

QUESTIONS AND ANSWERS

PROJECT 06-35

DEPOSITORY BANKING SERVICES

Date: September 6, 2006

To: All Prospective Respondents

From: Houston Community College, Procurement Operations

Subject: Informational Letter #1, Invitation for Bids (IFB) for Depository Banking Services (Project No. 06-35)

The following questions regarding subject IFB were received in the Purchasing Department prior to the question submission deadline of September 5, 2006 at 4:00 p.m.

Question #1:

Are Letters of Credit from the Federal Home Loan Bank acceptable collateral for Houston Community College System?

HCCS Answer:

Letters of credit from the Federal Home Loan Bank are not acceptable collateral under HCCS' Investment Policy.

Question #2:

Can you clarify what you are looking for under you insurance requirements?

Professional Liability:

Professional liability coverage is required when a professional liability exposure is present. A minimum limit of \$5,000,000 CSL will be required.

Are you looking for liability insurance on directors and officers of the bank?

HCCS Answer:

Banker's Professional liability is a financial institutions policy, designed to help banks and other financial institutions from claims alleging breach of duty or other errors and omissions arising out of Professional Services rendered to the customers. It is further designed to address exposures such as deposit taking and loan making, but is easily adapted to address fee for service exposures.

Question #3:

For your vault services it was mentioned that Brinks comes to HCCS locations to pickup the deposits and take to the central vault. Does HCCS have a direct relation with Brinks or is it through Bank of America?

HCCS Answer:

Yes, HCCS has a direct relation with Dunbar Armored Car.

Question #4:

Can you clarify what you are looking for under your insurance requirements for the following: “Commercial General Liability for Bodily Injury/Property Damage Limits” Are you looking for coverage of HCCS’ employees/property or the bank’s employees/property?

HCCS Answer:

The Certificate of Insurance has been asked of by the banks to show evidence of the banks Commercial General Liability, and to add HCC as an additional insured on the bank policy.

Question #5:

On Attachment No. 2, page 19 what does the monthly activity of 421 for Monthly Maintenance Fee – ATM represent?

HCCS Answer:

There is an average of 421 ATM withdrawals per month.