



ADDENDUM NO. 1
INVITATION TO NEGOTIATE 18-0036
COMMERCIAL BANKING SERVICES
OCTOBER 29, 2018

Citizens Property Insurance Corporation (Citizens) hereby formally amends the above referenced solicitation. The purpose of this Addendum is to answer questions received from Vendor(s) prior to the deadline in Section 1.9, Calendar of Events, and to amend the ITN as identified below.

SOLICITATION CHANGES: The following changes have been incorporated into the ITN:

1. Added Exhibit VI - Citizens CLA and CST Commercial Accounts Cash Flows.
2. Added Section 2.3, Description of Services, F (10.), Historical Account Activity Reports: Vendor must allow for download of historical account activity reports dating back a minimum of ninety (90) days.

ANSWERS TO QUESTIONS:

1. Please provide the three most recent account analysis statements?
Answer: Please refer to Exhibit III, Citizens Commercial Bank Average Monthly Service Volumes. This Exhibit provides the averages upon which the solicitation was based.
2. Section 2.3(B)(2) - Which locations are currently using a branch for check and cash deposits? How much cash is deposited (checks, notes, coin) on a monthly basis?
Answer: Currently, both Citizens' Tallahassee and Jacksonville office locations make daily check and/or cash deposits to a local bank branch or deposit center. Total manual check deposits average approximately \$1.1MM per month. On average, less than \$100 cash is deposited per month.
3. Section 2.3(B)(2) - What courier service is currently be used? Is the courier dropping off deposits through a night depository at the branch?
Answer: Citizens current courier vendor is Blue Streak Couriers. No, the courier does not make deposits through a night depository.
4. Can the selected vendor use a sub-contractor for the safekeeping component?
Answer: No.
5. Section 2.3(A)(2) -Please provide a description of the money market investment currently used?
Answer: The only money market fund Citizens currently uses in the sweep process is the Wells Fargo Government Money Market Fund; Ticker: GVIXX, CUSIP: 94975P405.

6. B 9, International Check Services - There is a volume of 113 checks deposited on Canadian Banks, do Citizens process any other currencies?

Answer: Currently, Canadian bank checks are the only foreign checks Citizens deposits.

7. Section D, 6 International Wire Transfer Payments - There is a volume of 1 wire via correspondent bank USD/FX - Please describe the current process in which the foreign currency is purchases are transacted and funded? Please also provide which currencies these type of transactions are typically made in?

Answer: Currently, Citizens only initiates international wire transfers denominated in USD.

8. Attachment G – Financial Certification Form - The instructions in this file conflict with the instructions in the ITN about the # of characters (12 characters) allowed.

Rename your file by inserting the prefix: "Attachment G" _ "Your Supplier Name" _
Example: "Attachment G_Acme Services_2018 Financial Statement.pdf"

Answer: Attachment G file naming nomenclature is an exception.

9. Section 1.1 - Please confirm the requirements for safekeeping? Is there a separate account that holds investments (Tbills, notes, etc).

Answer: Citizens does not currently hold any short-term fixed income investments in a separate account with the commercial bank. The safekeeping requirement language is related to general safety measures guarding against fraudulent activity within Citizens accounts, services, and cash balances.

10. Exhibit II - Can you please supply the Account Cash Flows for the Commercial Line Account and Coastal Account?

Answer: The account structure in the Commercial and Coastal Lines account mirror that of the Personal Lines Account. Please see Exhibit VI - Citizens CLA and CST Commercial Accounts Cash Flows.

11. One of the minimum qualifications stipulates that the bank must have 175BN in current total deposits. I was curious if this should be 175BN in total ASSETS or if this was truly deposits? Given the scope of this RFP and the anticipated deposits the deposit minimum seemed fairly high and we were curious if it was meant as bank assets in excess of 175BN or that threshold might seem more in line with what we would expect the minimum qualification to be to handle the Citizens investments.

Answer: The requirement is \$175 billion as set forth in the ITN. Citizens is not a "unit of government" required to comply with DFS's "Qualified Public Fund Depository."

12. Section 2.1 – Does Citizens specifically require a "sweep" to a money market investment or would be Citizens be amiable to a similar structure that offers a competitive high interest yield?

Answer: Citizens currently prefers an automated sweep process using a money market investment. However, Citizens would be open to considering a similar automated process if it would not hinder or slow down the process of funding operational cash outflows.

13. Section 2.1 – Is \$38MM the average total balances for the 37 accounts (\$18MM of which is swept daily)? Are you able to provide a complete account structure?

Answer: The average total balance for the 37 accounts is not \$38MM. As of June 30, 2018, Citizens held approximately \$20MM in total with the commercial bank, \$18MM of which was held in the money market sweep vehicle. Funds are auto-transferred to and from the three Master ZBA accounts as needed to fund disbursements or invest surplus deposits.

14. Section 2.1 – Do the PLA, CLA and Coastal Account have their own individual sweep account or do they all sweep into the same account?

Answer: The PLA, CLA and Coastal accounts each have their own sweep account.

15. Section 2.3 B – Does Citizens currently utilize armored courier service to deliver checks and cash to a vault location? If not, would they be willing to do so?

Answer: The courier process is not part of this solicitation. Please see answer to question #3 above.

16. Section 2.3 D item 5 – Is Citizens requesting a controlled disbursement account, and if so, is this for cash positioning purposes or other?

Answer: Currently, Citizens does not utilize a controlled disbursement service, but may welcome this as an additional available service, if requested in the future.

17. Section 2.3 B4, C2, D3 – While the Bank is required to keep transaction records generally for a rolling period of seven (7) years from the date of a transaction, what retention period is Citizens requesting for online access to images for deposited items and paid checks?

Answer: As per Section 2.3(B)(5), Vendor must retain check images for at least seven(7) years after deposit for research purposes.

18. Section 2.3 F 1g – Historical Account activity reports, what is the requested time period for retention of data?

Answer: Citizens requires a minimum a 90-day retention of historical account activity for reporting purposes.

19. Section 2.5 A – Bank of America can provide the SOC and SSAE reports, but in advance of a formal agreement, we respectfully request Citizens to sign a unilateral NDA. Would this be acceptable?

Answer: Any non-disclosure agreement must recognize and be in accordance with Florida public records laws. Citizens is a government entity that is an integral part of the state of Florida.

20. Section 3.5 – Is CD reply the only acceptable format for response or would a USB with similar format/structure be accepted?

Answer: CD is the preferred method.

21. Attachment D – At this point of the ITN, we cannot agree with Citizens T&C (Exhibit V). Is

Citizens open to discuss certain sections of the Standard T&C during the negotiation of the agreement?

Answer: As per Section 3.10 of the ITN, Citizens' expectation is that the terms and conditions within Exhibit V will be closely adhered to. If the Vendor is selected to proceed with negotiations, proposed changes may be discussed during the negotiation phase or in contract finalization, consistent with standards within the industry, specific attributes of a Vendor, or specific attributes of a Reply. (Section 2.6 of the ITN).

- 22.** Exhibit III - Why is pricing requested only for number 1-30 during the initial phase and not inclusive of 31-111?

Answer: Citizens requested pricing for numbers 1-30 as an initial request of the most critical and/or most frequently occurring events. The additional services will be requested as part of the negotiations process.

- 23.** Exhibit III – For the additional services listed, 31-111, while pricing is not requested at this time, will there be an opportunity for additional questions on these services during the negotiation phase?

Answer: This pricing will be requested as part of negotiations, if Vendor is selected to proceed with negotiations.

- 24.** Exhibit III – If no additional Q&A will occur during negotiations, please provide as much detail about lockbox services that may be requested including any special processing requests. For example, will there be image and/or data transmission, is there an OCR scannable coupon?

Answer: Additional questions can be answered during negotiations, if Vendor is selected to proceed with negotiations. All informational details for Replies are provided to Vendors within the ITN and the Addendum(s) to this ITN.

- 25.** Attachment G – is it required to provide the actual financial statements in the response, or is a link to our online investor relations site acceptable?

Answer: Please provide actual financial statements.

FAILURE TO FILE A PROTEST WITHIN THE TIME PRESCRIBED IN SECTION 627.351 (6)(e), F.S., CONSTITUTES A WAIVER OF PROCEEDINGS.