



ERIE COUNTY

REQUEST FOR PROPOSAL (RFP)
TO PROVIDE

**RETAIL LOCKBOX BANKING SERVICES FOR
REAL PROPERTY TAX COLLECTIONS**

RFP #09125BC

MARK C. POLONCARZ, ESQ.
ERIE COUNTY COMPTROLLER
EDWARD A. RATH COUNTY OFFICE BUILDING
95 FRANKLIN STREET
BUFFALO, NEW YORK 14202

I. INTRODUCTION

The County of Erie, New York (the "County") is seeking proposals for retail lockbox services for real property tax collections from qualified banks and financial institutions (banks, trust companies or national banking associations) or other entities located and/or authorized to conduct business in the State of New York. The County will only contract with an entity that does not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation or citizenship status.

Erie County, located in Western New York State, has 950,275 residents as of the 2000 census. The County has approximately 4,200 full-time employees. The Erie County Comptroller's Office is located in the Edward A. Rath Office Building, 95 Franklin Street, Buffalo, New York 14202. Annual appropriations for all operating funds are approximately \$1.4 billion per year. Annual property tax receipts (County and library levies) totaled approximately \$212 million in 2008.

For many years, the County has utilized a lockbox for the collection of real property tax payments through a fee-for-service arrangement with no significant changes to the process. In consideration of banking regulation changes and technical advancements in processing, the County is issuing a Request for Proposal (RFP) to capitalize on these changes, reduce its costs and reduce bank deposit "float."

Processing Information

Each year the lockbox will be operational from January through March. The annual start date varies with the County's mailing of the property tax bills to the City of Buffalo's property owners in January. The annual end date also varies – the lockbox operator will be notified by the Comptroller's Office when collections should cease and all mail received is to be forwarded to the County for processing.

The County can provide an electronic issue file configured to contain the property identification that is matched when taxpayers send their payments to the lockbox. Each business day the bank transmits an electronic file containing the previous day's payment information. The format of this file must be compatible with the GOVERN property tax system utilized by Erie County.

A description of the required scope of services is provided in Section III Scope of Services.

II. PROPOSAL PROCEDURES

A. ANTICIPATED SCHEDULE OF PROPOSAL

Issue RFP #09125BC	August 7, 2009
Proposals Due:	August 28, 2009 at 4:00 p.m. (EDT)
Selection Made:	As soon as possible.
Contract Signed:	As soon as possible.
Implementation Date:	As soon as possible.

B. PREPARATION OF PROPOSAL

Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond what is sufficient to provide a complete, accurate and reliable presentation. For ease of review, the proposals must follow the outline in Section IV. of this RFP. Each response should be clearly numbered and the full question listed. A cover letter signed by the authorized official should be included.

C. NUMBER OF PROPOSAL COPIES

Five (5) copies of the proposal should be submitted.

D. INQUIRIES AND SUBMISSION OF PROPOSALS

Questions about the RFP and submission of proposals shall be directed to:

Lorne Steinhart, Deputy Comptroller
Erie County Comptroller's Office
95 Franklin Street, 11th Floor
Buffalo, New York 14202
E-Mail Lorne.Steinhart@erie.gov

All proposals must be delivered to the office stated above, marked "Re: RFP for Lockbox Services," on or before August 28, 2009 at 4:00 p.m. (EDT). Proposals received after August 28, 2009 at 4:00 p.m. (EDT) will not be considered. The County is under no obligation to return any proposals.

Any questions concerning this RFP should be submitted to Lorne Steinhart at the e-mail address and/or phone number provided above.

E. POTENTIAL FOR PROPOSER'S PRESENTATION

During the County's proposal submission evaluation and review process, selected proposers may be requested to provide oral presentations. Those proposers will be notified with as much advance notice as possible to arrange specific meeting times.

F. EFFECTIVE PERIOD OF PROPOSALS

All proposals must specify the period of time in which the proposal shall remain in effect; i.e., How much time does the County have to accept or reject the proposal under the terms proposed? Such period shall not be less than 90 days from the proposal date.

G. RIGHT OF REJECTION BY THE COUNTY

Notwithstanding any other provisions of this RFP, the County reserves the right to award this contract to the bidder/provider that best meets the requirements of the RFP and not necessarily to the lowest bidder. Further, the County reserves the right to reject any or all proposals prior to execution of the contract for any or no reason and without penalty to the County.

H. AWARD OF CONTRACT

The County shall select a firm by means of a Notice of Award issued by the RFP evaluation committee. The committee shall consist of representatives of the Office of Comptroller and a representative of the Department of Real Property Tax Services. Neither the selection of a firm nor the issuance of a Notice of Award shall constitute the County's acceptance of the proposal or a binding commitment on behalf of the County to enter into a services contract with the firm, as any binding arrangement must be set forth in definitive documentation signed by both parties and subject to all requisite approvals.

I. CONTRACT NEGOTIATIONS

After issuance of the Notice of Award, the County intends to enter into contract negotiations with the winning service provider(s) who shall be required to enter into a written contract or contracts with the County for lockbox services for real property tax collections in a form approved by the County's legal counsel. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the final contract(s). The County reserves the right to negotiate the terms and conditions of the contract(s) with the selected proposer(s). These negotiations could include all aspects of services and fees.

J. CONTRACT DURATION

It is the County's intention to award a contract for an initial five-year period beginning on the effective date of the contract, January 1, 2010, with the option to renew it for two one-year periods for a possible total contract term of seven years, with a potential end date of June 30, 2016.

K. LEGISLATIVE APPROVAL

The County reserves the right to require that acceptance of any proposal and the execution of related contract are and shall be expressly subject to the approval of the Erie County Legislature.

III. SCOPE OF SERVICES

Lockbox Services

Erie County requires retail lockbox services for real property tax collections to be provided each calendar year during the approximate three-month period January through March.

The following services are required:

- Operate the lockbox for the collection of real property tax payments
- Capture images of checks and other remittance documents
- Daily delivery of all remittance stubs to the County
- Daily delivery of rejected/unmatched and returned (NSF) items to the County
- Deposit funds to designated County accounts
- Disburse funds via wire transfer upon request of an authorized person or provide a secure electronic method for wiring funds
- Provide automated or on-line balance reporting services
- Provide separate reporting to identify payments received on or after the payment due date
- Deliver all envelopes for mail received and processed after the due date to the County
- Collateralize all collected balances, in excess of balances insured by the FDIC
- Provide an overnight investment service (“sweep”) for excess cash balances in the demand deposit accounts.
- Provide monthly activity statements and reports for all accounts by the 10th day of the following month.
- Coordinate the delivery of mail received by the County to the lockbox for processing.

IV. INFORMATION REQUESTED

All proposers must respond to all requests/questions in this section.

A. QUALIFICATIONS AND EXPERIENCE

1. Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees, including the number of employees working in Erie County.
2. Provide the address of the office location that will service the account.
3. Provide a list of the financial institution's holidays during which your operations are closed.
4. Provide a list of municipal governments or public entities for which you provide lockbox collection and processing services (particularly for real property tax), the type of services you provide and the length of time you have provided this service.

B. PERSONNEL

1. Provide the name(s), title(s), address(es), telephone number(s), fax number(s) and electronic mail address(es) of the primary contact person(s) assigned to this account for whom the County will liaise.
2. Provide biographical information on senior staff that will be directly involved in the management of the County's account, and what, if any, experience these employees have in working with public agencies. Describe the proposed role of each with regard to the County's account.
3. For each key person, state the number of years of experience in this field and the number of years with your firm.

C. SPECIFIC QUESTIONS

1. Describe the financial institution's ability and proposed set of services to provide retail lockbox services for real property taxes that, as a prerequisite, must be provided to Erie County.
2. How long has your organization offered retail real property tax lockbox services?
3. What were the average monthly volumes for your retail locations during the last 12 months (in terms of items, amount, number of lockboxes and number of customers)?
4. Re: collection and processing activities:

- a. What is the ledger cut-off time for lockbox deposits for the bank of first deposit? Include weekends and holidays.
 - b. What are the collection/pick-up times from the post office?
 - c. What is the latest mail pick-up time to be included in the last deposit?
 - d. Will you process and deposit all of the County's payments on the same ledger day as received? If not, when will these items be deposited?
 - e. Describe the "lag time" between the date/time your organization would process a transaction until the date/time the funds would be deposited into the County's designated bank account.
 - f. What process does your firm maintain for addressing disputed/incorrect ACH/EFT or electronic transactions other than credit cards?
 - g. Will you mail receipts to payers? At what cost?
5. Describe the lockbox department's processing workflow. Highlight your quality control checkpoints and the components which are controlled directly by the lockbox manager. Include a schematic or flow chart of the processing procedures.
 6. List your procedures for the control and processing of cash received in remittance envelopes. Is there dual control? Do you have security equipment within the lockbox area?
 7. Provide a copy of the availability schedule you propose to use for the County. Is this your best retail schedule? If not, quantify the difference and explain how we can obtain your best availability schedule. Describe the extra charge, if any, for obtaining your best availability schedule.
 8. Describe your procedures for the capture and transmission of remittance detail such as account or bill number. In what standard formats does your firm transmit? Will you customize? (See Exhibit A. - PROPERTY TAX – REMITTANCE STUB.)
 9. Can you provide daily images of all checks and remittance advices? If so, in what formats (e.g., on-line, PC bank software, CD-ROM).
 10. For a given day's lockbox activity, at what time of day can you report the total amount that will be credited to the County's account?

D. REPORTING

1. Describe the frequency and format of reports that you would provide to the County.

2. Provide sample reports and records.
3. Is the firm willing/able to develop customized reports? If so, please elaborate (and, per Section E. below, provide pricing information).
4. Can your firm provide automated reporting services? How would the County access the reporting service (i.e. dial-up, direct line, Internet)?

E. PRICING AND ACCOUNT ANALYSIS

1. Provide a complete fee schedule for all services described in your proposal. Include any one-time or set-up charges, equipment fees, research fees, minimum fees and all other fees that will be charged to the County.
2. Is your firm willing to guarantee the proposed fees for the entire term of the contract (up to seven years)? If not, for how long are the fees guaranteed?

F. REFERENCES

1. Provide names, addresses and phone numbers of three references (public agency references are preferred), which are currently using the services for which you are proposing. Select a mix of long-standing and recent customers.
2. If you currently or previously provided these payment processing services to a local government or governmental entity in New York State please denote that entity and the service you provide for it.

G. SAMPLE CONTRACT

Provide a sample of a proposed contract for your firm's services.

H. LOCAL LAWS

By submitting a proposal, the firm represents and warrants that it is familiar with the local laws and ordinances, and will conform to all local, state and federal laws, including but not limited to workers' compensation and all anti-discrimination laws.

V. EVALUATION AND AWARD CRITERIA

Through this RFP, the County seeks a service provider to provide processing services to the County. Selection will be made from a short list of proposers deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors listed below:

- Understanding and knowledge of the County's needs and operational requirements

- Favorable consideration will be afforded to entities that have and utilize processing facilities within Erie County
- The experience, resources and qualifications of the firm and individuals assigned to this account
- Relevant experience managing similar account relationships with public agency clients
- Scope of services offered including degree of automation
- Fees and/or charges to be levied on the County or its customers/payers
- Financial strength of proposing firm
- Adequacy of financial controls and protection against loss
- The value of any new product or service suggestions or other new ideas and enhancements
- Compliance with the requirements of this RFP and quality of proposals

VI. STATEMENT OF RIGHTS

UNDERSTANDINGS

Please take notice, by submission of a proposal in response to this RFP, the proposer agrees to and understands:

- That any proposal, attachments, additional information, etc. submitted pursuant to this Request for Proposals constitute merely a suggestion to negotiate with the County of Erie and is not a bid under Section 103 of the New York State General Municipal Law;
- Submission of a proposal, attachments, and additional information shall not entitle the proposer to enter into an agreement with the County of Erie for the required services;
- By submitting a proposal, the proposer agrees and understands that the County of Erie is not obligated to respond to the proposal, nor is it legally bound in any manner whatsoever by submission of same.

In addition to the foregoing, by submitting a proposal, the proposer also understands and agrees that the County of Erie reserves the right, and may at its sole discretion exercise, the following rights and options with respect to this RFP:

- To reject any or all proposals;
- To issue amendments to this RFP;
- To issue additional solicitations for proposals;
- To waive any irregularities in proposals received after notification to proposers affected;
- To select any proposal as the basis for negotiations of a contract, and to negotiate with one or more of the proposers for amendments or other modifications to their proposals;
- To conduct investigations with respect to the qualifications of each proposer;
- To exercise its discretion and apply its judgment with respect to any aspect of this RFP, the evaluation of proposals, and the negotiations and award of any contract;

- To enter into an agreement for only portions (or not to enter into an agreement for any) of the services contemplated by the proposals with one or more of the proposers;
- To select the proposal that best satisfies the interests of the County and not necessarily on the basis of price or any other single factor;
- To interview the proposer(s);
- To request or obtain additional information the County deems necessary to determine the ability of the proposer;
- To modify dates;
- All proposals prepared in response to this RFP are at the sole expense of the proposer, and with the express understanding that there will be no claim, whatsoever, for reimbursement from the County for the expenses of preparation. The County assumes no responsibility or liability of any kind for costs incurred in the preparation or submission of any proposal;
- While this is a RFP and not a bid, the County reserves the right to apply the case law under General Municipal Law § 103 regarding bidder responsibility in determining whether a proposer is a responsible proposer for the purpose of this RFP process;
- The County is not responsible for any internal or external delivery delays which may cause any proposal to arrive beyond the stated deadline. To be considered, proposals MUST arrive at the place specified herein and be time stamped prior to the deadline

INDEMNIFICATION AND INSURANCE

The proposer accepts and agrees that language in substantially the following form will be included in the contract between the proposer and the County:

“In addition to, and not in limitation of the insurance requirements contained herein the Proposer agrees:

- (a) That except for the amount, if any, of damage contributed to, caused by or resulting from the negligence of the County, the Proposer shall indemnify and hold harmless the County, its officers, employees and agents from and against any and all liability, damage, claims, demands, costs, judgments, fees, attorneys' fees or loss arising directly or indirectly out of the acts or omissions hereunder by the Proposer or third parties under the direction or control of the Proposer; and
- (b) To provide defense for and defend, at its sole expense, any and all claims, demands or causes of action directly or indirectly arising out of this Agreement and to bear all other costs and expenses related thereto.

Upon execution of any contract between the proposer and the County, the proposer will be required to provide proof of the insurance coverage described in Schedule “B”. Insurance coverage in amount and form shall not be deemed acceptable until approved by the Erie County Attorney.

INTELLECTUAL PROPERTY RIGHTS

The proposer accepts and agrees that language in substantially the following form will be included in the contract between the proposer and the County:

All deliverables created under this Agreement by the proposer are to be considered “works made for hire”. If any of the deliverables do not qualify as “works made for hire”, the proposer hereby assigns to the County all right, title and interest (including ownership of copyright) in such deliverables and such assignment allows the County to obtain in its name copyrights, registrations and similar protections which may be available. The Proposer agrees to assist the County, if required, in perfecting these rights. The Proposer shall provide the County with at least one copy of each deliverable.

The proposer agrees to indemnify and hold harmless the County for all damages, liabilities, losses and expenses arising out of any claim that a deliverable infringes upon an intellectual property right of a third party. If such a claim is made, or appears likely to be made, the proposer agrees to enable the County's continued use of the deliverable, or to modify or replace it. If the County determines that none of these alternatives is reasonably available, the deliverable will be returned.

All records compiled by the Proposer in completing the work described in this Agreement, including but not limited to written reports, source codes, studies, drawings, blueprints, negatives of photographs, computer printouts, graphs, charts, plans, specifications and all other similar recorded data, shall become and remain the property of the County. The Proposer may retain copies of such records for its own use.

NON-COLLUSION

The proposer, by signing the proposal, does hereby warrant and represent that any ensuing agreement has not been solicited, secured or prepared directly or indirectly, in a manner contrary to the laws of the State of New York and the County of Erie, and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of the agreement by any conduct, including the paying or the giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly, to any County employee, officer or official.

CONFLICT OF INTEREST

All proposers must disclose with their proposals the name of any officer, director or agent who is also an employee of the County of Erie. Further, all proposers must disclose the name of any County employee who owns, directly or indirectly, an interest of ten percent or more in the firm or any of its subsidiaries or affiliates. There shall be no conflicts in existence during the term of any contract with the County. The existence of a conflict shall be grounds for termination of a contract.

CONTENTS OF PROPOSAL

The New York State Freedom of Information Law as set forth in Public Officers Law, Article 6, Sections 84 et seq., mandates public access to government records. However, proposals submitted in response to this RFP may contain technical, financial background or other data, public disclosure of which could cause substantial injury to the proposer's competitive position or constitute a trade secret. Proposers who have a good faith belief that information submitted in their proposals is protected from disclosure under the New York Freedom of Information Law shall:

a) Insert the following notice in the front of its proposal:

"NOTICE

The data on pages ___ of this proposal identified by an asterisk (*) contains technical or financial information constituting trade secrets or information the disclosure of which would result in substantial injury to the proposer's competitive position. The proposer requests that such information be used only for the evaluation of the proposal, but understands that any disclosure will be limited to the extent that the County considers proper under the law. If the County enters into an agreement with this proposer, the County shall have the right to use or disclose such information as provided in the agreement, unless otherwise obligated by law."

-and-

b) Clearly identify the pages of the proposals containing such information by typing in bold face on the top of each page " * **“THE PROPOSER BELIEVES THAT THIS INFORMATION IS PROTECTED FROM DISCLOSURE UNDER THE STATE FREEDOM OF INFORMATION LAW.”**

The County assumes no liability for disclosure of information so identified, provided that the County has made a good faith legal determination that the information is not protected from disclosure under applicable law or where disclosure is required to comply with an order or judgment of a court of competent jurisdiction.

The contents of the proposal which is accepted by the County, except portions "Protected from Disclosure", may become part of any agreement resulting from this RFP.

SCHEDULE "A"

PROPOSER CERTIFICATION

The undersigned agrees and understands that this proposal and all attachments, additional information, etc. submitted herewith constitute merely an offer to negotiate with the County of Erie and is NOT A BID. Submission of this proposal, attachments, and additional information shall not obligate or entitle the proposing entity to enter into a service agreement with the County of Erie for the required services. The undersigned agrees and understands that the County of Erie is not obligated to respond to this proposal nor is it legally bound in any manner whatsoever by the submission of same. Further, the undersigned agrees and understands that any and all proposals and negotiations shall not be binding or valid against the County of Erie, its directors, officers, employees or agents unless an agreement is signed by a duly authorized officer of the County of Erie and, if necessary, approved by the Erie County Legislature and Erie County Fiscal Stability Authority and the Office of the County Attorney.

It is understood and agreed that the County of Erie reserves the right to reject consideration of any and all proposals including, but not limited to, proposals which are conditional or incomplete. It is further understood and agreed that the County of Erie reserves all rights specified in the Request for Proposals.

It is represented and warranted by those submitting this proposal that except as disclosed in the proposal, no officer or employee of the County of Erie is directly or indirectly a party to or in any other manner interested in this proposal or any subsequent service agreement that may be entered into.

Proposer Name

By: _____
Name and Title

SCHEDULE B - STANDARD INSURANCE PROVISIONS

County of Erie Standard Insurance Certificate



LAW-1 INS (Rev. 3/06)

This certificate does not amend, extend or alter the coverage afforded by the standard form policies listed below.

I Insured Name Address Zip Phone No.	III Companies Affording Coverages A B C D
II Issuing Agency Address Zip Phone No.	

IV This is to certify that the policies listed below have been issued to the insured named above and are in force at this time.

Indicate Type of Insurance By Checking the Box		Policy Number	Effective Date & Expiration	Limits of Liability In Thousands		
Company Letter - from III above	Check the Box			Occurrence	Aggregate	
1. General Liability <input type="checkbox"/> Comprehensive Form <input type="checkbox"/> Premises and Operations <input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Independent Contractors <input type="checkbox"/> Contractual <input type="checkbox"/> Personal Injury <input type="checkbox"/> Broad Form Property Damage <input type="checkbox"/> Explosion, Collapse <input type="checkbox"/> Underground Hazard	<input type="checkbox"/> Bodily Injury <input type="checkbox"/> Property Damage OR <input type="checkbox"/> Combined Single Limit					
2. Automobile Liability <input type="checkbox"/> Comprehensive Form OR <input type="checkbox"/> Schedule Form <input type="checkbox"/> owned <input type="checkbox"/> hired <input type="checkbox"/> non-owned	<input type="checkbox"/> Bodily Injury <input type="checkbox"/> Property Damage OR <input type="checkbox"/> Combined Single Limit					
3. Excess Liability <input type="checkbox"/> Umbrella Form OR <input type="checkbox"/> other than umbrella <input type="checkbox"/> auto <input type="checkbox"/> general <input type="checkbox"/> both	Bodily Injury & Property Damage Combined \$ _____ Self Insured Retention \$ _____					
4. Worker's Compensation & Employer's Liability Disability Benefits	Statutory Statutory					
5. Other <input type="checkbox"/>						

V. County of Erie is included as an additional insured under the following Policy numbers:

VI. Description of Operations: It is understood that this coverage on behalf of the insured is for all locations in the County of Erie, NY.

VII. Cancellation/Non-Renewal: Should any of the policies noted above be cancelled before expiration thereof or not renewed by the insured, the issuing company will endeavor to mail _____ days advance written notice to the Certificate Holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

VIII. Name and Address of Certificate Holder & Recipient of Notice: County of Erie c/o Department of Law 69 Delaware Avenue Suite # 300 Buffalo, NY 14202 716-858-2200	Date Issued _____ Auth. Representative _____ Firm name & address _____ _____ _____
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FOR COUNTY USE ONLY:

Name of County Dept. Requesting Certificate	_____
Purchase Order or Contact Number	_____
Vendor Insurance Classification	_____

EXHIBIT A

PROPERTY TAX - REMITTANCE STUB

(DIMENSIONS - 8 1/2 INCHES WIDE; 3 3/4 INCHES HIGH)

S-B-L	140200 123.45-6-7.XXX
BILL #	1
BANK #	

2 Fuhrmann
JOHN O. PUBLIC
SUITE 1000 A BUILDING
123 Main St
Buffalo, NY 14202

14020014020000001021509000000225545



2010 ERIE COUNTY TAX

TAX LEVIED - PAY THIS AMOUNT
PAYABLE IN U.S. FUNDS ONLY. \$225.54

THIS SECTION FOR TAX OFFICE USE ONLY

TEAR AT PERFORATION AND RETURN THIS STUB WITH YOUR
PAYMENT. RECEIPT WILL BE SENT TO YOU BY RETURN MAIL
000001

TC82A
090714

**COUNTY OF ERIE
OFFICE OF COMPTROLLER
RFP# 09125BC**

**95 FRANKLIN STREET
BUFFALO, NY 14202**

REQUEST FOR PROPOSALS

**Erie County, New York
Retail Lockbox Banking Services for
Real Property Tax Collections**

The Erie County Comptroller is seeking proposals from qualified banks (banks, trust companies or national banking associations) located and authorized to conduct business in the State of New York, to provide lockbox banking services for real property tax collections. The Request for Proposal (#09125BC) can be found at: <http://www.erie.gov/comptroller/rfp.asp>.

All correspondence, communications and/or contact with the County regarding any aspect of this Request for Proposal shall be with Deputy Comptroller Steinhart. Prospective proponents, or their representatives, shall not contact or communicate with any representatives of the County, including employees and consultants, other than the designated Deputy Comptroller, in regard to any aspect of this proposal.

Final sealed proposals are due in the Erie County Comptroller's Office at 95 Franklin Street, 11th Floor, Buffalo, NY 14202 by Friday, August 28, 2009 at 4:00 pm (EDT).

Mark C. Poloncarz, Esq.
Comptroller
County of Erie, NY