

Office of the Illinois State Treasurer

Michael W. Frerichs

## Request for Information

### E-Pay Accounts

Responses due May 4, 2015 by 2 pm CT.

April 17, 2015

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## **I. Overview**

This is a Request for Information (“RFI”) regarding the Office of the Illinois State Treasurer’s (“Treasurer”) electronic payment processing program (“E-Pay”) and the bank accounts affiliated thereto. Due to the planned custodial transition of the public treasurer’s investment pool (“Illinois Funds”), the E-Pay accounts must also be transitioned to a new custodial bank. With this RFI, the Treasurer intends to ascertain the course of action it should take to allow E-Pay participants (“Participants”) to keep the current bank routing number and their account numbers, when a new bank takes over the accounts.

Banks that submit responses (“Respondents”) shall submit their responses to this RFI (“Responses”) by 2 pm on May 4, 2015.

## **II. Background**

This Section provides an explanation of the E-Pay program and the changes it will be undergoing that have led to this RFI.

### **1. What is E-Pay?**

Authorized by Section 17 of the State Treasurer Act, 15 ILCS 505/17, the Treasurer administers a public treasurers’ investment pool (“Illinois Funds”) and, as a corollary, E-Pay. E-Pay is an electronic payment processing service made available only to units of Illinois government that invest in the Illinois Funds. Participants include, but are not limited to, county treasurers, circuit clerks, municipalities, colleges, and universities.

E-Pay provides Participants a safe and secure electronic payment program that allows a Participant’s customers (“Customers”) the ability to pay bills 24 hours a day, seven days a week. Participants may accept credit cards, bank cards, and electronic checks via the internet, over-the-phone through a telephone system (“IVR”) and over-the-counter (“OTC”). The Treasurer has approximately 800 State and local Participants with over 5,000 operating merchant identification numbers.

### **2. Transition of E-Pay**

The Treasurer is currently coordinating a transition between custodians for the Illinois Funds. As a result of the transition, E-Pay will also require a new custodial bank. Currently, the E-Pay accounts are money market accounts, held on a Hogan platform. After the transition to a new bank custodian, the E-Pay accounts will be “transaction” accounts.

In order to provide Participants with an efficient transition, it is the Treasurer’s goal to enable Participants to retain the current E-Pay American Bank Association (“ABA”) routing transit number and their account number. All E-Pay accounts currently have the same ABA routing transit number, which is 081225707 (“ABA Number”). At this time, only the Illinois Funds and

E-Pay accounts utilize the ABA Number. However, after the transition to a new custodian, it is the Treasurer's intent that only E-Pay accounts will utilize the ABA Number.

E-Pay account numbers currently have a 10 or 12 digit format. The current account number structure is as follows:

E-Pay account nos.: 71391xxxxx, 15160xxxxxxx  
43486xxxxx, 25160xxxxxxx

In furtherance of its goal, the Treasurer wishes to explore the following courses of action via this RFI:

- a. Solution A – Treasurer obtains the ABA Number and contracts with a custodial bank to i) use the ABA Number for the E-Pay accounts and ii) maintain Participants' current account numbers;
- b. Solution B – Treasurer contracts with a custodial bank and requires the bank to i) obtain the ABA Number and ii) maintain Participants' current account numbers. At a later date, the custodial bank will transfer the ABA Number to a successor bank, selected by the Treasurer; and
- c. Solution C – An alternate solution that would permit Participants to keep the current E-Pay ABA Number and their account numbers.

### **III. RFI Questions**

The following is a list of the questions to which Respondents must provide answers:

#### **Solution A**

1. If the Treasurer obtains the ABA Number, can Respondent establish a correspondent relationship with the Treasurer to utilize the ABA Number? If Respondent answers "yes" to this question, then please explain how. If Respondent answers "no," then please explain why not.
2. If Respondent establishes a correspondent relationship with the Treasurer to use the ABA Number, can Respondent maintain the current E-Pay account numbers? If Respondent answers "yes" to this question, then please explain how. If Respondent answers "no," then please explain why not.
3. Under Solution A, explain how Respondent would coordinate with the current E-Pay custodial bank and the Treasurer for a smooth transition. List any legal agreements that would be required.
4. Provide a sample time line that details the steps that would be required for Solution A and who would be responsible for each step.

5. What are pros and cons of Solution A for the Treasurer?
6. What are the pros and cons of Solution A for Participants?

#### Solution B

7. Can Respondent obtain the ABA Number? If Respondent answers “yes” to this question, then please explain how. If Respondent answers “no,” then please explain why not.
8. If Respondent obtains the ABA Number, can Respondent maintain the current account numbers? If Respondent answers “yes” to this question, then please explain how. If Respondent answers “no,” then please explain why not.
9. After obtaining the ABA Number, can the Respondent later transfer it to a successor bank, selected by the Treasurer? If Respondent answers “yes” to this question, then please explain how. If Respondent answers “no,” then please explain why not.
10. Under Solution B, explain how Respondent would coordinate with the current E-Pay custodial bank and the Treasurer for a smooth transition. List any legal agreements that would be required.
11. Provide a sample time line that details the steps that would be required for Solution B and who would be responsible for each step.
12. What are the pros and cons of Solution B for the Treasurer?
13. What are the pros and cons of Solution B for Participants?

#### Solution C

14. Please discuss any other possible custodial transition solutions Respondent can provide, if any. The solution must permit Participants to continue to utilize the ABA Number and their current E-Pay account number without any changes to the numbers. If Respondent cannot suggest any additional solutions, then please answer this question with “BLANK.”
15. If Respondent suggests additional possible solutions in response to question number 14 of this RFI, then please explain how Respondent would coordinate with the current E-Pay custodial bank and the Treasurer for each suggested solution. In addition, list any legal agreements that would be required for each suggested solution. If Respondent did not suggest any additional possible solutions, then please answer this question with “N/A.”
16. If Respondent suggests additional possible solutions in response to question number 14 of this RFI, then please provide a sample time line that details the steps that would be required for each suggested solution and who would be responsible for each step. If Respondent did not suggest any additional possible solutions, then please answer this question with “N/A.”

17. If Respondent suggests additional possible solutions in response to question number 14 of this RFI, then please provide the pros and cons for the Treasurer of each suggested solution. If Respondent did not suggest any additional possible solutions, then please answer this question with “N/A.”

18. If Respondent suggests additional possible solutions in response to question number 14 of this RFI, then please provide the pros and cons for Participants of each suggested solution. If Respondent did not suggest any additional possible solutions, then please answer this question with “N/A.”

#### Comparison of Solutions

19. Including the solutions proposed by Respondent, if any, which of the solutions would have the least potential for error during the transition between custodial banks?

20. Including the solutions proposed by Respondent, if any, which of the solutions would be the most cost effective?

#### Transition Between Custodial Banks

21. Does the Respondent have the ability to provide filters or other solutions to limit incoming and outgoing debit and credit transactions?

22. For a finite period after the transition, can Respondent process debit and credit transactions that occur prior to the transition date?

#### General

23. Can Respondent charge Participants a separate fee, payable to the Treasurer, for the administration of E-Pay?

24. How will Federal Deposit Insurance Corporation (“FDIC”) charges be handled, meaning will such charges be passed through to the Participants, covered by Respondent, etc.?

25. The Treasurer will require collateral for balances over the FDIC limit for each E-Pay account. Please discuss Respondent’s ability to meet this requirement and any collateralization processes Respondent may have, if any.

26. Please discuss possible solutions that would ensure the balance in an E-Pay account remains below FDIC limits.

#### **IV. Response Format**

The Respondent's Response shall contain the following:

1. Cover page – The cover page shall provide the name, physical address, e-mail address, and telephone number of the person(s) available for contact regarding the Response. Such person(s) must be authorized to make representations on behalf of the Respondent.
2. Section I – In Section I, Respondent shall provide a brief one-page overview of itself and the services it offers.
3. Section II – Section II shall contain Respondent's answers to the questions presented in Section III of this RFI. Respondent must respond to each of the questions. Respondent's answers must include the headings (e.g. "Solution A") and be numbered in the order set forth in Section III.

The Response must be submitted in a sealed envelope or package, bearing the title "State Treasurer Request for Information on E-Pay Accounts" and the Respondent's name and address. The package must include one (1) original and four (4) copies of the Response. In addition, please provide three (3) electronic copies of the Response. CDs or thumb drives are acceptable.

#### **V. RFI Schedule and Process**

This Section provides the process and schedule for this RFI.

##### **A. RFI Schedule**

The following is the schedule for this RFI:

<b>Date</b>	<b>Event</b>
April 17, 2015	RFI published on the Treasurer's website.
April 21, 2015	Notice of intent to participate in the Respondent's Conference due by 2 pm CT.
April 22, 2015	Respondent's Conference at 2 pm CT.
April 24, 2015	All Respondent questions due to the Chief Procurement Officer by 2 pm CT.
April 28, 2015	Responses to all Respondent questions posted on the Treasurer's website by 4 pm CT.
May 4, 2015	Responses to the RFI due by 2 pm CT.

These dates are subject to change at the Treasurer's discretion.

**B. Contact Information**

The Treasurer’s Chief Procurement Officer (“CPO”) is the sole point of contact concerning this RFI.

Respondents should submit questions about the intent or content of this RFI and request clarification of any and all procedures used for this RFI prior to the submission of a Response. Respondents must submit their questions in writing by e-mail to the CPO by 2pm CT on April 24, 2015.

Jim Underwood  
Chief Procurement Officer  
Office of the Illinois State Treasurer  
400 W. Monroe St., Suite 401  
Springfield, IL 62704  
Phone: 217.557.7906  
Fax: 217.524.3822  
junderwood@illinoistreasurer.gov

**C. Respondent’s Conference**

If a Respondent intends to participate in the Respondent’s Conference, Respondent must e-mail the CPO notice of intent to participate by 2 pm CT on April 22, 2015. Participation by phone is acceptable. The Respondent’s Conference shall be on Wednesday, April 22, 2015 at 2 pm CT at the following address:

400 W. Monroe St., Suite 401  
Springfield, IL 62704

For Respondents who wish to participate in the Respondent’s Conference by phone, the dial-in information is as follows:

Phone number: 888.494.4032  
Password: 7753017055

**D. Response Submission**

All Responses must be received by mail or messenger no later than 2 pm CT on Monday, May 4, 2015.

Responses should be mailed or messengered to

Jim Underwood  
Office of the Illinois State Treasurer  
400 W. Monroe St., Suite 401  
Springfield, IL 62704

## **D. RFI Process**

### 1. RFI amendments

If it is necessary to amend this RFI, the Treasurer will post any amendment to its website at [www.illinoistreasurer.gov](http://www.illinoistreasurer.gov).

### 2. CPO may cancel the RFI

If the CPO determines it is in the State's best interest, he reserves the right to do any of the following:

- a. cancel this RFI;
- b. modify this RFI as needed; or
- c. reject any or all Responses received in response to this RFI.

### 3. Respondents' costs

The cost of developing a Response is each Respondent's responsibility and may not be charged to the Treasurer.

### 4. Withdrawal of Response

Respondent may withdraw its Response at any time prior to the deadline for receipt of Responses. The Respondent must submit a written withdrawal request, addressed to the CPO and signed by the Respondent's duly authorized representative.

### 5. Modification of Response

A Respondent may submit an amended Response before the deadline for receipt of Responses. Such amended Response must be a complete replacement for the previously submitted Response and must be clearly identified as such in the transmittal letter to the CPO.

### 6. Response is State property

On the Response due date, all Responses and related material submitted in response to this RFI become the property of the State of Illinois.