

10/13/2016

**REQUEST FOR STATEMENTS OF QUALIFICATION for
Financial Institutions to Participate in
NYC Employee Direct Deposit Program**

The NYC Office of Payroll Administration, in collaboration with the Mayor's Office of Operations and the NYC Office of Financial Empowerment (together, "the City"), is requesting Statements of Qualification from financial institutions willing to provide a free checking account to City employees, as well as to other individuals that receive recurring payments from the City, when such employees or other individuals opt to receive direct deposit of their City payment into such checking account.

Three copies of the response to this Request for Statements of Qualification ("RFQ") must be submitted and should be addressed to:

Aamer Parvez
Agency Chief Contracting Officer
NYC Office of Payroll Administration
450 West 33rd Street, 4th Floor
New York, NY 10001

A response to this RFQ may be submitted electronically (up to a capacity of 10 MB) by emailing Aamer Parvez at aparvez@payroll.nyc.gov with the subject heading "RFQ re NYC Employee Direct Deposit Program."

There is no deadline for submission of a response to this RFQ. The City will accept responses on a rolling basis.

Questions regarding this RFQ may be submitted in writing to Aamer Parvez at aparvez@payroll.nyc.gov with the subject heading noted above. Questions will be answered within (10) business days of receipt.

Please note the effect of this RFQ on financial institutions who are currently participating in the original phase of the City's direct deposit program launched in 2004. See below "Overview".

A. Overview

The New York City Office of Payroll Administration (“OPA”) pays 350,000 employees of the City of New York and certain public entities. Approximately 80% of employees paid by the City’s Payroll Management System are currently paid via direct deposit. The remainder is paid by paper check. Approximately 60,000 employees receive their standard pay by check and more than 10,000 additional employees receive part of their pay by check. The vast majority of these employees are paid 26 times per year. It has been and continues to be the City’s goal to increase the number of persons receiving their City payment by direct deposit, and to facilitate an offering of free checking account services to such persons as an inducement to enroll in direct deposit (“NYC Employee Direct Deposit Program” or “Direct Deposit Program”).

The NYC Employee Direct Deposit Program builds on a program launched in 2004 by a “Request for Expressions of Interest in Providing Free Employee Demand-Deposit Accounts” (“Original RFEI”). As part of the original program, nine financial institutions are currently participating under the terms of the Original RFEI by offering a free checking account to all New York City government employees who receive their paycheck via direct deposit. The City is seeking to re-launch and expand this program in order to increase the percentage of City employees who receive direct deposit and to include other individuals (non-employees) that receive recurring payments from the City, such as childcare providers, foster parents, and landlords, if they opt to receive their City payment by direct deposit. The City’s goal is to provide employees and these other individuals with a variety of financial institutions to meet their direct deposit and checking account needs, while also introducing and reinforcing healthy banking relationships among our workforce and others to whom we have ongoing financial commitments.

The City is requesting Statements of Qualification from financial institutions willing to provide a free checking account and services in accordance with Section B. to City employees and these other individuals when such City employees or other individuals opt to receive direct deposit of their City payment into such accounts.

On and after October 17, 2011, the terms of participation under this RFQ will supersede the Original RFEI for all bank accounts opened on or after such date. Thus, all financial institutions currently participating in the program pursuant to the Original RFEI are required to submit a response and qualify under this RFQ in order to continue to participate with respect to bank accounts opened on or after October 17, 2011. If a currently participating financial institution does not submit a response or does not qualify pursuant to this RFQ, it will no longer be able to participate on and after October 17, 2011 with respect to new bank accounts opened on or after such date, but may continue to maintain bank accounts for City employees existing prior to such date under the terms of the Original RFEI.

B. Scope of Account Services

The City seeks financial institutions to provide account and support services critical to the success of the Direct Deposit Program. The terms and conditions listed under B.1 are required for qualification in the Direct Deposit Program. The items listed under B.2 are highly recommended but are not required for qualification.

B.1 Required Terms and Conditions for Financial Institutions' Qualification in Direct Deposit Program

- Free checking account (federally insured) with no monthly fees, available for City employees and other individuals that receive recurring payments from the City, provided that the City employees or other individuals agree to the direct deposit of a minimum amount of \$250 of their City payment at least once per month
- Low minimum balance requirements: \$25 or less
- At least one branch in New York City
- Automatic opt-out for courtesy overdraft protection -- Overdraft protection will not be offered by banker during account enrollment and there will be no future solicitations directed to account holders
- Free online banking/bill pay
- Free in-network ATM withdrawals
- Opportunity for the City to provide training to tellers and account opening staff about the City's Direct Deposit Program
- President or other duly authorized officer of financial institution certifies in writing that: (a) its board of directors has established and will adhere to a policy of hiring and promotion of employees and officers without regard to sex, race, color, religion, religious affiliation, national origin, disability, age, marital status, or sexual orientation, and such certification further sets forth affirmatively the steps taken by the financial institution to implement said policy; and (b) neither the financial institution nor any of its affiliates is or will become a predatory lender or an affiliate thereof, as such terms are defined in section 6-128 of the Administrative Code of the City of New York
- Financial Institution has a satisfactory record of business integrity
- Notify the City at least thirty (30) days in advance of any changes to be implemented by the financial institution that would result in the financial institution or product offering (a) not being in compliance with the required terms and conditions under this Section B.1; or (b) not having one or more of the recommended features listed in

Section B.2. below that the financial institution or product offering were represented to have in the Statement of Qualification submitted in response to this RFQ

B.2 Recommended (But Not Required) Features

- Fee waived if any amount of money is direct deposited to the account on a monthly basis
- If financial institution charges out-of-network ATM fees, list one or more fees it is willing to waive for transactions involving the account (e.g. balance inquiry and/or withdrawal)
- Remote account opening process (online, in person off-site, or via telephone)
- If City engages in marketing program identifying type of account and services that are being offered under Direct Deposit Program by name, logo and/or tagline, financial institution's willingness to use such name, logo and/or tagline for offering such accounts and services to customers
- Competitive prices for money orders – potentially one or more free money order(s) per month
- Checking account linked to savings account or other automated savings feature(s)
- Competitive / market rate fees for international remittance
- Ability to track aggregated account information without personal identifying information and report back to the City (e.g. number of accounts opened, number of accounts with zero balance/closed, average balances)
- Eligibility for all New Yorkers irrespective of immigration status
- If financial institution is currently participating in the Direct Deposit Program under the terms of the Original RFEI, willing to provide City employees who currently have accounts the benefits of the new terms of participation under this RFQ

C. Information Required for Participation

In order for your financial institution to participate in the Direct Deposit Program, please provide the following information:

1. **Contact Information:** A Letter of Transmittal (cover letter) signed by an authorized representative of the institution, indicating its principal place of business, key institution contact name (with title), email address, fax and phone number.

2. **Background on Organization:** Institution must provide: clear summary of its organization; type of banking institution; proof of federal and/or state charter and date thereof; name of federal and/or state banking agency or agencies with regulatory authority over your type of banking institution; general information on key products and services offered; and location of branches (indicating at least one branch in New York City).
3. **Key Personnel:** Names of key personnel to work on Direct Deposit Program and their respective titles.
4. **Product(s) and Services Offered:** A detailed description of the product(s) and services that will be offered, including all items required by Section B.1, any items listed in Section B.2, and all other relevant features of the product(s) and services.

In addition, please provide an outline for the following: (a) the ways in which City employees and other persons receiving payment from the City may open accounts with your institution, such as in person at branch, on-line, by phone, and in person with a bank representative who attends an event at a City worksite; (b) if accounts may be opened online, the way in which the account can be identified as being part of the Direct Deposit Program; (c) the terms and conditions applicable to the account, including all fees for banking services associated with the account such as fees for stop payment and check stock; and (d) the procedures to ensure that account holders will not be solicited or sent information on overdraft protection services, including mention during the account enrollment process.

5. **Additional Information:** You may provide any additional information about your institution and what it has to offer the Direct Deposit Program.

E. Qualification Process

The City will review all responses to this RFQ to determine whether the financial institution: (1) meets the required terms and conditions under Section B.1; (2) has submitted the Information Required for Participation under Section C; and (3) has a satisfactory record of business integrity. After the completion of such review, the City will notify the financial institution in writing whether it is qualified for participation in the Direct Deposit Program. If the City has determined that the financial institution is not qualified, the City will state the reasons upon which the determination is based.

Once a financial institution has been qualified to participate, the City will (1) instruct the qualifying financial institution on the procedure for verifying a City employee's or other individual's enrollment in direct deposit; and (2) include qualified financial institutions on a rolling basis in a marketing campaign to promote direct deposit and the use of free checking accounts directed to all City employees, with particular emphasis on those

agencies with the largest concentration of employees receiving a paper check. This marketing campaign may include in-person promotions, paycheck stuffers, direct mailings, e-mail blasts, etc. The financial institution may be asked to supply promotional materials relating to their product(s) and services offered under the Direct Deposit Program.

It is a condition of participation in the Direct Deposit Program that the financial institution continues to meet the required terms and conditions under Section B.1, which include providing the notifications described therein (last bullet).

If at any time the City determines that the financial institution or product offering is no longer in compliance with the required terms and conditions under Section B.1, then the City will notify the financial institution in writing of the reasons upon which such determination is based. Upon removal from the list of qualifying financial institutions, the financial institution shall no longer be qualified to participate in the Direct Deposit Program with respect to bank accounts opened on or after the date of removal.

The City reserves the right to issue a new RFQ altering the terms of participation in the Direct Deposit Program and re-qualifying financial institutions to participate as it relates to bank accounts opened on and after a date established in the new RFQ.

F. General

Responses to this RFQ will not be treated as confidential and may be disclosed to the public or made a matter of public record. Materials should not be submitted that the respondent would not wish to be subject to public disclosure or placed in the public record.

The City reserves the right at its discretion to withdraw this RFQ at any time or to determine not to proceed with the actions described herein or any proposed action suggested in responses to this RFQ or any other action with respect to this RFQ. The City makes no representation or warranty as to the accuracy of information provided in this RFQ and nothing contained in this RFQ is, or should be, relied upon as a promise or representation. The City shall not be liable or responsible for the costs, expenses, or liabilities incurred by any person or entity in preparing any response to this RFQ or for any other costs, expenses, or liabilities incurred by any person or entity in connection with or in reliance on this RFQ or any information or material contained herein. Submission of a response to this RFQ constitutes an agreement by the respondent to the terms hereof.