

REQUEST FOR INFORMATION (RFI)
OVERSEAS MILITARY BANKING PROGRAM

January 21, 2011

BACKGROUND:

The Overseas Military Banking Program (OMBP) has been providing banking services to authorized DoD customers for approximately 60 years. The overall DoD objective is to provide full banking services that are comparable, in scope and cost, to those available in the Continental United States (CONUS) to authorized individuals that include active duty U.S. military personnel; reservists on temporary active duty; DoD civilian employees who are U.S. citizens; U.S. citizens who are employees of all other U.S. Government departments, agencies, private organizations, and non-appropriated fund instrumentalities (NAFI) carrying on functions on a DoD installation overseas; as well as authorized family members of such military and civilian employees and military disbursing officers.

REQUIREMENTS:

The selected contractor must be able to obtain a letter of designation by the U.S. Treasury Department as a Depository and Financial Agent of the U.S. Government. In addition, licenses or host-country approvals are required in the following areas: Germany, Cuba, Honduras, the United Kingdom, the Netherlands, the Republic of Korea, Japan, Okinawa, Italy, and Diego Garcia. The contractor will coordinate with the Contracting Officer's Representative (COR) prior to contacting any host-country official concerning a banking license or host-country approvals to operate.

Additionally, the selected contractor will be required to establish and operate a home office within the CONUS. Based on information received from the Office of the Comptroller of the Currency, no additional bank licensing requirement outside the contractor's home state banking license is required (for federally chartered banks) to operate the home office within the CONUS.

The selected contractor will provide banking services as the "Community Bank Operated by (insert selected contractor name)." The government will provide the Community Bank routing transmittal number.

The specific products and services to be provided by Community Bank shall be determined by the government. Additionally, the fees and interest rates charged by the contractor for banking products shall also be determined by the government. Account assets of Community Bank shall not be comingled with the contractor's stateside accounts. A listing of the services being provided under the current contract to

individuals, military disbursing officers, Nonappropriated Fund Instrumentalities (NAFI) and NAFI employees, and to private organizations are included in the attachment.

Performance Locations: There are currently 78 banking facilities and 316 ATMs being provided under the current contract. For the purposes of this RFI, full-time/part-time banking facilities and ATMs are provided in the following countries:

Germany: Full-time - 27; part-time - 3; ATMs - 110

Netherlands: Full-time - 1; part-time - 0; ATMs - 5

United Kingdom: Full-time - 7; part-time - 0; ATMs - 23

Italy: Full-time - 6; part-time - 0; ATMs - 21

Honduras: Full-time - 0; part-time - 0; ATMs - 2

Cuba (Guantanamo Bay Naval Station) Full-time - 0; part-time - 1, ATMs - 5

Korea: Full-time - 12; part-time - 2; ATMs - 68

Diego Garcia: Full-time - 1; part-time - 0, ATMs - 2

Japan: Full-time - 8; part-time - 1; ATMs - 42

Okinawa: Full-time - 7; part-time - 1; ATMs - 34

Kwajalein Atoll: Full-time - 1; part-time - 0; ATMs - 4

Specific locations will be provided to all RFI respondents and will also be included in a subsequent RFI regarding an industry day to be held in Columbus, Ohio, on a date to be determined.

A full-time Military Banking Facility (MBF) is one that operates a minimum of 5 days per week, including any approved evening and weekend service.

A part-time MBF is one that operates less than 5 days per week, exclusive of additional payday service. Part-time MBFs shall include arrangements for payday check cashing and local currency sales. Part-time operations generally are supported out of a nearby full-time location.

In addition to the full-time and part-time service descriptions above, the selected contractor will be required to provide payday service at selected locations. A Payday

Service Facility is one where service is provided only on paydays. Payday Service Facilities will be so designated by the COR.

There may also be a requirement to support information gathering regarding local banking operations in current or future contingency/combat theaters of operation, regarding local banking infrastructure. Additionally, this contract may require banking support in current or future contingency/combat theaters of operation addressing the evaluation and monitoring of foreign banks, establishment of a correspondent bank relationship with a foreign bank, and providing banking advisory services to theater commanders.

In addition, there may be a requirement to establish banking facilities in other locations and/or countries.

Bonding/Capitalization Requirements: With respect to any bonding/capitalization requirements which may require a deposit of monies and a commitment of assets, or a compensating balance or similar requirements that may be part of the license application process, the U.S. Government's position is that such requirements shall be waived by the host country due to the unique nature of the U.S. OMBP. The contractor is directed not to meet any such bonding/capitalization requirements which would otherwise be applicable to financial institutions wishing to operate in the host country. These matters will be reported to the COR for resolution. Negotiations with the host-country authorities, however described, relative to any bonding and capitalization requirements, which may be required, is the sole responsibility of the U.S. Government and not the contractor. The contractor is prohibited from negotiating any agreements with foreign financial institutions or governments (correspondent bank relationships are excluded from this restriction). Any delay in the performance of the contract incident to such negotiations is expressly deemed to be an excusable delay beyond the control of the contractor and without fault or negligence of the contractor. The U.S. Government is expressly and solely responsible for all direct or consequential damages to the program or customers of the OMBP flowing from the implementation of this paragraph; provided, however that nothing herein shall be deemed to create an obligation in advance of appropriations in violation of law. The contractor, under the latter provision, would be responsible for any and all liabilities that resulted from unauthorized contact with financial institutions and governments prohibited above.

Facilities: All banking facilities are provided by the government. All government furnished property presently being used under the current contract will be transferred to the new contract.

Contract Type/Funding: Contract type for this requirement is yet to be determined. The current contract type is cost plus fixed-fee (CPFF). Thus, the contractor's total compensation shall be limited to the negotiated fixed fee which is established at the onset

of the contract. In the event any revenue in excess of expenses from banking operations arises, it is retained within the net investable balance of government program funds. The net investable balance is invested by the contractor as follows:

- a. Federal funds (overnight) placements
- b. Certificates of deposit with U.S. and non-U.S. commercial banks with an original term not to exceed 182 days
- c. Government or U.S. Government backed investments or securities
- d. Sovereign debt securities issued by host country governments with a remaining term not to exceed 182 days
- e. Any instance where the government does not require non-U.S. currencies to be invested in U.S. Government or U.S. backed investments or securities, all such earnings associated with such non-U.S. currencies shall accrue to the net investable balance.

RESPONSES: Responses to this RFI should not exceed 50 pages (one-sided, single spaced, Times New Roman, font 12), should be e-mailed as either a .pdf or MS Word attachment, and must include a cover letter including the institution name, point of contact, address, phone number, DUNS number, and CAGE Code. Please submit your response no later than close of business on February 18, 2011, to Mr. Normand Gomolak, Contracting Officer, at normand.gomolak@dfas.mil (e-mail) or 614-693-1338; or to Mr. Jon Houze, Contract Specialist, at jon.houze@dfas.mil (e-mail) or 614-693-6421.

Responses shall address the following:

- a. In the event of potential transition costs, please provide an estimated range of the transition costs that your company believes may be experienced (any transition period normally would not exceed 6 months). At this time, the total period of performance has not been determined. Thus, please explain what you feel the program impacts may be if the overall contract term (base plus all options) is determined to be 3 years, 5 years, or 10 years.
- b. In your response, please address any additional products you feel would be appropriate. Long-term offerings such as mortgages, annuities, etc. are not permitted under this contract.
- c. Please list any subject areas you would like addressed in any subsequent Statement of Objectives or Statement of Work and any areas you would like addressed at the upcoming Industry Day (location, date, and time to be determined).

d. You may also address any other questions/issues or provide any other comments you may have regarding this RFI.

DISCLAIMER: In accordance with FAR 15.201(e), responses to this notice are not offers and cannot be accepted by the government to form a binding contract. This RFI is issued solely for information and planning purposes and does not constitute a solicitation. Neither unsolicited proposals nor any other kind of offers will be considered in response to this RFI. Responses to this notice are not offers and will not be accepted by the government to form a binding contract. Responders are solely responsible for all expenses associated with responding to this RFI. All information received in response to this RFI that is marked proprietary will be handled accordingly. Responses to the RFI will not be returned. At this time, questions concerning the composition and requirements for future RFPs will not be entertained.

Attachment:

As stated

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ATTACHMENT

INDIVIDUALS

- a. Regular checking account services
- b. Interest bearing checking accounts
- c. Savings accounts
- d. ATM and check cards
- e. Certificates of deposit
- f. Check cashing as authorized
- g. Foreign currency drafts (where available)
- h. Cashier's checks, money orders, and traveler's checks
- i. Personal loans
- j. Sale and repurchase of local currency, and when permitted by the host country and approved by the appropriate DoD component military command, sale and repurchase of currency of other countries. All sales shall be for U.S. dollars.
- k. Direct deposits
- l. Bank by mail
- m. Sale and redemption of U.S. savings bonds
- n. Incoming and outgoing collections (bank-to-bank transfers)
- o. Incoming and outgoing wire transfers to U.S. bank accounts
- p. Access to MBF ATMs for the following:
 - (1) Deposits, withdrawals, account-to-account transfers, as well as balance inquiries for MBF accountholders

- (2) Cash withdrawals and balance inquiries, through approved ATM networks, for both accountholders and non-accountholders
 - (3) Cash advances from credit cards through approved ATM networks
- q. Automatic transfers between accountholder's accounts
- r. Line of credit
- s. Overdraft protection
 - (1) Overdraft protection with a savings account transfer to cover a checking account overdraft
 - (2) Overdraft protection with a line of credit
 - (3) The overdraft protection credit product with a \$500 minimum limit and \$1,500 maximum limit will be discontinued as of March 1, 2010. Existing accounts with this product will be grandfathered.
- t. Acceptance of rent and utilities payments (where available)
- u. Local currency checking accounts (where available)
- v. Standing payment orders in foreign currency for rent, utility, and telephone payments (where available)
- w. Yen Electronic Drafts (EFT) (Japan only)
- x. Within the U.S., a toll-free customer service line for client balance and information inquiries. The government may also provide DSN lines.
- y. Miscellaneous bill paying service in local currency by EFT where permitted by the host country
- z. Point of sale electronic debit transactions for OMBP accountholders utilizing the customer issued ATM or check cards
- aa. Interactive voice response unit (worldwide)
- bb. Online banking with bill pay functionality

MILITARY DISBURSING OFFICERS

- a. Receipt of deposits for credit to the U.S. Treasury, microfilming both sides of negotiable instruments, and maintaining the microfilm records for at least 3 years
- b. Provide U.S. currency
- c. Provide local currency
- d. U.S. dollar custody account agreements as approved by the COR, where the bank is the custodian of the funds
- e. Local (host country) currency checking account services, when permitted by the host country and the COR
- f. Third-country currency limited deposit accounts, when permitted by host country and the COR
- g. EFTs or other bank transfers in U.S. dollars, host country, and third-country currencies
- h. Bank acceptance of EFT data

NONAPPROPRIATED FUND INSTRUMENTALITIES (NAFIs)

- a. Checking account services in U.S. dollars, local currency, and third-country currencies, where available
- b. U.S. dollar checking and interest bearing accounts when allowed by regulation
- c. Provide U.S. currency
- d. Provide local currency
- e. U.S. dollar savings account
- f. Certificates of deposit
- g. Night depositories (where available)
- h. EFTs or other bank transfers in U.S. dollar, host-country, and third country currencies

i. Disaster Relief Donation Account: This account is established for the sole purpose of accepting deposits for national emergency disaster relief efforts; in the event of a hurricane, typhoon, tornado, or any other natural disaster. The disaster relief donation account can be established to receive monetary donations for a specified period (60 days) and is a noninterest bearing checking account with no monthly service charge. No checks or debit cards will be issued for this account. Disaster relief accounts must be approved by the installation commander and will require two signatures to withdraw funds from the account. Upon the organization's request, the bank will issue a cashier's check or complete a wire transfer at no cost to the designated relief organization.

PRIVATE ORGANIZATIONS

a. U.S. dollar checking account services, including interest bearing checking accounts, when allowed by regulation

b. Local currency checking accounts, where authorized by the host country and approved by the COR

c. Savings accounts

d. Certificates of deposits

e. U.S. and local currency when needed for authorized accommodation sales or payroll or vendor payments

f. Disaster Relief Donation Account: This account is established for the sole purpose of accepting deposits for national emergency disaster relief efforts; in the event of a hurricane, typhoon, tornado, or any other natural disaster. The disaster relief donation account can be established to receive monetary donations for a specified period (60 days) and is a noninterest bearing checking account with no monthly service charge. No checks or debit cards will be issued for this account. Disaster relief accounts must be approved by the installation commander and will require two signatures to withdraw funds from the account. Upon the organization's request, the bank will issue a cashier's check or complete a wire transfer at no cost to the designated relief organization.

g. EFTs or other bank transfers in U.S. dollars, host country, and third-country currencies