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STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

November 9, 2023

ADDENDUM NO. 2
To
Request for Expression of Interest
Banking Services - 2024

OFFERORS: Please replace the original EOI pages 4, 5, 17, and 18 with the attached revised pages 4, 5, 17, and 18 (revised 11/9/2022) containing the following changes (subject matter being inserted/changed is highlighted).

- Note: Please use the revised "ATTACHMENT 1, ERS Consolidated Banking Fees Pro forma", pages 17-18 in your proposal.

Page	Section	Explanation of Change
4-5	Insurance Requirements	<ul style="list-style-type: none">• Added "Waiver of Subrogation" to insurance requirements.• Added alternative for insurance coverage requirements for subcontractors.• Added that alternative language may be used for insurance policies, as long as the alternative language meets the intent and purposes of required clauses.
17-18	ATTACHMENT 1, ERS Consolidated Banking Fees Pro forma	<ul style="list-style-type: none">• Added label explaining that volume of Average Balances listed are the "Average Daily" for month/year.• Updated volume counts for Check Deposited (on ERS Bank, Other Local Banks, and Other Banks).



Employees' Retirement System
of the State of Hawaii

City Financial Tower • 201 Merchant Street, Suite 1400 • Honolulu, Hawaii 96813-2980
Telephone (808) 586-1735 • Fax (808) 586-1677 • <http://ers.ehawaii.gov>

Proposal Preparation Costs

Any and all costs incurred by the Offeror in preparing or submitting a proposal shall be the Offeror's sole responsibility, whether or not any award results from this request. The ERS and State shall not reimburse such costs.

Insurance Requirements

The selected Offeror (Contractor) shall maintain in full force and effect during the life of the entire selection term, including all extended periods, if exercised, as described in this request, the following types of insurance: (a) commercial general liability; (b) automobile liability; and (c) commercial crime with the limits specified in the table below. Further the Contractor shall maintain any additional insurance offered to the ERS as part of the Contractor's response to this request.

The minimum insurance required shall be in full compliance with the State of Hawaii Insurance Code throughout the entire selection term, including all extended periods, if exercised, as described in this request. The Contractor agrees to deposit with the ERS certificate(s) of insurance that the ERS has deemed necessary to demonstrate the Contractor has: (i) complied with all the insurance provisions listed in this request; and (ii) kept in force the required level of insurance for the entire selection term, including all extended periods, if exercised, as described in this request, including those of its subcontractor(s), where appropriate. Upon request by the ERS, the Contractor shall be responsible for furnishing a copy of the policy or policies. Failure of the Contractor to provide and keep in force such insurance shall be regarded as a material default under the terms of the awarded contract and this request, entitling the State and/or the ERS to exercise any or all of the default remedies against the Contractor, as provided in the awarded contract and this request.

Waiver of Subrogation - Contractor agrees to a Waiver of Subrogation for each required policy described herein (General Liability and Auto). When required by the insurer, or should a policy condition not permit the Contractor to enter into a pre-loss agreement to waive subrogation without an endorsement, Contractor shall notify the insurer and request that the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should the Contractor enter into such an agreement on a pre-loss basis.

The procuring of such required insurance shall not be construed to limit Contractor liability hereunder nor to fulfill the indemnification provisions and requirements of this request and awarded contract. Notwithstanding said policy or policies of insurance, the Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect conduct connected with this request and awarded contract.

As an alternative to the CONTRACTOR providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, CONTRACTOR may require subcontractor to provide its own insurance which meets the requirements herein. It is understood that a subcontractor's insurance policy(ies) are in addition to the CONTRACTOR's own policy or policies.

Coverage	Limits
Commercial General Liability	\$1,000,000.00 per occurrence for bodily injury and property damage; \$1,000,000.00 per occurrence for personal and advertising injury; and policy includes products completed/operations with an aggregated limit of \$2,000,000.00.
Automobile Liability	\$1,000,000.00 for bodily injury for each person; \$1,000,000.00 for bodily injury for each accident; and \$1,000,000.00 for property damage for each accident.
Commercial Crime	\$1,000,000.00 for third party liability coverage.
Other types of insurance coverage, if provided	Per Contractor's response – listed in <u>Exhibit XII - Insurance</u> .

The Commercial General Liability and Automobile Liability insurance policies required of the selected Contractor, including any subcontractor's policy, shall contain the following clauses (alternate language can be used as long as the intent and purposes of the clauses are met):

1. "This insurance shall not be cancelled, limited in scope of coverage or non-renewed until after 30 days written notice has been delivered to the Employees' Retirement System of the State of Hawaii, 201 Merchant Street, Suite 1400, Honolulu, Hawaii 96813."
2. "The State of Hawaii, the Employees' Retirement System of the State of Hawaii (ERS), and the Employees' Retirement System of the State of Hawaii Board of Trustees are added as additional insured with respect to operations performed for the State of Hawaii."
3. "It is agreed that any insurance maintained by the State of Hawaii and/or the ERS will apply in excess of, and not contribute with, insurance provided by this policy."

Award of Contract

If an award is made, the Contractor will be required to enter into a formal written contract with the ERS. See sample contract in Attachment 3, Contract Form and General Conditions.

ATTACHMENT 1 Employees' Retirement System of the State of Hawaii Expression of Interest to Provide Banking Services 2024 ERS Consolidated Banking Fees Pro forma ERS Services only							
Annual Checking Account Balance Summary	Monthly	Annual Volume	Unit Cost	Annual Cost			
Average Ledger Balance - Average Daily		\$22,000,000					
Less Average Uncollected Balance - Average Daily		\$1,500,000					
Average Collected Balance- Average Daily		\$20,500,000					
Annual Earnings Credit and Profitability Calculation							
Annual Service Charges							
Account Maintenance	3 accounts	36					
Additional Checking Statements	2 per month	24					
FDIC Assessment							
Deposit Services							
Customer Deposits Received	30 per month	360					
Cash Deposited (\$1,000s)	1	12					
Currency Ordered (\$1,000s)	0	0					
Checks Deposited on ERS Bank	5	60					
Checks Deposited - Local Banks	60	720					
Checks Deposited - Other Banks	5	60					
Return Items Charged Back	2	24					
Incoming Wire Transfers	10	120					
Incoming Wire Transfers - email notification	10	120					
Incoming ACH payment	20	240					
Incoming ACH payment - email notification	20	240					
Account to Account Transfers	5	60					
Outgoing Wires	5	60					
ACH Services							
Debit Blocking	3 accounts	36					
Files transmitted	15	180					
ACH Transactions (Total for all files)	57,000	684,000					
Transaction Recall	10	120					
ACH Notification of Change	20	240					
ACH Returned Items	30	360					

ATTACHMENT 1 (continued) Employees' Retirement System of the State of Hawaii Expression of Interest to Provide Banking Services 2024 ERS Consolidated Banking Fees Pro forma ERS Services only							
Annual Checking Account Balance Summary	Monthly	Annual Volume	Unit Cost	Annual Cost			
<u>Check Services</u>							
Stop Payment Service	5	60					
Checks Paid	315	3,780					
<u>Account Reconciliation Service</u>							
Provide estimate for each level of service							
- Partial Reconciliation	None						
- Full Reconciliation	None						
- Positive Pay on checks	315	3,780					
- Accounts on Positive Pay	2	24					
<u>Online Banking Service Fees</u>	Daily use	12					
Provide detailed calculation							
Tax Payment Service	6	72					
Imaging Services based on above transactions (315 checks, 200 other items, 3 statements)	monthly						
Total							
<u>Online Cash Management Services</u>							
Balance and Transaction Items Loaded							
Software License		10 users					
Each Additional License							
Installation/Training							
Service Calls							
Base Fee (Per PC Site)							
Minimum Monthly Fee							
Check Management (module fee, stop payments, photocopies, check inquiries)							
Setup New Users		2					
Reset Passwords		2					
Audit Confirmation Request Fee	2 per account	6					
Total							