

ADDENDUM #1 TO CATA RFP #2012-105

CAPITAL TRANSPORTATION AUTHORITY

GENERAL BANKING SERVICES

Attached are Questions received from interested vendors in regard to the above Request for Proposal (RFP). Below are CATA's official answers to those questions.

1. Q: This requirement (2-F: Statement of Compliance and agreement to continue compliance with Federal and State laws and regulations including regulations of the Federal Transit Administration ("FTA") and the Michigan Department of Transportation ("MDOT"))

does not appear to be applicable to a Financial Services contract. The bank is not familiar with the procurement and contract requirements of these Agencies. Would CATA consider accepting a proposal that does not address these areas?

A. CATA will consider proposals that do not address compliance with laws and regulations of the Federal Transit Administration ("FTA") or the Michigan Department of Transportation ("MDOT"). Proposers must comply, however, with all applicable federal, state, and local laws and regulations applicable to bank and other financial services being offered.

2. Q: (3-C: Compliance with Laws) Same concern as with 2-F, especially those dealing with Transportation specific laws & Regulations: 1, 2, 3, 4, 6, & 9. .

A. See the above response with respect to subsection 2-F. Further, transportation specific laws and regulations referenced in subsection 3-C, items 1, 2, 3, 4, 6, and 9 do not apply to banking and other financial services in the context of this RFP #2012-105.

3. Q: (3-H: Contractual Terms and Conditions) Same concern as with 2-F, especially those Terms & Conditions addressing a contractors responsibilities: 15. Service Manual and wiring schematic, 20. Acceptance of Material – No Release, 24. Defective Workmanship and Material, Section B in its entirety.

A. See the above response with regard to subsection 2-F. Further, with respect to Standard Terms and Conditions relating to provision of equipment or materials, such do not apply to banking and other financial services where no equipment or material is to be purchased by CATA. Part B of the Standard Terms and Conditions do not apply to banking and other financial services that are not funded by FTA, MDOT, or other government agency. This RFP #2012-105 does not contemplate such funding for this procurement.

4.Q: (1-G: Type of Contract) It is stated that this is a "fixed price" contract. Please explain how CATA defines "fixed price"? Is it intended that the unit prices will

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remain unchanged for five years? Or will CATA consider a contract that identifies potential changes in unit prices?

A. CATA considers a fixed price contract to have pricing that is clear and will be fixed for the contract. This does not mean that the pricing can't have terms that would change over five years, but all changes would be clearly defined in the proposal.

5. Q: (2-B: Scope of Services) Are ACH transmissions delivered to the bank through an online/web service or directly through a secure portal?

A. ACH transmissions are loaded directly to the bank website.

6. Q: Which armored car service does CATA contract with?

A. Brinks.

7. Q: Can you confirm that all cash is deposited to the vault and customer checks and miscellaneous receivables are deposited at the branch?

A. The majority of the cash is deposited to the vault. There are small amounts of cash and checks that are deposited at the branch, generally once a week.

8. Q: What would be an example of a miscellaneous receivable?

A. A Customer payment on a contracted service or employee payment of health insurance coverage.

9. Q: Merchant Card Processing: What type of solutions is CATA currently using? If, internet/ecommerce, what is the name and version of the credit card gateway or software? If terminals, what is the make and model. How many merchant accounts does CATA currently have?

A. We have two locations that have terminals and one that is portable for use one week a year on MSU's campus.

10. Q: Treasury Management Services: Are there any additional services CATA is interested in?

A. Not that CATA is aware of.

11. Q: (2-C: CATA Volumes and Balances) It would be helpful to have a copy of an analysis statement from your current bank to confirm the specific services used. Would CATA consider making this available to respondents, with current pricing deleted?

A. See the following questions for additional detail in question. Copy of May 2012 attached as Attachment #1 to Addendum #1 labeled as "CCS Statements"

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12.Q: Items Deposited: Do you have a breakdown of the clearing points for the 400 checks deposited?

A. No.

13.Q: Wires: Is this volume for In-coming and Out-going wires? If so, can you separate the volumes for each type?

A. We have three standard out-going wires a week. Maybe 3 in-coming wires a month.

14.Q: Returned Items: Are these check returns or ACH returns or is this a combined total?

A. Combined, CATA has very few Ach returns.

15. Q: ACH Transactions per file: 50-200 is a wide variance. Do you have a total of ACH transactions originated?

A. We have two files for payroll that are submitted each week one has about 50 and the second has about 200.

16.Q: Cash Deposited Branch: What determines if a deposit is made at the branch or in the Vault?

A. All cash and coin collected for fare on the buses are deposited to the vault. Any other collection is deposited at the branch.

17.Q: Vault Services: Do you have a breakdown of the Currency and Coin deposited by denomination?

A. No we don't. The majority is \$1 bills and quarters, with small quantities of \$5 and \$10 bills and other coinage.

18.Q: Merchant Services: There is no quantity information provided. Can CATA provide three (3) months of statements to allow for an informative quote?

A. 2 months statements are attached, May 2012 which is comparative with 10 months of the year and January 2012 which is representative of 2 months of the year when sales spike.

B. See Attachment 2 to Addendum #1 labeled "AccountAnalysis"

19.Q: Investment Account: How are these funds invested today? Savings, CD, sweep, etc.

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A. CATA has approximately \$600,000 in CD's; the remainder is in government funds per our investment policy.

20. Q. Do you currently weigh your bags of coin prior to processing?

A. No, CATA does not weigh the bags of coin.

21. Q. Can you please provide coin denomination?

A. Do not maintain this information, but majority would be quarters.

22. Q. Does your current cash/coin deposit process involve preparation of a deposit ticket with a "declared" value of deposit?

A. We only count the bills, they have a deposit ticket.

23. Q. Where/how do your checks get deposited? Branch of Vault?

A. We have a small amount of checks which are deposited at the branch.

24. Q. How many annual credit card transactions do you have?

A. 8,400.

25. Q. What is the total dollar amount of credit card transactions monthly?

A. Average \$15,000 monthly.

26. Q. What online gateway are you using for e-commerce?

A. The processing gateway that is used for internet is Authorize.net. . The store software that runs on the site is called ASPDOTNETStorefront v7.0.0.7.

27. Q. What type of "point of Sale" equipment and software are you using?

A. The type of terminal we use is the Hypercom Optimum T4100.

28. Q. Do you have the capability to accept credit card payments on the bus?

A. No.

29. Q. Is this being discussed for the future?

A. It would be several years away.

30. Q. Have you used any prepaid card solutions or are you considering them?

A. Not at this time.

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31. Q. Regarding the Investment Account; we understand what is allowed based on page 9 in the RFP however, could you help us understand the duration requirement, if any? Also, liquidity needs? For example, how much of the \$25 million will be needed in the next year, 2 years, 3 years, 5 years.

A. CATA's five year projection requires a reduction in cash available for investment. The estimated annual need for cash will be over \$1 million for the first year and increasing over the next few years to approximately \$8 million by year five.

32. Q What type of information are you looking for under "Quality Assurance Program"?

A. Please answer with regard to how your company maintains "Quality Assurance".

33. Q Do all sections of the CATA Standard Terms and Conditions apply to banks?

A. No. All of the sections of CATA's Standard Terms and Conditions do not apply to this procurement of bank and other financial services. CATA will consider proposals at variance with the Standard Terms and Conditions.

34. Q. Do all of the certificates apply to banks?

A. No. All of the sections of CATA's Standard Terms and Conditions do not apply to this procurement of bank and other financial services. CATA will consider proposals at variance with the Standard Terms and Conditions.