (e.g. Zelle and other Business-to-Business, Business-to-Consumer, and Consumer-to-Business receipt processing services).
- f. Offeror must describe its services available for cryptocurrency receipts.
- g. Offeror must describe its ability to provide a secure hosted ACH system payment portal that allows the public to pay for goods and services provided by the County. This system must be able to integrate with a number of applications hosted by the County, and Offeror must describe the following features, if available:
 - 1. bill presentation
 - 2. email receipt notification
 - 3. Account Verification Service (AVS)
 - 4. return file information to include return reason code and original transaction identification
 - 5. integration with County's single sign-on (SSO)

- 6. ability to customize the API for complex workflows
 - 7. IVR system for customers who want to pay by phone
 - 8. reporting tools
- h. Offeror must describe its ability to provide a cash register system for use by County departments at point-of-sale locations. County currently has approximately 50 general point-of-sale locations.

5.3.2 Current Lockbox Practices and Structure

The County utilizes retail and wholesale lockbox services to process a variety of payments including real and personal property tax payments, rental license fees, solid waste tipping fees, lease payments, parking tickets, ambulance reimbursement fees and rehabilitation loan payments. The County currently utilizes eight wholesale boxes and three retail boxes with 85% of volume through wholesale and 15% through retail. All lockbox payments are deposited into the County's account.

Due to the extensive programming, special requirements and implementation involved to convert these lockboxes, the Offeror must meet the mandatory requirements outlined below and detailed in Attachment E – Sample Lockbox Specifications.

5.3.2.1 Mandatory Lockbox Services - Requirements

The lockbox services listed below are mandatory:

- a. Offeror must guarantee that all checks picked up at the Post Office Box will be processed and deposited the same day.
- b. Offeror must be able to process all lockbox receipts for all programs as listed in Attachment E – Sample Lockbox Specifications.
- c. Offeror must be able to scan checks, remittance documents, correspondence and envelopes and make images available online for a period of no less than two years.
- d. For any payments that cannot be processed by the lockbox, and are exceptions that need to be reviewed by County staff, Offeror will provide County with an online method to review the scanned exception payment and documentation so it can be either accepted or declined by County staff. For lockbox payments that are declined, Offeror must send the payment and corresponding document to the County's Treasury office or as otherwise directed.
- e. Offeror must have optical character recognition (OCR) capabilities.
- f. The Offeror must provide a Health Insurance Portability and Accountability Act (HIPAA) compliant lockbox for processing of ambulance reimbursement fees and any other items covered under HIPAA. In addition, the Offeror with the successful proposal, following the written evaluation and interview, will be required to sign the County's Business Associate Agreement as part of the ensuing Contract with County. The County's Business Associate Agreement Template is attached to this RFP as Attachment G for Offerors' review and reference.
- g. The County must be able to scan checks and remittance documents received at the County's offices to the lockbox for processing without having to mail these documents to the lockbox, Remote Deposit Capture (RDC) (see Scope of Service Section 5.3.1.2.f).
- h. Offeror must identify its regional lockbox processing facilities.
- i. Offeror must provide an electronic process for ACH transactions, which dynamically validates bank routing number and verifies bank account is in good standing. Such system must interface with County payment applications to accept ACH payment transactions.

5.3.2.2 Desirable Lockbox Services

The lockbox services listed below are desirable:

- a. Offeror must describe its ability to create a file of data, read by Optical Character Recognition software (OCR) and/or entered, that can be downloaded by the County, such as a Bank Administration Institute (BAI) file.
- b. Offeror must describe its ability to facilitate ACH returns (refund).
- c. Offeror must describe its lockbox processing success performance and methods used to reduce exceptions to lockbox processing.
- d. Offeror must describe its roadmap for innovative products and services, including features to improve integration and reconciliation with County's ERP system, user interfaces, user maintenance and authentication, recurring payment scheduling, API, etc.

5.3.3 Current Disbursement Practices and Structure

The disbursement account is used for all disbursements by check, ACH and Fedwire. The Investment account is used for all investment transactions. The payroll account is used to make all payroll disbursements for active employees and retirees. All of these accounts are ZBA accounts that are funded daily by the concentration account. Checks are also written from the following non-ZBA accounts: Jury Commissioners Office, Sheriff's Office, Inmate Escrow, and Pre-Release Escrow.

5.3.3.1 Mandatory Disbursement Services Requirements

The disbursement services listed below are mandatory:

- a. The Offeror must provide direct deposit service of bi-weekly payroll checks through a pre-authorized electronic funds transfer system (using standard ACH file specification requirements) whereby amounts due and payable to these employees and retirees are regularly credited to their account (savings or checking) and to charge the County's payroll disbursement account for the aggregate amount of all credit entries. The Offeror must transfer the funds so that the funds are available to the employees at their respective bank account on the morning of payday (settlement date). Normal paydays are bi-weekly Fridays.
- b. The Offeror must establish an initial ACH exposure limit of at least \$500,000,000 for the County; the County may request an increase in the future.
- c. The Offeror must provide the ability to add transactions online for future processing dates.
- d. The Offeror must provide the ability to initiate ACH transactions online or by phone, and the ability to submit an Excel file with multiple ACH transactions using the Offeror's online tools.
- e. The Offeror must provide a Controlled Disbursement ZBA account to accommodate check disbursements.
- f. The Offeror must provide ACH debit block and filtering.
- g. The Offeror must offer debit blocks or post-no-checks on non-check writing accounts.
- h. The Offeror must retrieve and process an electronic file via SFTP encrypted file format.
- i. The Offeror must provide electronic notifications of direct deposit returns directly to the County's Payroll Office.
- j. The Offeror must provide an on-line stop payment system capable of confirming the placement of a stop payment within two minutes of initiation. The stop payments must stay in effect for 10 years. Additionally, the Offeror must provide a stale date maintenance service that returns checks unpaid that are outstanding for more than two years.
- k. The Offeror must provide images of the front and back of all paid disbursement checks through a secure Internet-based banking product. The product must be accessible from various locations by various users at any time. The Offeror must store copies of the cancelled disbursement checks by electronic means or other media and destroy the

checks. The images must be stored by the Offeror and made available to the County free of charge, upon request, for a minimum of seven years.

- l. The Offeror must make the images available immediately online and that online access must be available for no less than one year.
- m. The Offeror must provide check cashing for all checks issued on any County account with the proper documentation by the presenter. This service must be performed without an additional fee to the individual or the County.
- n. The Offeror must provide a payable solution to print and distribute checks on the County's behalf to its suppliers and vendors. The solution must also be equipped to include at least 30 lines of payment addenda to each payee.
- o. The Offeror must offer the service of placing a hold (not mailing to payee) on checks that are issued on the County's behalf and offer the service of returning that check to the County. The Offeror must make an allowance for holds and last-minute holds.
- p. The Offeror must offer payment cards for use by employees and/or residents use that can be loaded by the County via the Internet.
- q. The Offeror must offer payroll cards to County employees that do not have access to traditional banking services. Services must include no less than two free teller withdrawals and two free ATM withdrawals per bi-weekly pay. The Offeror must provide customer service support to card holders/payees as well as distribution services for the payroll cards. The average load is \$1,000.
- r. The Offeror must describe its available service for the printing and mailing of payroll checks and/or pay advices on the County's behalf to those employees that are not receiving direct deposit. The solution must also be equipped to include at least 30 lines of payment addenda to each payee. The current volume is approximately 40 checks and 150 pay advices per pay period. There are 26 pay periods per year.
- s. The Offeror must describe its available service for the County to print disbursement checks remotely at various locations, and the uploading of the positive pay file.

5.3.3.2 Desirable Disbursement Services

The desirable services listed below are not mandatory:

- a. Offeror must describe other services available for payments (e.g. Zelle and other Business-to-Business, Business-to-Consumer, and Consumer-to-Business payment processing services).
- b. Offeror must describe services available for cryptocurrency payments.
- c. Offeror must describe its ability to provide special police operation accounts for use by the Department of Police.
- d. The Offeror must describe its available service for the printing and mailing of 1099's and W2's on the County's behalf to those employees and vendors that do not receive the documents electronically.

5.3.4 Current Account Reconciliation Practices and Structure

The County utilizes full and partial deposit and disbursement account reconciliation services. The general disbursements, payroll and the Department of Corrections accounts have full disbursement reconciliation. The County electronically transmits files to the bank with the information on all checks issued. The file consists of the account number, payee name, check number, check amount, and issue date. The general deposit, credit card, and Alcohol Beverage Services credit card accounts have full deposit reconciliation. Every deposit location within each individual Department has pre-encoded deposit tickets that are specific to each location. The specific location code identifies the location for deposit recognition and reconciliation.

5.3.4.1 Mandatory Account Reconciliation Services - Requirements

The account reconciliation services listed below are mandatory:

- a. The Offeror must provide a full reconciliation for the payroll, detention and general disbursement accounts. Within 10 business days of receipt of the input file or month-end for accounts without input file transmissions, the Offeror must provide the items listed below:
 1. File transmission of paid checks for all accounts.
 2. A report for the full reconciliation accounts, which lists all checks in ascending check serial number sequence reflecting amount and status as follows:
 - i. Checks issued by the County
 - ii. Paid
 - iii. Outstanding
 - iv. Voided
 - v. Stopped Payment
 - vi. Paid – No notice of issue received from the County
 - vii. Missing check number
- b. The Offeror must provide a monthly electronic file transmission of all collection accounts debit/credit transactions for the prior month for use in an automated account reconciliation program.
- c. The Offeror must not run the reconciliation before receiving the issued file.
- d. The Offeror must contact the County if there are 25 or more paid-no-issue items before reconciling the account, referring to the daily paid-no-issue postings that occur with positive pay services. Files that are electronically transmitted between the Offeror and the County (sent or received) must be in an electronic format and transmitted using Secure File Transfer Protocol (SFTP) and encrypted. The County and the Offeror must provide the required I.P. addresses, user-ID's, passwords, file layouts, and destinations for all electronically transmitted files.
- e. The Offeror must provide 24 hour/7 days a week (24/7) access to its computer system via a secured web-site application. The application will be used for several functions including, but not limited to, the production of reports, online processing of funds transfers, online processing of stop payment transactions, online viewing of issue exceptions, and online review of status of issues. Additionally, the product must contain a security module that provides the County the ability to limit users to the application's functions based on the user's roles and responsibilities.
- f. The Offeror must comply with the County required deposit reconciliation service which reports on the deposits of each depositing agency as well as any deposit corrections or adjustments associated with the agency.

5.3.4.2 Desirable Account Reconciliation Services - Requirements

The account reconciliation service listed below is desirable:

- a. Offeror must describe any data mapping and other services available to reconcile bank files with County's ERP system (currently Oracle EBS).

5.3.5 Current Cash Management Reporting and Funds Transfer Services – Practices and Structure

The County utilizes a web-based product to access all daily balance reporting. The County obtains previous and current day Automated Clearing House (ACH) and Fedwire debits and credits. In addition, the product provides a consolidated data exchange report with all of the other deposit banks' balances.

The County also utilizes the same web-based product to initiate, create, and modify all repetitive and non-repetitive wire transfers. The product allows the County to be its own system administrator to

add, modify or delete users' access and profiles.

5.3.5.1 Mandatory Cash Management Reporting and Funds Transfer Services – Requirements

The items listed below are mandatory:

- a. The Offeror must provide access 24/7 to produce cash management reports and to execute electronic funds transfers, and to concentrate from other County deposit accounts held at other banks. The County will access the information via a secure Internet site provided by the Offeror. When necessary, the Offeror must provide on-site or virtual training on the use of its system at no additional charge to the County.
- b. The following - reports (for each bank account) must be produced at the County's request by accessing the Offeror's web-based product:
 1. Daily Balance Report
 2. Detailed Credit and Debit Report (with ability to set limits for information retrieval)
 3. Intraday report for controlled General Disbursements Accounts
 4. Intraday report for ACH (Automated Clearing House) transfers
 5. Intraday wire transfer activity reports
 6. Intraday and current day ACH and Fedwire reports
- c. The Offeror must designate the County as the system administrator for updating and/or adding users, creating wire templates and granting access to services for all web products.
- e. The Offeror's web-based product must have the capability of accepting and creating Fedwire transfer instructions initiated by the County either on a repetitive or non-repetitive basis and provide an automated confirmation of the funds transfer and Fed reference number.
- f. The County must be able to download account activity coded for entry into the County's Oracle E-Business Suite accounting system.
- g. In addition to accessing reports online, various County departments receive a monthly read-only media (CD-ROM, DVD, etc.) of check images for some accounts.

5.3.6 Current Positive Payment Practices and Structure

The County uses an electronic positive payment program for check fraud prevention for the disbursement and the payroll accounts. The County transmits issue data that includes the payee information, the dollar amount of the check, and the check number to the Offeror prior to issuance of checks. The County default on all positive payment items is to return — "do not pay".

5.3.6.1 Mandatory Positive Payment Services - Requirements

The positive payment services listed below are mandatory:

- a. The Offeror must electronically notify the County no later than 10:00 AM on each business day of any items being presented for payment that do not match the issue data from the prior business day.
- b. The County must electronically notify the Offeror within the established time period of the desired disposition of the item.
- c. The Offeror must provide Payee Positive Pay and Teller Positive Pay services.
- d. The Offeror must be able to provide email notifications for suspect checks.
- e. The Offeror must describe its process of handling situations where a decision needs to be made when the banks are operating and the County is closed for a recognized holiday, next business day processing.

The County will have an established procedure with the Offeror as to the disposition of any items to which the County does not respond in a timely manner.

5.3.6.2 Desirable Positive Payment Services

The positive payment services listed below are desirable:

- a. The Offeror should describe its ability to provide ACH Positive Pay services.
- b. The Offeror should describe its ability to provide follow-up notification of suspect checks before a check is marked "Do Not Pay".

5.3.7 Current Armored Car Practices and Structure

Several County departments use armored car services to make vault deposits. Regularly scheduled pickups by an armored car company are made at approximately 35 different County sites located throughout the County. The majority of location pickups occur on a daily basis, but other locations occur less frequently. General window of pickup at each location is 7:00 AM and 4:00 PM.

Deposits are made in various sized tamper-evident deposit bags containing loose coin and currency. The currency may be bundled together and will include various denominations of bills all facing in the same direction. A deposit slip will be enclosed in the deposit bag, containing information related to the contents of the bag. The County uses approximately 30,000 deposit bags per year.

In addition to using the armored car provider to make deposits, County departments also order cash and currency through the armored car services. Approximately \$1,600,000 in cash and currency is ordered on an annual basis.

5.3.7.1 Desirable Armored Car Services

The armored car services listed below are desirable:

- a. The Offeror must describe its ability to provide secure, bonded armored car services or subcontract these services through the bank.
- b. The Offeror must describe its ability to provide the capacity to handle the County's pickup schedule and varying business hours at Countywide locations.
- c. The Parking Division deposits bus fare-boxes and garage meters into a cash/coin collection vault. Each weekday, the Offeror must pick-up and transport the cash to a counting facility, and separate coins, currency, transit tickets and tokens. All monies picked up by armored courier are already counted, strapped, and placed in Federal Standard sealed plastic bags. The bags will also contain a completed deposit slip and proof of deposit provided by email.
- d. The Offeror must guarantee that armored car employees will have proper credentials with them at all times when transacting business with and for the County.
- e. The Offeror must provide the County with clear, tamper-evident deposit bags at no expense to the County.
- f. The Offeror must deliver orders of coin and currency to various County departments, bulk coin bags to be provided at no expense to the County.
- g. The Offeror must describe in detail its process for handling tainted, damaged, contaminated, or unfit currency.
- h. The Offeror must describe its process for receiving currency orders online.
- i. At the discretion of the County, armored car fees may be charged to the analysis or paid by invoice.

5.4. Contractor's Qualifications

Every financial institution submitting a proposal in response to this solicitation for banking services must comply with the following mandatory requirements. Failure to maintain compliance with any of

these requirements during the term of the Contract will be an event of default which will permit the County to terminate the Contract for cause.

- a. The Offeror must: (a) be a bank incorporated under the laws of Maryland, a bank incorporated under the laws of another state, or a National Banking Association and (b) be eligible to do business in the State of Maryland.
- b. The Offeror must not be in conservatorship, receivership, or in the possession of a regulatory agency.
- c. The Offeror must be a member of the Federal Reserve System.
- d. Assignment of Contract - It is mutually understood and agreed upon that the Offeror must not, subsequent to the Contract award, assign, transfer, convey, sublet or otherwise dispose of its Contract or its right, title or interest therein, or its power to execute such Contract, to any other person, firm or corporation, without the previous written consent of the County, and in no case shall such consent relieve the Offeror from its obligations, or change the terms of the Contract.
- e. The Offeror must provide an experienced individual with a minimum of five years in government banking who will serve as the County's primary Relationship Manager for all operational aspects of banking services. This individual must have sufficient authority to solve routine problems and command the resources necessary to address complex problems.

5.5 Community Reinvestment

- a. The Offeror shall meet the requirements of the Community Reinvestment Act (CRA) and currently have a rating of SATISFACTORY or better for Montgomery County, MD. During the term of the Contract and any renewals, the bank shall maintain a rating of satisfactory or better. Included with the response to the RFP, and throughout the term of this Contract at County's request, the Offeror shall submit written confirmation and the results of its most recent annual examination.
- b. Describe banks' participation in the Bank On program.
- c. Describe services, including any value added, that would support residents of the County.

5.6 Technology Requirements

5.6.1 Mandatory Technology Requirements

5.6.1.1 Data Formats

- a. For purposes of information exchange, Offeror must identify in their proposal their preferred data formats. The County has a preference for adopting non-proprietary formats associated with standards commonly used in the Banking and Finance industry. The County maintains discretion of adopting or adapting to formats suggested by the Offeror.
- b. The Offeror must provide a payments solution that converts the County's payment flat file format into the appropriate National Clearing House Association (NACHA) including but not limited to CTX and TXP. The Offeror must then process and send the payments in the appropriately requested format.
- c. Offeror must be able to process County data file for interface into the bank (check, ACH, Fed WT, etc.), through using County choice of format and/or industry standard National Automated Clearing House Association (NACHA) and Electronic Data Interchange (EDI). The County's ERP system currently produces a custom ACH file which Offeror must reformat into a standard NACHA file and imbed EDI 820 data into the NACHA addenda records. See Attachment H - File Conversion – ACH Addenda

5.6.1.2 Data Transmission

Offeror must identify in their proposal data transmission techniques and protocols used to transfer information securely between (i.e. 2-way) their Information Systems and the County's. The System Security procedures and practices, which protect the data during and after the transmission, must be submitted with the Offeror's proposal for evaluation. All standards and regulations followed by the Offeror for compliance must be listed.

Details such as supported transmission protocols, transmission rates, access and availability must be provided with sufficient technical details for evaluating compatibility and capability. This includes standards followed to protect the content during transmissions such as authentication, encryption, audit, non-repudiation, and immutability. The Offer must also describe controls to prevent file loss, duplicate transmissions, and acceptance of duplicate returns and whether these controls differ by type of application.

Process automation is important to the County. Offeror must identify and list the work process that will be initiated upon receipt of data transmissions from the County.

5.6.1.3 Systems and Data

- a. Offeror must identify and list Offeror's ability and process for acknowledgement of the transmission of data from the County; method for processing the contents of the transmission; and method and ability to communicate status updates and/or handle exceptions and errors.
- b. Offeror must identify and list the operational aspects of its data handling. This list must include the methodology for the transmittal to the County, notification immediately upon the occurrence of systems and application errors/exceptions, or updates on progress/status. The timeliness of the notification with proposed methodology for identifying severity must also be listed.
- c. Offeror's proposal must include an Operations Guide for the County to reference when the Offeror is identifying and fixing erroneous conditions. The Guide must elaborate on means and methodology the Offeror will enact to overcome an error, in a timely and automated manner.
- d. Offeror must describe its ability to provide a development environment to test new interfaces before publishing to production environments.

5.6.1.4 Industry Standards and Best-Practices Adopted

The Offeror must identify and list the best-practices Offeror uses to comply with the Banking and Finance industry regulations. The Offeror must specify all applicable regulations that it complies with and those regulations for which it is not in compliance.

The Offeror must submit a sample Service Level Agreement (SLA) executed with a customer of similar size and complexity to the County as part of its proposal.

The Offeror must provide a detailed explanation of the life cycle of the data, including aging, security measures used to protect the data short/long term, in transit and at rest, and the process and procedures used when purging that data. These processes are auditable by the County. The Offeror must describe system security in general, indicating any procedures that are required for specific transactions.

The Offeror must provide a detailed description of a mechanism to perform an annual review of compliance with the latest regulations, accepted best-practices and most recent standards in the Banking and Finance industry.

5.6.1.5 Online Administrative Web Interface Between the County and the Offerors Systems

- a. **Availability**
Browser interfaces must be available 24/7 unless otherwise stated. Any time dependent restrictions on functionality should be clearly stated. Offeror must propose Service Level Agreements (SLA) for browser-based applications.
- b. **Response Time**
Offerors must describe response time targets for web-based round trips and support those targets with published metrics where available. If any response times are expected to exceed three seconds, Offeror must explain the likely cause or contributing factors for each.
- c. **Administration**
Offeror must describe administrative activities governing access and use of browser-based applications and interfaces. Offeror must include procedures for obtaining access, creating roles and assigning permissions, along with a technical explanation of authentication processes.
- d. **Audit Trail**
Offeror must describe auditing procedures associated with browser interfaces including logging and retention policies. Offeror must also include any features, methods or capabilities available for historical research and documentation.
- e. **Help Desk**
Offeror must describe help desk environment to support browser interfaces including hours of operation, location of facilities, call volumes for selected periods of time, capacity for servicing requests, average wait time per call, escalation procedures, qualifications of support staff by levels of support and a short description of the IVR (Interactive Voice Response) component of the help desk.
- f. **Montgomery County Information Technology Architecture and Security**
For information about technology supported in the County's IT enterprise, please refer to the County's Technical Architecture document online at:

<https://www.montgomerycountymd.gov/TEBS/resources/files/technicalarchitecture.pdf>
- g. **Offeror Security**
Offeror must respond to each item in Attachment I – Offeror Security Addendum – Banking, stating that it can or cannot comply with the item and how it would do so.

5.6.2 Desirable Technology Qualifications

- a. Offeror must describe its ability, if any, to integrate with the County's Single Sign On system (using internal SSO redirection, Open Source SAML, OAUTH, or Microsoft ADFS), as described in the County's Technical Architecture document online at:

<https://www.montgomerycountymd.gov/TEBS/resources/files/technicalarchitecture.pdf>
- b. Offer may describe any security measures in addition to the items specifically mentioned in this section.

5.7 Confidentiality and Proprietary Information

Offeror must specifically identify those portions of their proposals, if any, which they deem to contain confidential, proprietary information or trade secrets and must provide justification why such material

should not, upon request, be disclosed by the County in accordance with the Maryland Public Information Act. Offeror must clearly indicate each and every page containing information that is deemed to be confidential/proprietary or a trade secret (it is *NOT* sufficient to preface the proposal with a proprietary statement).

5.8 Collateralization

The Offeror must furnish collateral at all times exceeding or equal to 102% of the market value to the total of all LEDGER balances of all accounts under the County's tax identification number. The collateral is to be held by a third-party custodian under terms acceptable to the County. The collateral will be of the kind, type, and value as required by the Annotated Code of Maryland, and Montgomery County, Maryland Code. An end of month collateral report must be furnished to the County representing the total collateral pledged by close of business. The report must originate from the third party holding the collateral. Further, Offeror must respond to audit letters confirming balances in a timely manner as determined by the County.

5.9 Interfacing with the County

The County uses Oracle's E-business Suite system for its accounting platform. The Offeror is required to interface with Oracle and must demonstrate significant experience working with clients who use Oracle. Additionally, the Offeror is required to interface with the County Enterprise Bus Service (EBS) and FIS Global, both of which are used to upload and download various reports and files for processing.

In the event that the County adopts a new Enterprise system for accounting, or new systems for Bus Service or to replace FIS Global, or requires a new interface, Offeror must agree to negotiate and amend the contract as needed to accommodate the new interfaces.

5.10 Contractor's Responsibility

5.10.1 Responsibilities of the Offeror

The Offeror is responsible for the professional quality and technical accuracy of their advice and other services furnished by them. The Offeror must perform services with the degree of skill, which is normally exercised by recognized professionals with respect to services of a similar nature.

Neither the County's review, approval or acceptance of, nor payment for, any of the services required under the Contract shall be construed to operate as a waiver of any rights under the Contract or of any cause of action arising out of the performance of this Contract, and the Offeror shall be and remain liable to the County in accordance with applicable law for all damages to the County caused by the Offeror's negligent performance of any of the services furnished under the Contract.

The rights of the County provided for under the Contract are in addition to any rights and remedies provided by law.

5.10.2 Quantities and Pricing

Unless stated otherwise, the County is not obligated during the Contract period to purchase all of its requirements of the services specified under Scope of Services from the Offeror, but the Offeror is obligated to supply the services which the County requires for its operation. The estimated dollar values, volumes and/or quantities stated herein are provided as guidance for the preparation of the proposal but are not guaranteed amounts. The quantities represent the County's best estimates.

5.10.3 Transition

The Offeror must agree to work with County staff and the County's current service providers to transition the County's business. If the County awards its business to a

different service provider at some future date, the Offeror agrees to work with County staff and the County's selected service providers to transition the County's business. The Offeror must discuss the time period required to transition the County's business to and away from the Offeror and provide a detailed implementation plan for each service the Offeror proposes to provide. In addition, if the County migrates to a new financial management system the Offeror will be required to assist with migrating interfaces from the current system to the new one and provide a detailed implementation plan. Offeror must agree to negotiate and amend the Contract as needed to accommodate new interfaces.

6. SECTION C - PERFORMANCE PERIOD

6.1 TERM

The effective date of this Contract begins upon signature by the Director, Office of Procurement under the Contract begins on the Contract's effective date upon the County's issuance of a Notice to Proceed and ends after a five (5) year period. The Contractor must also perform all work in accordance with time periods stated in the Scope of Work. Before this term for performance ends, the Director at his/her sole option may (but is not required to) renew the term. Contractor's satisfactory performance does not guarantee a renewal of the term. The Director may exercise this option to renew this term three (3) time(s) for up to three (3) year(s) each.

6.2 PRICE ADJUSTMENTS

Please refer to Section F Compensation for information on Price Adjustments.

7. SECTION D-METHOD OF AWARD/EVALUATION CRITERIA

7.1 PROCEDURES

- 7.1.1. Proposals will be evaluated per Section D.7.1.9.a, Written Evaluation Criteria.
- 7.1.2. Vendor interviews will be conducted with the top four (4) offerors for the services listed in Section 5.2, that achieve at least a score of 300 points based on the QSC's score for each written proposal. The interview criteria that will then be utilized are listed below under Section D.7.1.9.b. The QSC will also review an offeror for responsibility.
- 7.1.3. The QSC will make its award recommendation of the highest ranked offeror(s) based on the service listed in Section 5.3, Scope of Services and Requirements, based on the QSC's combined written and interview score and its responsibility determination.
- 7.1.4. The Using Department Head will review and forward the QSC recommendation with concurrence, objection, or amendment to the Director, Office of Procurement.
- 7.1.5. The Director, Office of Procurement, may approve, approve with conditions, or reject the Using Department Head's recommendation.
- 7.1.6. Upon approval of a recommended award to a proposed awardee(s), by the Director, Office of Procurement, the County will enter into negotiations with the proposed awardee(s). If a contract cannot be successfully negotiated with the proposed awardee(s), the Using Department will proceed to negotiations with the next highest ranked offeror after obtaining approval from the Director. If the Director approves, negotiations may be held simultaneously or successively with one or more offerors prior to making an award.
- 7.1.7. After the successful conclusion of negotiations, the Director will publicly post the name(s) of the proposed awardee(s).
- 7.1.8. The County reserves the right to cancel the solicitation. The solicitation cancellation will be publicly posted.