

From: Terril Bates
Sent: Thursday, February 28, 2019 2:18 PM
To: WLandreth@BBandT.com
Subject: RE: RFP Questions

Mr. Landreth:

Thank you for your interest. We will agree to extend the timeline until March 30, 2019, at 2:00p.m. Unfortunately any review and approval of sections of the RFP or subsequent award may not be commenced during the RFP process, exceptions being corrections of errors in the RFP. Please submit your proposal with any conditions that apply to your interest as a candidate for the award. Once the packets have been received, the committee scoring may reach out to you for additional information or clarification. In the event of an award, there is an opportunity for negotiation.

We appreciate your interest and look forward to your submission.

Terril

From: Landreth, Will [<mailto:WLandreth@BBandT.com>]
Sent: Thursday, February 28, 2019 12:15 PM
To: Terril Bates; Procurement; Gregory Heard
Subject: RE: RFP Questions

Good Morning,

BB&T we would like to move forward with submitting a bid pursuant to the terms agreed upon in the email below and contained in the agreements previously provided. We understand that the HUD forms provided in the bid cannot be changed and we will agree to the forms 51999 & 5370-C. However, certain terms contained therein give DBHA broad latitude in when it invokes terms of the HUD forms. BB&T will require some clarity around when DBHA will exercise rights and have it documented in an overarching agreement should DBHA choose us as their banking partner.

As previously mentioned, BB&T would like to move forward with our proposal, but pursuant to Section 6.0.1.2 of the RFP, we will need your approval on the items mentioned within this email. To allow for sufficient time for you to review and approve these items, and allow BB&T time to prepare a quality proposal, we respectfully request an extension of the RFP submission deadline to March 30, 2019.

Please see further clarification to your concerns in my comments labeled WL below.

Best Regards,

Will



William Landreth
Market President
Office: (386) 763-8738 / Cell: (434) 409-9078
wlandreth@bbandt.com
1899 S. Clyde Morris Blvd.
Daytona Beach, FL 32119

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From: Terril Bates [<mailto:batest@dbhaf1.org>]
Sent: Monday, February 25, 2019 1:55 PM
To: Landreth, Will
Subject: FW: RFP Questions

[* This email contains attachments or links from an unverified sender. DO NOT open attachments or click links without verifying the sender. *]

From: Landreth, Will [<mailto:WLandreth@BBandT.com>]
Sent: Thursday, February 21, 2019 4:45 PM
To: Gregory Heard; Procurement
Subject: RFP Questions

Good morning,

BB&T is working on our proposal for the Daytona Beach Housing Authority's banking relationship, and we have the following initial questions.

Contract Requirements:

We are a Federal regulated Institution and, as such, cannot accept all stated terms and conditions of the contract. As per Section 6.0.1.2, we are notifying you, prior to submission, of clauses that will need to be amended within the final executed contract. **Please advise if this will be acceptable, allowing us to bid?**

1. The link provided in the Table of Contents for the HUD Forms 51999 brings you to the form that expired 9/30/2013. If that is the form that is required, BB&T can execute it. However, there is a revised form on the HUD website with an expiration date of 1/31/2021. Will this be the new form that we are required to sign? (GH) Yes, please complete the update form.
 - a. If so, we can only sign the updated HUD form if the attached overarching agreement is executed by DBHA.
 - Clarification of Paragraph 2 of the General Depository Agreement states "Collateralization is required on a daily basis at the end of the business day." The Bank complies with this requirement by having collateral in place on a daily basis, but any changes in balances will not have collateral adjustments made until the

following business day, as the Bank cannot determine the ending account balances until the Federal Reserve closes, therefore it cannot adjust the collateral until the next business day when the Federal Reserve re-opens. (GH) If this is standard practice in the industry, we will confirm with HUD and our auditors if acceptable. I will also reach out to Wells Fargo and inquire how they handled the cash balances at year end (which is critical when complying with HUD regulations.) This would constitute an audit finding if the bank did not have sufficient funds collateralized to cover our account balances on the last business day of our fiscal year end.

- (WL) We understand your concerns and would like to further clarify that if DBHA notifies BB&T of large deposits being made before the end of the business day (Preferably by 3:30pm but can accept up to 5:00pm), we can pledge the appropriate amount of additional collateral the same day. If this is acceptable, we would be willing to amend the Clarification in the overarching agreement to include this point.

2. Section 7.0.13 Indemnification and within the Sample Contract - adjusted as follows.

To the fullest extent permitted by state and federal law, the Bank shall indemnify and hold harmless the Issuer, and its officers and employees from and against any claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of banking and treasury management services described in this Response, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease, or death, or to injury or destruction of tangible property, including loss of use resulting there from, but only to the extent caused primarily by the grossly negligent acts or omissions or willful misconduct of the Bank, or any employee or agent of the Bank or anyone for whose acts the Bank may be liable. Notwithstanding any other provision of the agreement, the Bank shall not be liable for any indirect, consequential, special, exemplary, or punitive losses or damages, without regard to the form of the claim or action or whether the claim is in contract, tort, or otherwise, and even if the Bank knew such losses or damages were possible or likely.

(WL) Was this acceptable?

3. Section 7.1.14 Assignment – Consent Required - adjusted as follows.

The Bank may assign the agreement, in whole or in part, to any of our affiliates or successors or to any other person or entity in connection with a sale of assets without obtaining your consent. In addition, we may delegate any or all of our duties under the agreement to third party vendors without giving you prior notice of, or obtaining your consent to, such delegation due to confidentiality requirements. DBHA may discontinue services with no obligation to The Bank and client, except for payment of services performed. (GH) The Housing Authority needs to ensure that it's assets are 100 percent secure in the event of an assignment of agreement to third party, purchase of bank assets, bank foreclosure, and or bank assets seized by the federal government. Therefore, we would require notification of said event to allow able time to move assets to avoid an interruption in services and or loss of assets. And most importantly, that third

party honors the agreement between the Bank and the Client and comply with form HUD-51999, General Depository Agreement.

(WL) For clarification, as it pertains to securing assets, the Bank is required to pledge the appropriate securities (held at the Fed), over and above what is FDIC insured, to ensure that the Housing Authority's assets are 100% secure. We cannot release those securities without written consent from the Housing Authority. There are also many other notifications that the Bank is required to provide which may include an assignment of agreement to third party, purchase of bank assets, bank foreclosure, and or bank assets seized by the federal government. However, our concern was not providing the required notifications, it was DBHA statement that "any of the rights and obligations of the financial institution hereunder shall not be assigned, subcontracted or transferred in whole or in part **without the prior written consent of DBHA**". We cannot commit to obtaining your prior consent for business decisions.

4. As it pertains to Paragraphs 3 &4 in the Sample Contract.

The Bank is a federally insured and regulated institution. All remedies, rights, undertakings and obligations, are addressed in our accompanying Commercial Bank Services and Treasury Management agreements and are accurately reflective of a banking relationship. Therefore, all services in the Response will be offered under the terms and conditions of The Bank's Commercial Bank Services and Treasury Management agreements. Conflicts between the RFP and the Response will be resolved by priority to the Response, unless specifically changed or documented in the final agreements.

(WL) Was this acceptable?

Questions:

1. BB&T Bank is a Federal Reserve non-member and regulated by the Federal Deposit Insurance Corporation. We are a State Chartered bank licensed to do business in Florida but are not Chartered in Florida, will this meet DBHA's requirement to bid? (GH) ??? The GDA does not exclude non-members of the Federal Reserve or out of state banks.
2. In section 3.1.3 for Fees and Interest, you requested rates that would be in effect as of Jan 1, 2016. Should this be for Jan 1, 2019 instead? (GH) Yes, we will revise document accordingly.
3. In section 4.0.1.5.1 it appears that DBHA is requesting a complete listing and summary of ALL current relationships (or within the last 3 years) with similar size entities or public agencies. Will 3 references be sufficient? (GH) That decision will be made by the CEO. Also Section 6.0.2.1 is referenced here but not included in the RFP, please provide. (GH) I have attached for your review, Attachment D – Instructions to Offerors for Service Contracts.
4. Will DBHA accept a contract period of 3 years with the ability to renew for 2 additional 1 year terms provided that both parties agree upon renewal pricing? (GH) That decision will be made by the CEO.

5. What is the peak total dollar amount originated via ACH on any given day? Please list both credit and debit amounts. (GH) We have two major accounts with ACH activity: 1. Credits - \$252,888 and Debits - \$13,490, 2. Credits - \$689,014 and Debits - \$629,165
6. What interest rate have you earned on your Mutual Fund Sweep for the last 3 months? (GH) We just recently opened the MFS account on December 29th. The interest rate earned for the month of January was a seven day simple yield of 1.93045 percent.
7. Would DBHA accept an overnight sweep that is not collateralized but provides full FDIC insurance coverage? (GH) Yes. How does this compare to a sweep account that is collateralized, please advise.
8. The services described in the contract agreement include “financial loan services” yet the RFP did not request loan services. Please clarify. (GH) In effort to ensure that our clients (landlords) are paid timely and there are no interruptions in services to our tenants, the Housing Authority needs to establish a line of credit. In addition to partnering the Bank to develop affordable housing by means of short-term construction loans, assisting eligible applicant with home mortgages . . . etc.

I have attached the documents that are referenced within our questions

Thank you for your assistance.

Best Regards,

Will



William Landreth
Market President
Office: (386) 763-8738 / Cell: (434) 409-9078
wlandreth@bbandt.com
1899 S. Clyde Morris Blvd.
Daytona Beach, FL 32119

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