

REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES (BANKING)
ISSUED BY THE OFFICE OF THE STATE TREASURER
CONTRACT NUMBER: TRE18101-BANKINGSVC

I. Overview

The Office of the State Treasurer (“OST”), the Department of Finance (“DOF”) and the Office of Management and Budget (“OMB”) (collectively, the “State”), on behalf of the Cash Management Policy Board (the “CMPB”) and the Government Efficiency and Accountability Board (the “GEAR Board”) (collectively, the “Boards”), are seeking proposals from qualified firms (“Vendors”) interested in providing banking services to the State as detailed in **Appendix A**. The selected Vendors collectively will manage the State’s banking needs (referred to as the “banking architecture”) in accordance with the guidelines approved by the CMPB and directives provided by the GEAR Board.

This Request for Proposal (“RFP”) is issued pursuant to 29 Del. C. §§ 6981, 6982 and 6986.

In order to facilitate the evaluation of proposals, the services have been divided into five (5) components as listed below. Vendors may submit proposals covering one or more components. The State intends to select one or more Vendors to provide the required services. Depending on the proposals received and the evaluation process, the State reserves the right to select multiple Vendors for each component. Check Printing Services is not a standalone component, as such, Vendors proposing for Component 5, must also submit a proposal for either Component 1 or Component 3. A description of each component can be found in **Section III**.

Component 1: General Banking
Component 2: Lockbox Processing Services
Component 3: Purchasing/Virtual Card & ePayables
Component 4: Stored Value Card
Component 5: Check Printing Services

Vendors should clearly identify the component(s) covered by their proposal in the required Transmittal Letter referenced in **Section V.A**.

A. Timetable

The tentative timetable for this RFP process is as follows:

EVENT	DATE
RFP published	June 13, 2018
Notice of Intent to Respond due	June 22, 2018
Deadline for Vendor questions	June 22, 2018
Deadline for State responses – Q&A closed & Published	July 6, 2018
Pre-Proposal Conference	July 10, 2018
Q&A from Pre-Proposal Conference Published	July 13, 2018
Deadline for Vendor proposal submission	August 3, 2018
Finalist presentations	Week of September 17, 2018
Finalist Selected / Begin Contract Negotiations	October 12, 2018
Complete Contract Negotiations	November 9, 2018
Estimated Award Notification (Board Approval)	November 14, 2018
Implementation Schedule	To be determined

The State reserves the right to cancel and/or modify the RFP dates at any time.

Vendors are expected to fully inform themselves as to the Vendors' conditions, requirements, and specifications before submitting proposals. Failure to do so will be at Vendors' own risk. They cannot secure relief on plea of error.

B. Consultant

To assist with RFP evaluation efforts, the State has selected a third-party consultant, PFM Asset Management LLC ("Consultant"). The Consultant will advise the State on industry best practices with regard to the proposed service delivery model, vendor selection, and other activities as needed with vendor, product, or service transition.

C. Intent to Respond

Prospective Vendors that are interested in receiving addenda to this RFP, including responses to submitted questions from all participating Vendors, should complete the Notice of Intent to Respond and submit it to Treasury_RFP@state.de.us by the date specified above. This will allow OST and Consultant to provide timely information to interested parties. All addenda relating to this RFP, including the responses to questions, will be exclusively placed on <http://bids.delaware.gov>. Submitting the Notice of Intent to Respond does not obligate the prospective Vendor in any way.

The effect of all addenda to the RFP documents shall be considered in the proposal, and said addenda shall be made part of the RFP documents. Before submitting a proposal, each shall ascertain whether any addenda have been issued. Failure to include information provided on any such addenda in a proposal may render the proposal invalid and result in its rejection.

D. Proposal to Remain Open

Vendors that submit a proposal in response to this RFP shall be deemed automatically to have consented and irrevocably agreed to keep any such proposal open for twelve (12) months after the deadline for Vendor proposal submission, or for such additional period as the State and Vendor may agree upon.

E. Contract Term

The term of the contract between each successful Vendor and the State shall be three (3) years with an option for a maximum of two (2) extensions for a period of two (2) years each.

Vendors must agree to fix contract fees for at least the first three (3) years. If the Vendor intends to revise its fee schedule after the initial period, it must give written notice to the State at least 90 days in advance of any proposed fee change. Fees may be changed only on the contract anniversary date. These fees are subject to negotiation and approval by the State and may not exceed the annual consumer price index-urban (CPI-U) for the most recently available 12-month trailing period.

F. Designated Contacts:

This RFP process will be managed by the Deputy State Treasurer and the Director of Debt and Cash Management ("Designated Contacts"):

Name:	Nohora Gonzalez
Title:	Deputy State Treasurer
Address:	820 Silver Lake Boulevard, Suite 100
City/State:	Dover, DE
ZIP:	19904
Email:	Treasury_RFP@state.de.us
Phone:	(302) 672-6703

Name: Joshua Berkow
Title: Director of Debt and Cash Management
Address: 820 Silver Lake Boulevard, Suite 100
City/State: Dover, DE
ZIP: 19904
Email: Treasury_RFP@state.de.us
Phone: (302) 672-6728

G. Submission of Written Questions

All questions about the RFP shall be submitted to the Designated Contacts listed above via e-mail by 4:00 p.m. Eastern Time (ET) on or before June 22, 2018.

Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP page number and subject number to which it relates.

The State will provide written responses to questions from prospective Vendors no later than July 6, 2018. The State will not give oral responses to questions except at the pre-proposal conference.

H. Pre-Proposal Conference

The State will hold a pre-proposal conference on July 10, 2018 at 10:00 a.m. ET at the following location: Carvel Building Main Auditorium, 820 North French Street, Mezzanine, Wilmington, DE 19801.

The State will answer any additional follow up questions at this time. No questions or inquiries will be allowed beyond the pre-proposal conference. Any unauthorized contact with any State official or employee in connection with this RFP is prohibited and shall be cause for disqualification of the Vendor. Attendance at the pre-proposal conference is not mandatory, but is recommended.

Participation in pre-proposal conference will be in-person only; no teleconference will be available. If necessary, a supplemental set of responses from the pre-proposal conference will be provided no later than July 13, 2018.

II. Background

The CMPB establishes the policies for the investment of all money belonging to the State or on deposit from its political subdivisions (except money deposited in any State Pension Fund or the State Deferred Compensation Program), and approves banking and investment contracts for the State. The CMPB is comprised of Delaware volunteer citizens (financial professionals) appointed by the Governor and confirmed by the Delaware General Assembly and ex-officiate government officials (including the State Treasurer). The policies promulgated by the CMPB are set out in the Cash Management Policy Board Statement of Objectives and Guidelines for the Investment of State of Delaware Funds ("Guidelines") govern Delaware's bank accounts and investment portfolios. The Guidelines are provided for reference in **Appendix B**.

OST provides to the State transaction and cash management services ensuring sound fiscal stewardship over financial assets, systems, and processes. OST's Banking Services Unit ("BSU") is responsible for the design, implementation, management, and continuous evolution of the State's banking architecture. BSU performs comprehensive assessments to categorize needs from agency clients, selects strategic partners, deploys innovative solutions, secures adequate infrastructures for information exchange and transaction processing, and implements performance standards and benchmarks for increased responsiveness and improved accountability.

Generally, banking services are made available to all branches of state government including the Chief Executive Officer and its sixteen cabinet departments; other elected offices including the Lieutenant Governor, the Auditor of Accounts, the Insurance Commissioner, and the Attorney General; the General Assembly, a bicameral legislature composed of the Senate and the House of Representatives; the Judicial branch composed of the Supreme Court, Court of Chancery, Superior Court, Family Court, Court of

Common Pleas, Justice of the Peace Court, Administrative Office of the Courts, and all other related agencies. Additionally, local school districts, 3 vo-tech schools, community colleges, bureaus, boards, commissions, and other authorities that either are part of the State legal entity or are their own separate legal entities (e.g., 25 charter schools) utilize these banking services.

In August 2016, BSU convened a Banking Task Force (“Task Force”) to evaluate the State’s current banking architecture. The Task Force is comprised of several key State agencies and financial officers representing significant end users of banking services. Subsequently, in January of 2017, BSU and the Task Force issued an RFP seeking consulting services (**Contract No. TRE17101-BNKSrvADVS**). The scope of work on the engagement included: i) a structural review of and recommendations regarding the State’s existing banking architecture as outlined in **Appendix C-1**, ii) assistance with the procurement process for banking services, iii) development of a vendor management program based on industry best practices, and iv) transition support to give effect to the engagement of new Vendors and/or banking services.

In order to conduct the study, OST, on behalf of the CMPB, engaged the Consultant in April of 2017. The Consultant worked with OST and State’s agencies and organizations to compile data, analyze available information, and prepare and present final recommendations. In the first quarter of 2018, OST and the Consultant finalized the comprehensive banking architecture analysis and completed presentations with state actors to share most relevant findings. In summary, the State may be able to conduct its banking business in a more efficient and effective manner realizing significant cost savings imbedded in the restructuring of the existing contracts.¹ Four overarching themes need to be addressed to improve the delivery of services: the State must: i) simplify internal and external strategic and operational banking architectures; ii) review all policies and procedures related to banking governance; iii) assess current and future technological capabilities needed; and, iv) identify accountability gaps in both the delivery and utilization of banking services.

Based on the results of the banking study, the CMPB conditionally adopted the recommendations of the Consultant to amend the banking architecture as depicted in **Appendix C-2**. Consequently, the CMPB approved issuing a comprehensive banking RFP to seek from qualified prospective Vendors proposals to provide banking services as well as feedback and critique of the new banking architecture (**Contract No. TRE18101-BANKINGSVC**). Over the last three months, OST has worked closely with members of the Task Force and the Consultant to finalize the scope of services for each component. As previously referenced, detailed requirements requested pursuant to this RFP are set out in **Appendix A**. Vendors should use both the Transmittal Letter and their responses to the questionnaires presented in **Attachment 1 (A-E)** to submit commentary on the final report and discuss their assessment of the existing and new architectures, superior alternatives to the proposed new architecture and recommendations for the optimal means to transition the new banking architecture as presented or revised. In all cases, the CMPB maintains the right to make changes to the current and proposed banking structures that it believes are in the best interest of the State at any time. Vendors will be expected to comply with such changes and act as fiduciaries in preserving the State’s interests and minimizing the impact of such changes.

The overarching goal of this comprehensive RFP is to engage Vendors that will achieve superior performance under the State’s proposed new banking architecture and offer ongoing strategic insight on: i) innovation in treasury operations and management of technology-driven disruption, ii) management of all collection and disbursement accounts handling cash balances required to meet the State’s anticipated near-term operating requirements and their integration with the strategy for liquidity accounts set out in the Guidelines, iii) adoption of a customer-centric approach to banking services, iv) understanding of the risk landscape to identify and prepare for increasing threats including cyber security; v) improvements to the State’s operations promoting electronic methods of transacting and discouraging obsolete ones that are resource intensive and frequently associated with significant higher levels of fraudulent activity (e.g., cash and check); and, vi) other matters as may be referred by the State and the Boards.

In conjunction with the provision of banking services, Vendors are required to provide detailed reporting, attend periodic meetings with the State, the Boards and/or the Consultant and render such ancillary

¹ The final report is available at:
https://treasurer.delaware.gov/wp-content/uploads/sites/55/2018/06/Banking-Structure-Review-2017_10_24.pdf.

services as are consistent with the scope of services and as are reasonably requested from time-to-time by the State, the Boards and/or the Consultant. Recurring and disciplined reporting should harness the power of data and incentivize continuous process improvement by measuring the efficacy and efficiency of the providers, inputs, core processes, outputs, customer needs, and outcomes of the banking services program. Continuing interactions should serve as strategic planning sessions to improve financial and banking processes used to deliver goods and services to taxpayers and customers of the State.

Executive Order No. 4, signed by the Governor on February 16, 2017, established the GEAR Board with the Secretary of Finance, Director of OMB and Controller General as executive sponsors.² At the time, the State faced a projected FY 2018 budget deficit of approximately \$350 million that was subsequently addressed through a combination of spending cuts and tax increases. Without the implementation of long-term actions, and structural spending and revenue reforms, similar deficits were likely to recur in the near future. As part of that effort, the GEAR Board was created to develop recommendations for increasing efficiency and effectiveness across State government, improving the strategic planning process, improving the use of metrics in resource allocation decisions and developing continuous improvement practices. Since its formation, the GEAR Board established seven critical focus areas (including the delivery of financial services), identified team leadership and members, and completed written charters identifying process and program optimization opportunities.

The CMPB and OST recognized the large scope of the project, the importance of engagement from State agencies and organizations, and the close alignment with other GEAR Board initiatives. OST presented the final report and recommendations to the Financial Services Delivery Subcommittee of the GEAR Board and suggested the comprehensive review of the State's banking architecture be made a statewide priority. The Secretary of Finance and the Director of OMB accepted the proposal and included the project in the annual report issued, pursuant to the Executive Order, on December 1, 2017.³

DOF and OMB designated the Division of Accounting ("DOA") and the Division of Government Support Services ("GSS"), respectively, as points of contact to advance this important initiative. DOA is a core Division with broad responsibilities within the State's financial management structure including financial reporting, account processing, establishment of general internal control structures, and prescription of policies that promote the efficient and effective management of state revenues and expenditures. Moreover, DOA establishes and implements procedures and regulations pertaining to the statewide accounting and payroll systems, processes the state's accounting and payroll transactions, certifies the validity of such transactions, and coordinates accounting, payroll, and other financial matters of the State. GSS provides statewide guidelines for professional services contracting. The Department of Technology and Information ("DTI") also provides support for this initiative.

The teams from OST and DOA will evaluate Vendors' proposals supported by subject matter experts from the Consultant, GSS, DTI and other state agencies and organizations as applicable and needed.

III. Scope of Services

Detailed requirements for the Scope of Services requested pursuant to this RFP are set out in **Appendix A**. A brief description of each component is provided below.

Component 1: General Banking. Component 1 will serve as the State's "concentration" bank, handling collections and disbursements (both check and electronic). The concentration bank is not required to have a branch presence in the State. The collection of cash is not a service included in this RFP. This component includes 21 accounts currently used by the OST, but could potentially include an additional 200+ State agency accounts.

Component 2: Lockbox Processing Services. Component 2 includes physical lockbox processing for three separate agencies: the Division of Corporations, Division of Unemployment and the Pension Office.

² Executive Order #4 is available at:

<https://governor.delaware.gov/wp-content/uploads/sites/24/2017/02/Executive-Order-Number-4.pdf>

³ The final report containing Budget recommendations and policy priorities for Fiscal Year 2019 is available at:

<https://gear.delaware.gov/wp-content/uploads/sites/103/2017/08/2017-12-1-GEAR-Annual-Report.pdf>.

The State currently has four physical lockboxes (retail and wholesale) and one electronic lockbox (“eLockbox”) used by the Division of Revenue, and would like to consolidate these to one Vendor. The ability to increase efficiency utilizing scannable remittance items and online decisioning is highly desired for this component.

Component 3: Purchasing/Virtual Card & ePayables. Component 3 includes the State’s \$73 million purchasing card program and \$57 million virtual card or single use account (“SUA”) program. The State would like to select a banking partner that can assist them in increasing the amount spent on both programs. The State would also like to explore an ePayables program, allowing them to outsource their electronic payables (ACH and virtual card).

Component 4: Stored Value Card. Component 4 includes stored value card services currently used by the Division of Unemployment, the Division of Child Support Services and the Department for Services of Children, Youth & Families to distribute benefits. The State would like to consolidate this service with a single Vendor.

Component 5: Check Printing Services. Component 5 is a new service being considered by the State. Currently, all checks are printed internally. The State would like to evaluate the benefits for outsourcing this service. This component will be awarded to the Vendor selected for either Component 1 or Component 3.

IV. RFP Issuance and Submission of Proposals

A. RFP Issuance

1. Public Notice

Public notice of this RFP has been provided in accordance with 29 *Del. C.* § 6981.

2. Publication of this RFP

This RFP is published in electronic form only. It is available at the following websites:

<http://bids.delaware.gov/>
<http://treasurer.delaware.gov/requests-proposals/>
<http://www.debankers.com/>
<http://nast.org>

3. Assistance to Vendors with a Disability

Vendors with a disability may receive reasonable accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Designated Contacts no later than fourteen days (14) prior to the deadline for receipt of proposals.

4. RFP Designated Contacts

All communication about this RFP shall be made via email to the Designated Contacts. Vendors should rely only on written statements issued by the Designated Contacts.

The Vendor must designate a single point of contact, who will be responsible for coordinating all internal Vendor communication. The Designated Contacts will only communicate with that one (1) person for each Vendor.

5. Contact with Consultants and Legal Counsel

The State may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the Vendors’ responses. Vendors shall not contact the State’s consultant or legal counsel on any matter related to the RFP unless so instructed in writing by the Designated Contacts.

6. Contact with Other State Employees

Direct contact with State employees other than the Designated Contacts regarding this RFP is expressly prohibited without prior written consent of the Designated Contacts. Vendors directly contacting State employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business in the State that require contact in the normal course of business.

7. Organizations Ineligible to Bid

Any individual, business, organization, corporation, consortium, partnership, joint venture or other entity currently debarred, suspended or otherwise ineligible to conduct business in the State for any reason is not eligible to respond to this RFP.

8. Exclusions

The Evaluation Team reserves the right to refuse to consider any proposal from a Vendor that:

- a. Has been, or has an employee who has been, convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or in the performance of the contract;
- b. Has been, or has an employee who has been, convicted under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty;
- c. Has been, or has an employee who has been, convicted or has had a civil judgment entered for a violation under state or federal antitrust statutes;
- d. Has violated, or has an employee who has violated, contract provisions as a state contractor such as:
 1. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 2. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
- e. Has violated, or has an employee who has violated, ethical standards set out in law or regulation; or
- f. Has violated, or has an employee who has violated, any other regulation of the State determined to be serious and compelling as to affect responsibility as a state contractor.

9. No Press Releases or Public Disclosure

The State reserves the right to pre-approve any news or broadcast advertising releases concerning this RFP, the resulting contract, the work performed, or any reference to the State with regard to any project or contract performance. Any such news or advertising release pertaining to this RFP or any resulting contract or services shall require the prior express written permission of the State.

Notwithstanding the foregoing, the State will not prohibit or otherwise prevent successful Vendors from direct marketing to the State's agencies, departments, municipalities, and/or any other political subdivisions; provided, however, that no Vendor shall use the State's seal or imply the State's preference or recommendation for the goods or services to be provided.

10. RFP Not an Offer

This RFP does not constitute an offer by OST, the Boards or the State.

11. Right to Cancel RFP

The State reserves the right to cancel this RFP at any time during the procurement process, for any reason or for no reason. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any Vendor.

12. Revisions to the RFP

If it becomes necessary to revise any part of the RFP, an addendum will be posted with the original RFP at: <http://bids.delaware.gov/>.

B. Submission of Proposals

1. Form of Proposal

Vendors may submit only **one** proposal to the State regardless of the number of components being proposed. Vendors should organize proposals as described in **Section V.A.**

2. Acknowledgement of Understanding of Terms

By submitting a proposal, a Vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and attachments hereto, and has fully informed itself as to all existing conditions and limitations, including, without limitation, any minimum requirements herein.

A Vendor must describe in detail on **Attachment 5** any areas where it will be unable to provide services as requested. In addition, if a Vendor is willing to provide the services exactly as requested, but believes that there would be benefits (such as cost savings or improved service) to making adjustments to the services outlined, the Vendor should describe the adjustments and the benefits on **Attachment 5**. Acceptance or rejection of any or all such exceptions is within the discretion of the State.

Upon receipt of Vendor proposals, each Vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFP. A Vendor's failure to consult with counsel or closely examine and understand any form, instrument or document shall in no way relieve a Vendor from any obligation with respect to this RFP.

Vendors must respond to all mandatory requirements presented in this RFP. The words "shall", "will" and "must" are used herein to designate a mandatory requirement. Failure to respond to a mandatory requirement may, in the State's discretion, cause the disqualification of a Vendor's proposal.

3. Proposal Deliveries

The deadline for submissions is 4:00 p.m. ET on August 3, 2018.

Submissions must be sent so as to be received by the Designated Contact by the submission deadline. The Vendor will submit fifteen (15) paper copies and fifteen (15) electronic copies on USB drives. One of the fifteen hard copy proposals will be clearly labeled as the "master" copy.

The proposal package delivery address is:

Client: State of Delaware
Name: Joshua Berkow
Title: Director of Debt and Cash Management
Address: 820 Silver Lake Boulevard, Suite 100
City/State: Dover, DE
ZIP: 19904
Email: Treasury_RFP@state.de.us

Additionally, the Vendor will submit two (2) paper copies and one electronic copy on a USB drive to the Consultant enlisted by the OST. The proposal package delivery address for the Consultant is:

Consultant: PFM Asset Management, LLC
Name: David Calvert, CFA
Title: Director
Address: 213 Market Street
City/State: Harrisburg, PA
ZIP: 17101
Email: calvertd@pfm.com

Electronic copies should be searchable PDF documents saved to a USB flash drive. Please do not submit a scanned version of the entire proposal response.

Vendors bear the risk of delays in delivery. Compliance in meeting the delivery deadline is solely based on when proposals are received at the State's location: 820 Silver Lake Boulevard, Suite 100, Dover, DE 19904. Vendors should, however, make every effort to get proposals to the Consultant by the same deadline.

Freedom of Information Act (FOIA) Proposal Submission Excluding Confidential Information:

If the Vendor deems any information submitted as Confidential and wants to maintain the information as Confidential, a separate electronic copy of the full proposal response on a USB drive with all Confidential Information redacted must be submitted in a sealed envelope labeled "FOIA Copy". If the State receives a request to FOIA's public disclosure obligations, the electronic copy enclosed in this envelope will be provided to the Requestor.

This electronic version (one copy) should be included with the original proposal package, but in a separate envelope and delivered to:

Name: Joshua Berkow
Title: Director of Debt and Cash Management
Address: 820 Silver Lake Boulevard, Suite 100
City/State: Dover, DE
ZIP: 19904
Email: Treasury_RFP@state.de.us

Subject to applicable law or the order of a court of competent jurisdiction to the contrary, all documents submitted as part of a Vendor's proposal will be treated as confidential during the evaluation process. As such, proposals will not be available for review by anyone other than OST, the Evaluation Team or their designated agents, or Consultant prior to award. There shall be no disclosure of any of Vendor's information to a competing Vendor prior to award unless such disclosure is required by law or by order of a court of competent jurisdiction.

The State and its constituent agencies, including OST, are required to comply with the State's Freedom of Information Act, [29 Del. C. § 10001, et seq. \("FOIA"\)](#). Under FOIA, the State's records are public records (unless otherwise declared by FOIA or other law to be exempt from disclosure) and are subject to inspection and copying by any person upon a written request. Once a proposal is received by OST and a decision on a contract award is made, the content of selected and non-selected Vendor proposals may become subject to FOIA's public disclosure obligations.

The State wishes to create a business-friendly environment and procurement process. As such, the State respects that Vendors desire to protect intellectual property, trade secrets, and confidential business information (collectively referred to herein as "confidential business information"). If a Vendor feels that it cannot submit a proposal without including confidential business information, it must adhere to the procedure set forth below and in **Section IV.B.3**. Failure to comply with the following procedure may result in a submission being rejected as non-conforming

or non-responsive, and any applicable protection for the Vendor's confidential business information may be lost.

In order to allow the State to assess its ability to protect confidential business information, Vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

Vendors may submit portions of a proposal considered to be confidential business information in a separate, sealed envelope labeled "Confidential Business Information" and include the specific RFP number. The envelope must contain a letter from the submitting Vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" within the meaning of 29 Del. C. § 10002 and briefly stating the reasons that each document meets such definitions.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the Designated Contacts will open the envelope to determine whether the procedure described above has been followed. A Vendor's allegation as to its confidential business information shall not be binding on OST. OST shall independently determine the validity of any Vendor designation as set forth in this section. Any Vendor submitting a proposal or using the procedures discussed herein expressly accepts OST's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, Vendors assume the risk that confidential business information included within a proposal may enter the public domain.

4. Proposal Modifications

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original proposal and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Except as expressly permitted above, changes, amendments or modifications to proposals shall not be permitted, accepted or considered after the hour and date specified as the deadline for submission of proposals.

5. Proposal Costs and Expenses

OST, the Board and the State will not pay or be responsible for any costs incurred by any Vendor associated with any aspect of responding to this RFP, including proposal preparation, printing or delivery, presentation, system demonstrations or negotiation process.

6. Proposal Expiration Date

Prices quoted in the proposal to this RFP shall remain fixed and binding on the Vendor for no less than twelve (12) months from the proposal submission deadline. OST and the Vendor may agree to an extension of this deadline.

7. Late Proposals

Proposals received after the specified date and time will not be accepted or considered. Late proposals will be destroyed or returned to Vendor at Vendor's request and at Vendor's cost. To document compliance with the deadline, each proposal will be date- and time-stamped upon receipt. The determination of whether a submission is timely shall reside with OST.

8. Proposal Opening

The Designated Contacts will open proposal packages in the presence of OST witnesses, and will establish a list of all Vendors submitting proposals. There will be no public opening of proposals.

9. Non-Conforming Proposals

Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the requirements of this RFP. The determination of whether a submission is non-conforming shall reside with OST.

10. Concise Proposals

OST discourages overly lengthy and costly proposals and prefers that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. OST's interest is in the quality and responsiveness of the proposal.

11. Realistic Proposals

Proposals must be realistic and must represent the best estimate of time, materials and other costs, including the impact of inflation and any economic or other factors that are reasonably predictable. OST expects that Vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. The State shall bear no responsibility for a Vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

12. Price and Payments Not Confidential

Vendors are advised that the pricing terms of any contract awarded to a successful Vendor, as well as any payments made to such Vendor, shall be matters of public record subject to disclosure under FOIA.

13. No Joint Ventures

Multi-Vendor proposals (joint ventures) will not be considered.

14. RFP Question and Answer Process

Vendors are fully responsible for the completeness and accuracy of their proposals, and for examining this RFP and all attachments and addenda. Failure to do so will be at the sole risk of the Vendor. Should a Vendor find discrepancies, omissions, or unclear or ambiguous requirements or language, Vendor shall contact the Designated Contacts via email and provide a written request for clarification no later than the deadline for submission of Vendor questions. Vendor questions must refer to the specific page, section, paragraph and text of the RFP or attachments, as appropriate. The Vendor will submit questions solely to the Designated Contacts.

Questions and answers will be compiled into a comprehensive document with Vendor names removed, which will be placed on the same websites as the original RFP prior to the close of the question and answer period. All issues that remain unresolved after the close of the question and answer period should be addressed in the proposal, with exceptions taken as appropriate.

Protests based on any discrepancy, omission, or unclear or ambiguous requirements or language will be deemed waived and disallowed unless timely brought to the attention of the Designated Contacts as provided above.

15. Exceptions to the RFP

Any exceptions to the RFP or any other attachments or addenda, along with corresponding explanations and alternatives, must be noted and explained on **Attachment 5** and submitted when and as required herein. Vendors that fail to timely and otherwise adequately preserve and assert exceptions shall be deemed to have waived all such exceptions and related arguments. The State has discretion with respect to the acceptance or rejection of exceptions.

16. Exceptions to the STC

Any exceptions to the Standard Terms and Conditions for Professional Services ("STCs") or any other exhibits, along with corresponding explanations and alternatives, must be noted and explained in the redlined version of STCs ("Redline") and submitted when and as required herein. Vendors that fail to timely and otherwise adequately preserve and assert exceptions to the form of STCs, shall be deemed to have waived all such exceptions and related arguments. The State has discretion with respect to the acceptance or rejection of exceptions.

17. Right to Reject Proposals

OST reserves the right to accept or reject any or all proposals, or any part of any proposal, and to waive defects, technicalities or specifications, whether in this RFP or a Vendor's response, to sit and act as sole judge of the merit and qualifications of each proposal, or to solicit new proposals on the same project or a modified project that may include portions of the originally proposed project as OST may deem necessary or appropriate.

18. Right to Discontinue Negotiations.

A Vendor's submission of a proposal in connection with this RFP may result in OST's decision to engage such Vendor in negotiations to reach agreement on the terms of a binding contract. The commencement of negotiations shall not constitute a commitment by OST to continue negotiations or execute a contract.

19. Notification of Withdrawal of Proposal

Vendor may withdraw a timely proposal by written request to the Designated Contacts, provided that such request is received by the Designated Contacts prior to the proposal due date.

20. Proposal Constitutes an Offer

All proposals received are considered firm offers and may not be withdrawn or modified except as expressly permitted herein.

21. Award

Pursuant to 29 Del. C. § 2716(a)(2), the Board has the statutory responsibility and duty to approve by majority vote the retention of financial institutions to provide each of the components within this RFP, with the exception of Component 3. The successful Vendor(s) for purchasing card services must be approved by the an, Division of Accounting, and/or the Office of Management and Budget, Government Support Services (collectively, "DOA/GSS"). No award or contract resulting from this RFP process shall be effective unless and until authorized or approved in accordance with this RFP and applicable law.

A contract award ("Award") will be communicated to a successful Vendor and published only after (a) the Board and/or DOA/GSS, as appropriate, authorizes the issuance of an Award to the Vendor and (b) OST and the Vendor execute a formal contract on terms and conditions acceptable to OST in its discretion. No Vendor will acquire any legal or equitable rights or privileges until the occurrence of both events.

Vendors that submit a proposal to perform more than one component may receive multiple Awards.

V. Requirements and Evaluation Criteria

A. Required Information

1. Vendors shall provide the following information with their proposals in the order listed below. Failure to respond to any request for information within this RFP may result in rejection of the proposal. The proposal will be presented in a 3-ring binder, with each completed attachment identified in its own tab.

Tab A: Transmittal Letter. This letter must address these topics:

- A summary of the Vendor's banking services experience, and interest in providing these services to the State.
- A clear statement as to which components the Vendor is proposing.
- Commentary on the banking architecture review final report.
- Assessment of the existing and new architectures, superior alternatives to the proposed new architecture.

- Recommendations for the optimal means to transition the new banking architecture as presented or revised.

Tab B: Questionnaire(s). Provide a detailed set of responses to the questions posed in **Attachment 1** (A-E). All Vendors must respond to **Attachment 1. Attachments 1A – 1E** only need responded to if Vendor is proposing for that service. Responses should be both complete and concise.

Tab C: Requirements Matrix. Complete and return the attached Requirements Matrix in **Attachment 2**.

Tab D: Confidential Information Form. Vendors should identify any material information that is considered confidential using the form of **Attachment 3**. Any information not within this form is automatically subject to FOIA.

Tab E: Schedule of Fees. Provide a schedule of fees using the Pro Formas provided in **Attachment 4** (attached excel file) for the Vendor's proposed service(s). Vendors may also provide alternative fee structures (including, but not limited to, any fixed fee arrangements), however, these alternative fee structures must be in addition to the Pro Formas provided. Paper copies of proposal shall have this information in print, however, electronic copies **MUST** contain the completed excel file.

Tab F: Implementation Plan. Provide a detailed implementation plan (in weekly increments and highlighting milestones) for each of the components being proposed. Ensure to take into consideration the information provided below.

Implementation Approach:

The State is eliciting feedback from industry experts to determine the best approach to implement the new banking architecture. In order to complete this statewide project successfully, the State favors the development of a master transition plan encompassing all components with all selected providers engaging and assisting the creation of such plan. The main objective of the plan is to reduce the risk of implementation failure by proactively assessing the impact to the State. It is the State's intent to work with selected Vendors to create a centralized reference document that organizes relevant information needed (i.e., tasks, deadlines, milestones, responsible parties) for a successful implementation.

Traditionally, the State has selected Vendors and performed implementations by banking services or products rather than clients (i.e., state agencies or organizations). The State prefers an implementation plan constructed to deploy services and products by client. During the evaluation process, the State will finalize the banking services and products menu that will be available to agencies and organizations going forward. The options on the menu will be based on best practices and allow for some level of consistency across the State. At the outset of the implementation project, the State and selected Vendors would identify the sequence to use when deploying the menu to clients.

Tab G: Exception Form. Provide a detailed listing of any exceptions to the RFP, including all attachments and appendices but not including the STCs and its exhibits, using the form included as **Attachment 5**. Successful Vendors who do not take exceptions as required are deemed to have consented and irrevocably agreed to the terms of the RFP.

Tab H: Redlined Version of STCs. Include the Redline or similar comparative version of the STCs, a copy of which is affixed hereto as **Appendix D**, reflecting all proposed changes to the STCs and **Exhibit 4, Exhibit 5 and Exhibit 6** thereto, which changes may be accepted or rejected in OST's discretion. Successful Vendors who do not propose changes are deemed to have consented and irrevocably agreed to the STCs.

Tab I: Financial Statements. Provide **electronic** copies (no paper copies) of the last three years of audited financial statements. These statements shall be submitted on the electronic version of the proposal only. If, and only if, audited financial statements are not available, Vendors may submit unaudited financial statements (in which case, Vendors shall explain in detail why audited financial statements are not available).

Tab J: Business References. Provide at least three business references using the form provided in **Attachment 6**. Include one reference form for each component being proposed, and clearly mark which component the references are for. The same reference, if applicable, could be used for multiple components.

Tab K: Business Continuity and Disaster Recovery Plans. Vendors responding to this RFP must attach summaries or copies of their business continuity and disaster recovery plans.

Tab L: Retention Policies. Vendors responding to this RFP must attach copies of their retention policies and documents or substantive summaries of the same.

Tab M: Proposed Vendor Form of Agreement. Vendors responding to this RFP must attach the proposed form of agreement covering the Services, including, without limitation, all proposed exhibits, attachments, schedules, ancillary agreements, authorization or acknowledgement forms, and any other documents that the Vendor proposes to govern the terms and conditions of the Services.

Tab N: Non-Collusion Statement. Vendors responding to this RFP must complete and return a statement of non-collusion in the form of **Attachment 7**.

Tab O: Employing Delawareans Report. Vendors responding to this RFP must complete and return **Attachment 8**, for the total employees of the Firm and those that may be Delaware residents.

2. Prior to award, the successful Vendor shall furnish OST with proof of (i) all necessary business licenses, including a valid State business license, (ii) certification(s) necessary to perform services as identified in the Scope of Services set out in **Appendix A**, and (iii) proof of insurance identified in **Section 9** of the STCs attached hereto as **Appendix D**.

B. Evaluation Criteria

An evaluation team ("Evaluation Team") that may be composed of representatives from the Board, OST, other State organizations or the Consultant will evaluate the Vendor proposals on a variety of quantitative and qualitative criteria. Neither the lowest price nor highest scoring proposal will necessarily be selected. OST may in its discretion remove or add members of the Evaluation Team. Proposals will be evaluated based on the number of components covered. A proposal covering two (or more) components will be evaluated two (or more times) using the criteria below.

1. Criteria Weight

All proposals shall be evaluated using the same criteria and scoring weights set out in the table below.

Evaluation Criteria		Point Value
Operational & Technical Requirements		45
Operational Requirements <ul style="list-style-type: none"> ✓ Ability to fulfill requirements of Scope of Services ✓ Ability to leverage industry/product innovation to meet requirements ✓ Online reporting, reconciliation, and invoicing capabilities 		30
Technical Requirements <ul style="list-style-type: none"> ✓ Data storage and data security capabilities ✓ Ability to fulfill file transmission requirements ✓ Ability to meet DTL's security guidelines and requirements ✓ Overall technical infrastructure and expertise of personnel 		15
Implementation & Qualifications		30
Implementation Plan <ul style="list-style-type: none"> ✓ Quality and scope of implementation plan ✓ Experience, resources, and qualifications of implementation team ✓ Efficiencies and opportunities identified 		15
Overall Experience, Qualifications, and Customer Service <ul style="list-style-type: none"> ✓ Relevant experience managing similar account relationships; references ✓ Relationship management approach (experience, resources, qualifications) ✓ Financial strength of institution, adequacy of controls, insurance, etc. 		15
Pricing <ul style="list-style-type: none"> ✓ Overall pricing structure ✓ Rate schedules ✓ Discount schedule 		25
TOTAL POINTS		100
*Compliance with RFP submission requirements		<input type="checkbox"/> Yes <input type="checkbox"/> No

Vendors are encouraged to review the evaluation criteria and to provide responses that address each of the scored items. The Evaluation Team will not be able to make assumptions about the Vendors' capabilities, therefore responses should be detailed and concise within the proposal.

The State has outlined numerous major services it will require from the awarded Vendor. However, the State does not want to limit the Vendors' creativity in preparing a proposal. Thus, every Vendor, in addition to its responses on the major services, may submit material on innovative concepts. In choosing innovative material, the Vendor should focus on ideas that will help the State and organizations meet the goals of the program.

2. Proposal Clarification

The Evaluation Team may communicate with a Vendor in order to clarify uncertainties or gain better understanding of a proposal. The Evaluation Team may require or permit Vendors to modify or supplement their proposals as a result of such communication. Vendors must provide all requested information in a timely manner, which shall mean on or before any deadline established by the Evaluation Team.

3. Communication with References and Past or Present Clients

The Evaluation Team may communicate with all references provided by a Vendor, and may use information gained thereby in the evaluation process. In addition, the Evaluation Team may communicate with any known past or present client of a Vendor outside of the reference list, and any information gained may be used in the evaluation process. Vendors that submit a proposal in response to this RFP shall be deemed to have (a) waived any confidentiality or other restrictions that may limit in any way a reference or client's ability to convey information relevant to the evaluation process and (b) to all such communications with references or clients.

4. Oral Presentations

The Evaluation Team may invite selected Vendors to make in-person oral presentations to the Evaluation Team. Presentations are tentatively scheduled for the week of September 17, 2018. *Any costs associated with oral presentations will be borne by the Vendor.* The State requests that the individuals who will be working directly with the State to either provide or implement the service(s) will be in attendance.

5. On-site Visits

The Evaluation Team may make site visits to key Vendor processing and/or administrative facilities as part of the evaluation process. *Any costs associated with site visits will be borne by the State.* Vendors that submit a proposal in response to this RFP shall be deemed to have consented to any such site visit.

VI. Contract Process

A. Formal Contract

Vendors selected as finalists and invited via written notification from OST (the "Invitations") to enter into written agreements for Banking Services will be expected to enter into formal contracts with OST that incorporate STCs ("Contracts"). A Vendor's attempt to negotiate pricing or other material Contract terms that were not disclosed and detailed in the Vendor's response may result in the termination of negotiations with, and/or the disqualification of, such Vendor.

B. Modification of STCs

The State, in its discretion, may consider and accept proposed modifications to the STCs. The State has the absolute right to reject any proposed Contract terms, including, without limitation, any requested STC modifications that were not timely raised and preserved as required herein. A Vendor's attempt to negotiate new or different language not detailed or reflected in the "Redlined" may result in the termination of negotiations with, and/or the disqualification of, such Vendor.

C. Time Frame

A Vendor who receives an Invitation must execute a Contract within twenty (20) business days from the date of the Invitation, unless such period is extended by OST, in its discretion. If no Contract has been executed by the applicable deadline, OST may in its discretion cancel the Invitation and enter into negotiations with another Vendor.

D. Inception of Services

Absent OST's prior written request or approval, no Vendor is to begin any Banking Service prior to the issuance of an Award.

E. Cancellation of Award

If a Vendor that receives an Award fails to commence providing Banking Services when due under the Contract, OST, without liability, may cancel and annul the Award and Contract. In such event, an Award under this RFP may be made to another Vendor.

F. Collusion or Fraud

Vendors may not restrain competition by agreement to offer a fixed price, or otherwise. By responding to this RFP, the Vendor shall be deemed to have represented and warranted that: (i) its proposal is not made in connection with any competing Vendor submitting a separate response to this RFP; (ii) its approval is in all respects fair and without collusion or fraud; (iii) the Vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and (iv) no employee or official of the State, the Board or OST participated directly or indirectly in the Vendor's proposal preparation.

If at any time, whether prior to or after the issuance of an Award, OST determines that any of the foregoing representations was untrue when made or subsequently became untrue, OST may, without liability, cancel and annul the Award and terminate any Contract. In such event, an Award under this RFP may be made to another Vendor.

G. Lobbying and Gratuities and Contingency Fees

As required by 29 *Del. C.* § 6903(b), all successful Vendors are deemed to have sworn under oath that the Vendor has not employed or retained any company or person to solicit or secure a Contract by improperly influencing OST or the Board or any OST or Board employees or agents in this procurement process. Vendors found to have violated this oath shall have their Awards and Contracts annulled, terminated and deemed void *ab initio*. In such event, an Award under this RFP may be made to another Vendor.

In addition, all Vendors represent and warrant that Vendor has not directly or indirectly paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working primarily for Vendor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from an Award or Contract.

For breach or violation of the foregoing oaths, representations or warranties, OST, in its discretion and without liability, shall have the right to annul, terminate and deem void *ab initio* any Award or Contract, or deduct from the Contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

H. Solicitation of State Employees

During the RFP process, Vendors shall not, directly or indirectly, solicit any employee of OST to leave OST's employ in order to accept employment with the Vendor, its affiliates, or any person acting in concert with Vendor, without prior written approval of OST. Solicitation of OST employees during the RFP process by a Vendor may result in rejection of the Vendor's proposal or annulment of any Award.

VII. Attachments and Appendices

The following items are provided for use in your Firm's RFP response. They are broken into two sections, Attachments and Appendices. Attachments are required forms to be submitted with your proposal. These items should be organized in tabs as described in **Section V.A.** Appendix items are provided as additional detail or information to assist in your proposal response.

A. Notice of Intent to Respond

B. Attachments (Required to Return)

<u>Attachment 1</u>	Vendor Questionnaire
Attachment 1-A:	General Banking Services
Attachment 1-B:	Lockbox Services
Attachment 1-C:	Purchasing/Virtual Card & ePayables
Attachment 1-D:	Stored Value Cards
Attachment 1-E:	Check Printing Services
<u>Attachment 2</u>	Requirements Matrix (Attached excel file)
<u>Attachment 3</u>	Confidential Information Form
<u>Attachment 4</u>	Schedule of Fees (Attached excel file)
<u>Attachment 5</u>	Exception Form
<u>Attachment 6</u>	Business References
<u>Attachment 7</u>	Non-Collusion Statement
<u>Attachment 8</u>	Employing Delawareans Report

C. Appendix (For information purposes only)

<u>Appendix A</u>	Scope of Services
<u>Appendix B</u>	Cash Management Policy Board Investment Guidelines
<u>Appendix C</u>	Delaware Cash Management Architecture
Appendix C-1:	Delaware's Current Cash Management Architecture
Appendix C-2:	Delaware's Proposed Cash Management Architecture
<u>Appendix D</u>	Standard Terms and Conditions for Professional Services
Exhibit 1:	Statement of Work (To be negotiated)
Exhibit 2:	Schedule of Fees (To be negotiated)
Exhibit 3:	Implementation Plan (To be negotiated)
Exhibit 4:	Confidentiality (Non-Disclosure) - Integrity of Data Agreement (Attached)
Exhibit 5:	Cloud Services Terms and Conditions Agreement (Attached)
Exhibit 6:	Data Usage Terms and Conditions Agreement (Attached)
<u>Appendix E</u>	DTI Requirements & Guidelines
<u>Appendix F</u>	File Transfer Details
<u>Appendix G</u>	Payroll/Pension Direct Deposit Requirements
<u>Appendix H</u>	Purchasing/Virtual Card File Definitions
<u>Appendix I</u>	Vendor Payment File (attached excel file)
<u>Appendix J</u>	Unemployment Lockbox File Specifications (attached excel file)
<u>Appendix K</u>	Lockbox Remittance Examples (attached pdf file)
<u>Appendix L</u>	List of Current Agency Accounts (attached excel file)

Notice of Intent to Respond

CONTRACT NUMBER: TRE18101-BANKINGSVC

_____ (Name of Firm) received the above solicitation.

We have reviewed the solicitation and we:

Intend to submit a proposal for the following component(s):

- ☐ Component 1: General Banking
- ☐ Component 2: Lockbox Services
- ☐ Component 3: Purchasing/Virtual Card & ePayables
- ☐ Component 4: Stored Value Card
- ☐ Component 5: Check Printing Services

☐ Do not intend to submit a proposal

Reason: _____

Firm Representative: _____

Title: _____

Telephone: _____

Email Address: _____

Please return this Notice of Intent to Respond via email by 4:00 p.m. ET, June 22, 2018 to Joshua Berkow at Treasury_RFP@state.de.us.

Please note: It is not required that you return this Notice of Intent to Respond by the above date and time in order to submit a proposal. However, doing so will ensure that you receive all addenda and responses for clarification. Submitting the Notice of Intent to Respond does not obligate the prospective Vendor in any way.

Attachment 1: Vendor Questionnaire

CONTRACT NUMBER: TRE18101-BANKINGSVC

ALL Firms must complete Attachment 1

A. Vendor Background & General Information

1. History/Values. Describe in detail the history of your firm, including your founding values and core principles.
2. Ownership. Describe your Firm's current ownership structure. Include any pending agreements or announced plans to merge, sell or significantly change the ownership structure of the Firm or any material portion thereof. Describe any material changes in ownership during the past five years.
3. Experience. Describe your Firm's experience providing similar services for government entities, specifically states, if possible.
4. Credit Ratings. Complete the following table with current credit ratings by Standard & Poor's Rating Services and Moody's Investor Services. If the Firm is not rated by these organizations, provide other evidence of the Firm's financial strength.

	Standard & Poor's Rating	Moody's Investor Services
Firm / Bank		
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		
Bank Holding Company		
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		

5. Coverage Ratio. Discuss the Firm's current capital structure, adequacy and coverage. Provide the following statistics for the last reporting period.
 - a. Total Risk Based Capital Ratio:_____
 - b. Tier 1 Risk Based Capital Ratio:_____
 - c. Tier 1 Leverage Capital Ratio:_____
6. FDIC Call Report. Include an **electronic copy** of the most recent Federal Deposit Insurance Corporation ("FDIC") call report.
7. Community Reinvestment Act. Describe your Firm's participation in the community reinvestment program, including your current national and state Community Reinvestment Act ("CRA") rating.
8. State Presence. How many bank branches does your Firm have in the State of Delaware?

9. Community Based Initiatives. Discuss the Firm's existing community oriented activities, specifically:
- Number of individuals the Firm employs in the State.
 - The investment the Firm has made in the State.
 - Community outreach program(s) for hiring and/or contracting.
 - Existing plans for expanding community based banking and financial services in the State of Delaware.
 - Any public outreach or financial education programs.
 - Support for State businesses, foundations, charities, and residents for the last three years with an explanation of the Firm's level of involvement.
 - Describe how the Firm sees its role in economic development and explain how you can collaborate with the OST in fulfilling its mission of fostering economic development within the State.
10. Sheltered Harbor. Is the Firm a participant in Sheltered Harbor, the new industry initiative to securely store and restore account data?

B. Key Proposed Personnel

1. Provide the name, title, address, phone number, and email address of the primary contact person(s) assigned to this account for each component.

Component	Relationship Manager / Product Specialist	Routine (Day-to-Day) Requests
1: General Banking		
2: Lockbox Services		
3: Purchasing/Virtual Card & ePayables		
4: Stored Value Card		
5: Check Printing Services		

2. After the initial transition, how often will the primary relationship manager attend on-site meetings with State staff (at minimum quarterly meetings are requested)? Describe a typical meeting agenda for this on-site meeting.
3. Describe the Firm's policy on changing the primary contact person on an account at your discretion.
4. IT Resources: Will Firm provide a dedicated IT liaison to work on set-up, file transfer, testing and troubleshooting / issue resolution? During what hours is technical support available (specify time zones)?

C. Pricing & Incentives

1. For how long will the Firm guarantee the proposed fees for each component? Please complete the following table:

Component	# Years Fees/Rebate Guaranteed
1: General Banking	
2: Lockbox Services	
3: Purchasing/Virtual Card & ePayables	
4: Stored Value Card	
5: Check Printing Services	

2. Is the Firm willing to offer any transition or retention incentives?
3. Are there any additional price breaks or incentives if more than one component is awarded to your Firm?

D. Electronic Invoicing

1. Is the Firm able to provide electronic invoicing as opposed to hard copies via mail?
2. Would it be possible to send an invoice for the Firm's services to a centralized email account or upload to a State vendor portal?

E. Project Management Approach

It will be the responsibility of the Vendor to lead the transition to the new program. The State will collaborate with the Vendor to successfully implement within the negotiated time frame.

1. Please describe the Vendor's philosophy, methodology, and approach to this implementation project and to project management.
2. Describe the methods, tools, and techniques the Vendor intends to use in providing project management services. Does the Firm send Project Status Reports during the course of the implementation? How frequently? Who is responsible for sending these Reports?
3. Please describe IT support that will be provided to help interface the bank's systems with the State's existing First State Financials (FSF / PeopleSoft Financials system version 9.2).
4. What flexibility does the Firm's systems have in accepting different file layouts for inbound files or generating customized file layouts for outbound files that are processed within PeopleSoft, or FSF (the current accounting system)?
5. Please describe the most common reasons for an inefficient or delayed implementation. What strategies should be implemented to increase the likelihood of a smooth transition?
6. If there is a risk of delay, unforeseen hurdles, or other challenges, who is responsible for identifying these potential problems and communicating them to the working group?
7. Please provide the training materials and resources available for each component being proposed? Are there webinars, on-site training, online resources, or other tools available?
8. During the course of the contract, if the Firm upgrades its banking software or internal processes, how will these changes be communicated to the State?

9. What banking data from the incumbent provider will the Firm be willing to migrate? How does the Firm recommend receiving this information?
10. The State expects to have a long-standing partnership with the chosen Vendor. If the State ever elects to transition services to a different vendor, what end-of-contract transition services is the Firm willing to provide?

F. Subcontractors

1. The State reserves the right to approve any and all subcontractors utilized in the execution of this event. Please identify all subcontractors for this event, detailing how they will be utilized, your Firm's relationship with the subcontractor, and a description of joint work the Firm has undertaken with this subcontractor.

G. Control

1. Describe the Firm's security environment. Specifically cover the physical and digital security and software safeguards that the Firm has put in place to control access to funds transfer systems and client account information.
2. Describe the Firm's security procedures for its information reporting system, both for access and information protection (e.g. RSA tokens, secure certification, etc.).
3. Describe the backup and recovery capabilities in the event the proposed systems are unavailable. Who would the State contact to initiate day-to-day transactions if online capabilities and functionality are temporarily unavailable?
4. Discuss the bank's security environment related to cybersecurity. Specifically describe the cyber risks to which the proposed services may be exposed and explain the Firm's approach and response to protection against these risks. What are the Firm's crisis communications plans in the event of a cyber-attack?
5. Has the Firm ever had to respond to a data breach? If so, please describe the breach and what the Firm's response was.
6. Describe the encryption capabilities that are supported by the Firm for the transmission of data between the Firm and the State. Describe the file verification capabilities that are supported by the Firm, such as checksum or hash totals to ensure that no data is misfield or substituted.
7. Describe the process and procedures for providing notification of technology changes, such as file content / structure, and new / modified data availability reporting changes to the State.
8. List the types and amounts of insurance and bonding carried. Provide copies of the insurance certificates. Insurance requirements can be found in the STCs **Section IX of Appendix D**.
9. Does the Firm maintain cyber liability insurance? If so, list the types and amount/limits carried.
10. Describe the bank's procedures for complying with the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") regulations. When was the last time an independent test of the bank's OFAC program was conducted by internal audit, outside auditors, consultants, or other qualified independent party?
11. Include a copy of the bank's most recent reports issued in accordance with the Statement on Standards for Attestation Engagements ("SSAE") No. 16 (formerly known as the Statement of Auditing Standards-70 ("SAS70")) for any processes or systems relevant to the services proposed

by the Firm under this RFP. *(Note: Failure to provide this information will significantly impair the State's ability to assess the Firm's controls and will negatively affect the evaluation of the proposal.)*

H. Information Technology

1. All services, products and deliverables provided by the Firm must comply with State standards promulgated by DTI, inclusive of Terms and Conditions for Cloud and Offsite Hosting, published at <https://dti.delaware.gov>.

Attachment 1-A: General Banking Questionnaire

CONTRACT NUMBER: TRE18101-BANKINGSVC

A. Key Personnel & Customer Service

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information:
 - a. Proposed role with regard to OST's account;
 - b. Biographical information;
 - c. Location;
 - d. Experience working with other government entities;
 - e. Number of years of experience in this field;
 - f. Number of years with Firm; and,
 - g. Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
 - a. For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
 - b. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - c. What are the hours of operation of the customer service unit involved in supporting the State?
 - d. If a State employee needs assistance after business hours, what support is available?

B. General Banking Services

1. Account Structure
 - a. Discuss how the Firm would approach setting up a new account structure for the State. *(Note: The State would be interested in consolidating the number of accounts and is looking for potential suggestions from the Firm).*
 - b. For the Firm's other state clients, how many accounts are typically used to facilitate the operations of the Treasurer's office and agencies?
 - c. What resources is the Firm willing to provide to assist the State in re-evaluating their current account structure and making formal recommendations?
 - d. If the State were to change the existing account structure, how would this affect the time required for implementation?

- e. In the Firm's experience, is there a benefit to separating check disbursement activity from other bank activity? *(Note: The State is concerned that accounts with check disbursement activity may be forced to close due to fraud, despite positive pay being used on the account.)*

2. Deposit Reconciliation Services

- a. What are the specifications for assigning unique deposit identification numbers (i.e. maximum number of digits, numeric-only, etc.)?
- b. Are daily deposit totals reported by each location separately?
- c. Is the location code available on all standard reports? If not, please identify how this information will be available (i.e. customized reports from the online platform, transmitted files, etc.).

3. Remote Deposit Capture ("RDC")

- a. Describe the Firm's ability to process checks by Remote Deposit Capture ("RDC").
- b. Can deposit reconciliation services be used in conjunction with RDC?
- c. How does a user select which account an RDC deposit will be made into (i.e. drop down menu, key entering account number, other)? If deposit reconciliation is used, is the location id information available in the drop down menu?
- d. Describe how a single RDC terminal can be used to make deposits into multiple bank accounts.
- e. How are permissions granted for an account with deposit reconciliation services – by location id or account?
 - i. Would this structure allow the bank to directly communicate with the end-user on deposit corrections, returned items, etc.?
 - ii. Would this structure allow for an individual to view returned items for only their location without having access to other location information?
- f. Is there a limit on the number of checks that can be contained in a single deposit? How many checks would the Firm recommend be processed in a single deposit?
- g. Is there a maximum dollar amount (per check) that can be processed through RDC?
- h. Does the Firm's service offer the ability to populate data using recognition technology such as Magnetic Ink Character Recognition ("MICR"), Optical Character Recognition ("OCR"), or Intelligent Character Recognition ("ICR")? If so, does the system recognize both the courtesy amount and the legal amount of the check?
- i. When using the Firm's RDC service, can checks be automatically endorsed? Is the endorsement an electronic image or physically printed on the check?
- j. Describe the process used for balancing and correcting deposits prior to transmitting them to your Firm.
- k. Does your Firm's service allow for multiple batches to be scanned throughout the day and processed as a single deposit at the end of the day?

- l. If batches are processed by different users, are batches consolidated or are they separate deposits?
 - m. For how long are electronic check images deposited by RDC stored and available for viewing?
 - n. What fields are searchable for researching check deposits?
 - o. How will the State be notified of deposit corrections and/or adjustments for RDC items?
 - p. If the State needs replacement or additional RDC equipment, what equipment would the Firm recommend? Indicate how many items these machines can handle.
 - q. What is the document destruction policy for scanned checks? Does the OST have to destroy the documents or can the State contract with a third-party vendor to destroy the documents?
 - r. What is the ledger cutoff time for deposits for items processed by RDC?
4. Image Cash Letter (ICL)
- a. Describe the Firm's ability to process checks by Image Cash Letter Processing ("ICL").
 - b. Is there a limit on the number of checks that can be contained in a single deposit? How many checks would the Firm recommend be processed in a single deposit?
 - c. Is there a maximum dollar amount (per check) that can be processed through ICL?
 - d. How will the State be notified of deposit corrections and/or adjustments for ICL items?
 - e. What is the document destruction policy for scanned checks? Does the OST have to destroy the documents or can the State contract with a third-party vendor to destroy the documents?
 - f. What is the ledger cutoff time for deposits for items processed by RDC?
 - g. Can the Firm process the State's current ICL X9.100-187 file?
5. ATM Deposits
- a. Would the Firm be willing to install ATMs in State-owned buildings at no cost to the State or respective agencies?
 - b. Can OST make deposits into the Firm's ATMs? Please describe the process and any limitations.
 - c. What other functionality or services are available to the State through the ATMs? What is the associated cost?
6. Smart Safes
- a. Does the Firm offer smart safes? If not, are you able to partner with an armored car courier to offer the technology? If you partner with multiple armored car companies, which companies do you work with in the State's footprint?
 - b. Describe the smart safe options and technology available, including information about the available safe sizes.
 - c. When depositing funds to a smart safe, are currency deposits credited to the State's bank account on a same day basis?

- d. Can the smart safe handle deposits of both coin and currency?
 - e. Can the smart safe “make change”? If so, can both coin and currency be dispensed?
 - f. What fees or costs would be charged by your Firm when using a smart safe for currency deposits? Can these smart safes be leased from the bank or must they be leased from an armored car provider?
7. Returned Item Processing
- a. Can returned items be automatically redeposited?
 - b. Does the Firm offer Represented Check Entries (“RCK”) services?
 - c. Can the Firm provide online access to electronic images (front and back) of returned items to the State? How soon after an item is returned can these images be accessed?
 - d. Can the Firm provide a detailed return item transmission to the State? Can this report identify the payer’s name, depositing location, deposit date, and type of item being returned?
8. Availability of Deposits
- a. How does the Firm determine and calculate availability of deposited items? Does the Firm calculate availability by item or formula?
 - b. Does the Firm give immediate availability for on-us items?
 - c. Provide a copy of the availability schedules the Firm proposes to use for the State, including branch deposit, vault, and RDC.
9. Check Disbursements / Positive Pay
- a. Does the Firm offer payee positive pay?
 - b. How will OST be notified of exception items? Can an e-mail notification be sent to specific users alerting them that there is an exception item to review?
 - c. At what time will the State receive the information on exception items? How much time will the State have to review discrepancies and notify the Firm to accept or reject?
 - d. If the State is unable to provide a “pay” or “no pay” decision before the deadline, what happens? Does the Firm offer a “do not pay” default?
 - e. What are the options for transmitting check issuance information to the Firm for positive pay services?
 - f. Does the Firm offer the ability to manually enter one-time check disbursements issued during the day outside of the regular batch file? How quickly will the teller line receive this information?
 - g. How quickly will transmission files of additional checks and/or recently voided items be available across the Firm’s platform (including branch tellers)? Is there a limit to the number of files per day?
 - h. Does the Firm confirm receipt of transmission files? If so, what options are available for the State to receive confirmation?
 - i. How is payee information captured from the physical checks? What steps does the Firm take to prevent exception items being flagged due to erroneous capture of payee information?

- j. How are stale-dated checks identified? (i.e. are these checks automatically removed from the issue file after a set number of days or does the State need to send a file removing the checks from the issue file?)
- k. If a stale-dated check is presented, will it be reported to the State as an (i) exception item because of the date being greater than 180 days, (ii) exception item because of a State initiated a void on file for the issued check, or (iii) automatically returned?
- l. If a disbursement check is deposited by the payee using mobile technology and he/she accidentally attempts to deposit the item a second time, will your Firm's positive pay service identify this item as an exception or will it be automatically returned as a duplicate item? How does this item appear in the State's daily reports?
- m. Will the Firm cash checks issued by the State presented by a non-account holder at no cost to either the State or the payee?
 - i. If so, is a check cashing agreement required?
 - ii. If not, what is the fee for the State and/or the payee?

10. International Disbursements

- a. What recommendation(s) does your Firm have to improve the State's process of issuing checks to individuals now living outside of the U.S.?
- b. Does your Firm offer the ability to initiate International ACH Transactions ("IAT")? Describe the differences in the process and procedures for initiating an IAT versus a domestic ACH transaction, if any.
- c. Are there any restrictions on IATs that the State should be aware of?
- d. Describe the Firm's procedures to comply with the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") regulations.
- e. Describe the process of requesting foreign currency denominated paper bank drafts.

11. Controlled Disbursement

- a. Does the Firm offer controlled disbursement services?
- b. At what time will the State be notified of presentment items? Specify 1st and 2nd presentment times.
- c. What is the average percentage of the final presentment available at the 1st presentment time?
- d. Is automatic funding of the controlled disbursement account from a main account possible?

12. Stop Payments

- a. What initial term options are available for stop payments?
- b. Are stop payment requests effective immediately? If not, how long does it take for a stop payment request to become effective?
- c. Will the system automatically verify if a check has been paid before processing the stop payment?
- d. Is there a report that lists stop payments that are set to expire?

- e. Can stop payments be automatically renewed? If so, for how long?
- f. If using positive pay, can a cancel be placed on an outstanding check in lieu of a stop payment?

13. ACH Processing

- a. Please provide a comprehensive discussion on the various methods for initiating ACH origination transactions (i.e. direct entry, upload to the online platform, secure file transmission, other etc.) For each method, please discuss:
 - i. The transmission protocols supported
 - ii. The encryption method that is supported or required
 - iii. If a transmission mailbox is used, what restrictions are in place (can an agency send and receive via the same mailbox, are discrete mailboxes needed to support particular sub-services (e.g. ACH Origination, Returned ACH, and Received ACHs))
 - iv. Can multiple Company IDs use the same mailbox for file transmissions?
 - v. Are control totals required to be submitted for an ACH batch? How are ACH control totals communicated to the bank (i.e. phone, online, email)?
 - vi. Does the bank provide automatic file receipt acknowledgements? Is so, how is the acknowledgement transmitted?
 - vii. What controls (i.e. dual authorization) are available to separate payment initiator and payment approver roles? Are payment initiators and payment approvers required to use a security token to authorize ACH transactions?
 - viii. Are templates used/required for direct entry of transactions?
- b. When does the Firm need the file from the State for payments to be made on a same-day, next-day and 2-day settlement? Please complete the following table:

	Same-Day (to a different financial institution)	Next-Day	2-Day
Deadline for File Transmission			

- c. Which network does your Firm process ACH transactions through – NACHA or the Federal Reserve's Automated Clearing House?
- d. How frequently does your Firm send ACH transactions to NACHA or the Federal Reserve's Automated Clearing House? If there is a set-schedule, what times do you transmit?
- e. Discuss the Firm's methodology for determining debit and credit exposure limits. Confirm that your Firm is willing to commit to an ACH exposure limit inclusive of all of the State's payment requirements.
- f. What would happen to a file if OST exceeded its daily exposure limit?
- g. Does the Firm accept both debits and credits on the same file? If so, discuss any additional requirements.

- h. Can transactions be added online for future processing dates? What is the Firm's maximum retention for future dated transactions?
- i. Does your Firm offer Same Day ACH transaction capability? If so, describe the process for initiating transactions and any limitations on the use of Same Day ACHs.
- j. How are returned and rejected ACH transactions handled? What information does the Firm provide to assist in identifying returned and rejected ACH transactions? When is this information available?
- k. If an individual ACH transaction within a file is rejected, will the entire file be rejected and not processed? How will the individual rejected ACH transactions be communicated?
- l. Is pricing different if ACH transactions initiated from a standard NACHA file is transmitted via your Firm's online reporting system or through a secure FTP process?
- m. For outgoing ACH transmissions, what options are available in transmitting addenda information (i.e. CCD, CCD+ and CTX)? Is there any special processing requirements or can this information be added to the NACHA file? Are there any additional costs associated with sending addenda information?
- n. Can the Firm accommodate the State's current process for the STRIP program, as found in **Appendix A**?
- o. Can the Firm meet all of the pension and payroll direct deposit requirements listed in **Appendix G**?

14. Incoming Electronic Transfers

- a. Describe any solutions your Firm offers to help identify and differentiate incoming electronic transfers, similar to Universal Payment Identification Codes ("UPICs"). If your solution does not rely on UPICs, please explain the features and the benefits of your Firm's solution.
 - i. If an alternative solution is recommended above, is your Firm still able to offer UPICs as a solution?
- b. How can OST gain access to addenda information (i.e. CCD, CCD+ and CTX) for incoming ACH transactions?
 - i. Can this information be viewed online with current and previous day reporting, or does the State need to download special EDI reports?
 - ii. Are reports available in human readable formats?
 - iii. How are the charges assessed for receiving addenda information (by number of characters, number of lines, transaction)?
- c. How will the Firm assist the OST in ensuring payers send ACH transactions to the new banking information?

15. Fraud Protection & Controls

- a. What controls are in place to protect against lost files, duplicate transmissions and ACH file edits?
- b. Describe the Firm's ability to block unauthorized ACH debits received. If the Firm provides ACH debit filtering, what level of filtering can be applied (originator, originator & dollar amount, etc.)?

- c. With ACH debit blocking, does the Firm notify the State of attempts to debit funds that have been automatically rejected?
- d. Does the Firm offer ACH positive pay (ability to make pay / no pay decisions on unidentified transactions)?
- e. Can accounts be designated “post no checks” to prevent any check from clearing?
 - i. If your Firm does not offer this service, who is liable if a fraudulent check is presented and the account is not set up with positive pay?

16. Wire Processing

- a. Discuss the process the State must use to set up repetitive wire transfers with the Firm, including communication methods (e.g., written request, fax, PC, Internet).
- b. Please fill in the following table with the cutoff time for an Outgoing Domestic Fedwire by origination method.

	Online	Phone
Outgoing Domestic Fedwire		

- c. If wire transfers can be initiated online, describe the system’s security features. Can varying degrees of authorization be set (i.e. multiple authorizers, maximum dollar amounts, etc.)?
- d. During what hours is the Firm’s wire transfer system available? When is the customer service staff supporting the wire transfer system available?
- e. Once the Firm is in receipt of instructions, how long does it take the Firm to send the wire?

17. Digital Payments

- a. Does the Firm offer a digital payments solution, where payments can be made to an e-mail address or phone number?
- b. Describe how payments made to individuals are initiated. What information needs to be entered? Please provide a screen shot of this functionality from the online platform.
- c. Is dual authorization for digital payments required?
- d. Can a dollar threshold for individual digital payments be imposed?
- e. Are the credentials for an individual to initiate digital disbursement a separate functionality within the Firm’s online reporting system or is it combined with other transactional capability (i.e. ACH permissions)?
- f. How long does it take the recipient to receive confirmation that they have received funds post transmission?
- g. Does the recipient have to “claim” funds or is automatically “pushed” to the individual’s bank account?
- h. What happens to funds that are not claimed or an e-mail address or phone number that is not already linked to a bank account?

- i. How many days does recipient have to claim this payment? What happens if a recipient does not claim a payment?
- j. Can your Firm's platform integrate with other common digital payment platforms (i.e. Apple Pay, Google Pay, Samsung Pay, Microsoft Wallet, Visa Checkout, etc.)?

18. System Administration

- a. Please describe your Firm's system administration capabilities. Can a multilevel hierarchy be established (i.e. Treasury (parent), agency (child), user (grandchild))?
- b. Can additional hierarchy levels be added?
- c. Describe the process of granting entitlements and access to individual users. Can agency heads (child) be delegated the responsibility for maintaining end-user (grandchild) entitlements?
- d. Can the State designate administrators?
- e. What levels of authorization (i.e. accounts view, transaction capabilities, etc.) can be permitted or turned off for individual users?
- f. When setting up a new user, can a current user's profile be copied from one user to another?

19. Online Reporting System

- a. Are there limits on the number of OST users that can have access to the Firm's online website?
- b. How soon after the cut-off date are the following items ready?

	Online	By Mail
Bank Statements		
CD-ROMs	n/a	
Partial Reconciliation Information		
Full Reconciliation Information		
Account Analysis Statement		

- c. Describe any recent or upcoming major upgrades to your Firm's online reporting system.
- d. Are there fees associated with user accounts for the Firm's online website?
- e. What time is previous day information available?
- f. Can electronic reports be customized by users within the Firm's online platform? Can these customized reports be saved? Can the templates be shared with other users?

- g. Complete the following table indicating how long each item is available online? Differentiate between the standard term and the terms available for an additional fee. **Please note, this question is asking for how long the items are available, not when they are available.**

	Standard Term	Optional Terms Available
Prior / Previous Day Reporting		
Current Day Reporting		
Monthly Account Statements		
Images of Disbursement Items		
Images of Items Deposited with RDC		

- h. In what file formats can transaction data be downloaded? Can activity be downloaded into Excel?
- i. What protocols are available for transmission of prior data with the State's servers retrieving the file from the bank servers? Are these files transmitted by FTP? How early can these files be retrieved?
- j. What technology options would your Firm recommend OST use for archiving historical check images (i.e. CD-ROM, online retention, data transmission)?
- k. For historical images of disbursement checks that are accessible online, does your Firm charge per image stored or per image accessed?
- l. Can historical images of checks be sent by transmission to the State for archival purposes (i.e. a full fiscal year)? If so, describe.
- m. If available, provide access to an interactive demonstration of the Firm's online reporting capabilities.
- n. Describe any mobile applications that your Firm offers for smartphones or tablets. What banking services can be completed using these applications? Complete the following table indicating which banking functions can be completed through the mobile applications.

Banking Function	Yes / No
Initiate a repetitive wire	
Provide secondary approval for a wire transfer	
Decision of positive pay items	
Reset a user's password	
Obtain balance reports	
Deposit an individual check	

- o. What dual authentication protocols are available and does your Firm use (i.e. tokens, etc.)?
- p. Does the Firm's online reporting system offer the ability to set and send e-mail alerts?
- q. Can electronic reports be scheduled to be generated automatically and e-mailed to designated users?
- r. Does your Firm offer any solutions where reports are directly downloaded and accessed from specific workstations?

20. Reconciliation Services

- a. Does the Firm offer full Account Reconciliation Program ("ARP") services?
- b. What report options are available for full reconciliations? Do these reports include information on check, ACH, and wire transactions? Provide sample reports.
- c. Describe how reconciliation data would be transmitted to the State? What data elements are available?

21. Account Analysis Statements

- a. Provide a sample analysis statement. How soon after month-end is the analysis statement available?
- b. Can Association for Financial Professionals ("AFP") Service Codes be included on the analysis statement? If not, does your Firm offer another report that provides this information?
- c. Are account analysis statements available online? How many prior months are available? Can the account analysis details be downloaded into Microsoft Excel?
- d. Is the Firm able to send analysis statements in an 822 file?

22. File Transfers

- a. Can the Firm provide all of the file transfers required in **Appendix F**? If not, please explain any potential issues with meeting these requirements.
- b. What type of confirmation(s) can the State receive that the direct deposit files were received and processed? Are email or mobile alerts available?
- c. How will the State be notified if a file fails to process correctly? What are the notification options? Describe the process of resolution if this happens to a payroll file.
- d. If a direct deposit file is rejected, who can the State contact for resolution?
- e. Are there alternative file formats available that would provide more functionality than what the State is using now?

23. Earnings Credit Rates ("ECR")

- a. Does the State have the choice of paying the Firm by either "hard dollars" or "soft dollars"? Is the pricing the same for either option? If not, what is the difference?
- b. How does the Firm determine, adjust, and apply the ECR?
- c. Is the Firm willing to link the ECR to a market index? If so, which index is suggested?

- d. Does a reserve requirement apply on balances?
 - e. Will the Firm assess any balance-based charges to the State? If so,
 - i. Provide a list of each charge.
 - ii. What is the charge for an entire year on a \$1,000,000 balance?
 - iii. How is each charge computed?
 - iv. Are these charges assessed on ledger or collected balances?
 - f. If the Firm's assessment / surcharge by the FDIC is lowered during the term of the contract with the State, will the proposed balance based charge be lowered as well?
 - g. Provide the earnings credit rate history for the 5-year period from April 2013 through March 2018. Please indicate the earnings credit rate for each month.
 - h. What is the Firm's current ECR? What is the ECR you are offering to the State?
 - i. If the proposed earnings credit rate is higher than bank's standard ECR, does your Firm plan to maintain this spread for the OST over the life of the contract?
 - j. Does the Firm have any limits on the amount of deposits that the State could maintain with the Firm?
 - k. Can "excess" earnings credits be carried forward to cover charges in the following month? Is there a limit on how far forward excess earnings credits can be carried?
24. Overnight Investment Option or Interest Bearing Bank Deposit
(If your Firm is proposing more than one sweep vehicle, please make sure each of the following questions is answered for each option.)
- a. What short-term investment vehicle(s) or interest bearing account(s) does the Firm propose to use for the overnight sweep of the State's main demand deposit accounts?
 - b. Does a reserve requirement apply to the proposed option?
 - c. Does an FDIC assessment, deposit based fee, or similar fee apply to the proposed option?
 - i. If so, what is the current charge for an entire year on a \$1,000,000 balance? How is this charge computed?
 - ii. Is this charge assessed on ledger or collected balances?
 - d. Provide investment return history for the 5-year period from April 2013 through March 2018 for each option proposed. Show the yield for each month.
 - e. With substantial changes in the interest rate and regulatory environments over the last 10 years, what types of changes or recommendations has your Firm made to clients regarding bank deposit balances (i.e. use of compensating balances, sweeps into repurchase agreements, sweep into money market mutual funds, interest bearing checking accounts, other)?
 - f. If a sweep is proposed, what time of day is the sweep deadline? Is it end-of-day or next-day sweep?
 - g. What fee (if any) is charged to sweep funds into the proposed investment vehicle(s)? Is the charged assessed per account or by the relationship?

- h. If the Firm is proposing a money market mutual fund, provide a copy of the current prospectus and identify the class of shares by providing the ticker symbol or CUSIP.
- i. If the earnings credit rate or overnight investment option is not competitive, the State is considering transferring all funds from the DDA accounts to their custody bank at the end of each day. The State would transfer funds back into the DDA account(s) on a daily basis to meet the disbursements needs each day. Are there any objections or potential issues with this setup?
- j. Would the Firm be willing to facilitate these transfers with standing instructions from the OST?
- k. At what time is the Firm able to provide the State with the total disbursements that will clear that day?
- l. Are balances in the sweep product shown and associated with previous day or current day reports?
- m. If the Firm is proposing a next-day sweep, please explain and diagram the movement of funds in and out of the DDA. If there are more than ample funds in the sweep vehicle, is there any possibility that the DDA account would be overdrawn?

25. Collateral Requirements

- a. Please confirm the Firm's willingness to comply with the Guidelines. If there are any exceptions for the State to consider, identify those, and the impact they can have on the Firm's offering.
- b. Explain how the Firm's approach to collateralization impacts the proposed pricing.
- c. What type of collateral does the Firm propose? Explain in detail.
- d. Where will the collateral be held? What type of collateral reports will the State receive? Who sends these reports and how frequently?

26. End-of-Day Overdrafts

- a. Does the Firm return items if an overdraft exists? If yes, how flexible is this policy?
- b. What are the fees and interest charges associated with overdrafts? How are these charges calculated?
- c. Is there a fee per check or per occurrence when there is an overdraft? If so, what is it?
- d. Is there a daily cap on fees? If so, what is it?

27. Daylight Overdrafts

- a. Describe the Firm's policies concerning daylight balance overdrafts. Indicate whether this is applied to each individual account or across all accounts of a client relationship.
- b. Is wire transfer processing stopped when the intra-day limit is reached?
- c. If the Firm incurs a daylight overdraft charge from the Federal Reserve, will it pass this charge on to its customers? If so, how (e.g. intra-day loan, daylight overdraft facility fees)? How is the charge allocated among customers?

C. New Services & Ideas

- 1. Describe any new services or ideas that will enhance the State's use of banking services.

2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.
3. Provide any ideas or suggestions your Firm believes could improve the State's overall banking architecture or services used. Specifically, (a) reducing the number of accounts used by the State and/or State agencies, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

D. Implementation / Conversion

1. Provide a detailed conversion plan for transitioning the State's existing banking services to your Firm. Include the estimated length of time for the transition and the amount of effort required by the State's staff.
2. Based on the State's implementation expectations provided in Section II. Background, how would your Firm work with the 200+ State agencies to transition banking services to your Firm?
3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of your Firm's systems.
6. Identify potential issues and risks to the State's implementation of banking services. Identify the appropriate steps to avoid or mitigate these risks.
7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

E. Pricing & Fees

1. If the State chooses to use compensating balances, are there any charges that could not be paid in this way?
2. Complete the schedule of fees provided in **Attachment 4**.

F. Disaster Recovery

1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested in Section V.A. Tab J?

Attachment 1-B: Lockbox Services Questionnaire

CONTRACT NUMBER: TRE18101-BANKINGSVC

A. Key Personnel & Customer Service

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information.
 - a. Proposed role with regard to OST's account;
 - b. Biographical information;
 - c. Location;
 - d. Experience working with other government entities;
 - e. Number of years of experience in this field;
 - f. Number of years with Firm; and
 - g. Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
 - a. For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
 - b. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - c. What are the hours of operation of the customer service unit involved in supporting the State?
 - d. If a State employee needs assistance after business hours, what support is available?

B. Lockbox Services

1. Describe the Firm's experience providing lockbox services to government entities.
2. Does the Firm operate its own lockbox or does it use the services of a third-party? If a third-party lockbox is used, name the lockbox operator and the length of time the operator has had a relationship with your Firm. Describe how the Firm oversees and monitors the third-party lockbox provider to ensure a high level of service.
3. What type of lockbox solution is the Firm proposing for each of the State's lockboxes (wholesale, retail, wholetail)?

Lockbox	Wholesale/ Retail/Wholetail
Lockbox #1 – Division of Corporations Domestic	
Lockbox #2 – Division of Unemployment - Training Tax	
Lockbox #3 – Division of Unemployment - Unemployment Insurance	
Lockbox #4 – Pension	

4. Please fill out the table below with the proposed location for each lockbox and the number of employees at each location.

Lockbox	Proposed Location	# of Lockbox Employees at this Location
Lockbox #1 – Division of Corporations Domestic		
Lockbox #2 – Division of Unemployment Training Tax		
Lockbox #3 – Division of Unemployment Unemployment Insurance		
Lockbox #4 – Pension		

5. Are all of the Firm's locations on the same technology platform?
6. Does the Firm have a unique five-digit zip code assigned exclusively for receipt of lockbox items?
7. If the State has a preference to use a Delaware P.O. Box, can the Firm accommodate this request? If so:
- How will mail be directed to the Firm's processing facility?
 - Will the Firm pick up the items at the Delaware P.O. Box or will your Firm ask the U.S. Postal Service to redirect the mail to your nearest processing facility?
 - Would there be additional mail float time?
 - Would there be an additional cost to this?
8. What was the average monthly volume for the lockbox operation that would process the State's payments during the last twelve months (items, dollars, number of lockboxes and number of customers)? What percentage of the items processed during the past twelve months were government related?
9. Describe the lockbox department's processing workflow. Include schematics or flow charts of the processing procedures and the equipment used.
10. Describe the process of establishing processing procedures for each of the State's lockboxes. Who is involved with these discussions (i.e. relationship manager, implementation coordinator, lockbox specialist)?
11. Will your Firm provide a document to the State outlining the processing procedures for each lockbox? If so, please provide a sample of this document for a similar type of lockbox.
12. If changes are made to the State's processing instructions, how are these changes communicated? How will the Firm ensure that specifications are adhered to when assigned persons are unavailable?
13. Describe the Firm's procedures for the capture and transmission of remittance details such as account number or invoice number.
14. Does the Firm's equipment have mark-sense technology that detects change-of-address information or other exception based information provided?
15. What controls does the Firm have in place to ensure accurate processing per customer specifications?
16. Will the Firm process and deposit all of the State's payments on the same ledger day as received? If not, when are these items deposited?

17. What specifications for the remittance documents are recommended to minimize errors and reduce lockbox processing costs?
18. If a payment is received without the remittance document, does the Firm offer any technology that can aid in determining the customer account?
19. How are checks processed for deposit (physical deposit vs ICLs)?
20. Describe processing options for the following types of exceptions:
 - a. Stub in envelope with no check
 - b. Check in envelope with no stub
 - c. Non-balancing remittances
21. Describe the Firm's procedures for processing exception items.
 - a. Can the State review exception items online?
 - b. Can business or workflow rules be established for decisioning exception items?
 - c. How long can items remain in queue awaiting to be decisioned by the State?
 - d. If items can remain in queue awaiting to be decisioned for only a certain period of time, what happens to the item if the State does not take any action (i.e. the check and remittance document is returned in the mail, the check is processed, but the remittance item is returned, other).
 - e. Are e-mails sent to authorized users alerting them that an item is awaiting to be decisioned?
22. Describe the reporting capabilities of the Firm's web-based lockbox portal.
 - a. How quickly after processing the daily work are images available for viewing?
 - b. What retention options are available for these images?
 - c. For a given day's lockbox activity, at what time of day can your Firm report the total amount that will be credited to the State's account?
 - d. Does your Firm offer any web-based document search and electronic archiving? If so, does the system allow searches on any data field?
 - e. In what standard formats does the Firm transmit? Confirm that the Firm can transmit in BAI format. How will this information be transmitted (website, file transfer, etc.)?
 - f. If correspondence or other non-payment documents are included in payment envelopes, how will these documents be transmitted to the State and at what time? Does the Firm offer correspondence indexing services for non-financial correspondence? If so, describe the service.
23. If selected as a finalist, can the State tour your Firm's lockbox operation?
24. Returned items processed in the lockbox
 - a. Can returned checks be automatically redeposited in the lockbox environment? If so, how many times and at what cost?
 - b. Does the Firm offer Represented Check Entries ("RCK") where an ACH debit is used to represent a returned check through the lockbox?

- c. How will the State be notified of returned items?
- 25. Can the Firm's lockbox operation process credit/debit card payments? What merchant card processor would you propose to use for these transactions?
- 26. What differentiates the Firm's service from that of other providers?
- 27. What are some of latest services or features added to the Firm's lockbox solution?
- 28. eLockbox Services
 - a) Does the Firm offer eLockbox services? If so, describe the Firm's eLockbox service.
 - b) Which clearing networks does the Firm work with? Please describe in detail.
 - c) If multiple State agencies implement eLockbox services, how will constituents be able to differentiate payments between departments? How will the Firm differentiate these payment details to the State (i.e. multiple transmission files, etc.)?

C. New Services & Ideas

- 1. Describe any new services or ideas that will enhance the State's use of lockbox services.
- 2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.
- 3. The Department of Labor's Unemployment Insurance lockbox requires the lockbox processor to hand-key a large amount of data. What recommendations does the Firm have to improve this process? How about for the Training Tax lockbox?
- 4. Provide any ideas or suggestions your Firm believes could improve the State's overall use of lockbox services. Specifically, (a) reducing the number of lockboxes used by the State and/or State agencies, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

D. Implementation / Conversion

- 1. Provide a detailed conversion plan for transitioning the State's existing lockbox services to your Firm. Include the estimated length of time for the transition and the amount of effort required by the State's staff.
- 2. Based on the State's implementation expectations provided in **Section II. Background**, how would you work with the individual State agencies to transition lockbox services to your Firm?
- 3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
- 4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
- 5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of the Firm's systems.
- 6. Identify potential issues and risks to the State's implementation of lockbox services. Identify the appropriate steps to avoid or mitigate these risks.
- 7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

E. Pricing

1. Complete the schedule of fees provided in **Attachment 4**
2. In addition to the pricing pro forma provided in **Attachment 4** provide a sample analysis statement that uses the Firm's actual service names and expected volumes and pricing based upon the information provided in the pro forma. **Provide a description for each service included in the analysis statement and when the charge would apply.**

F. Disaster Recovery

1. Describe the procedures established for disaster recovery for lockbox services.
2. If a third-party is used for disaster recovery, with whom does your Firm contract?
3. How often does your Firm test disaster recovery procedures? When was the site last tested?
4. Have disaster recovery procedures ever been employed for a real disaster? If so, explain.
5. How long does it take to activate the site? How long can your Firm stay at the site?
6. What arrangements are made regarding service level agreements in the event of a disaster?
7. What agreements does your Firm have with your equipment manufacturers for additional equipment should a disaster occur? Specify all areas of remittance processing, including mail extraction and image processing.
8. Are there any additional disaster recovery plans specific to this component that are not outlined above or in the Disaster Recovery plan requested in **Section V.A. Tab K**?

Attachment 1-C: Purchasing/Virtual Card & ePayables Questionnaire

CONTRACT NUMBER: TRE18101-BANKINGSVC

A. Key Personnel & Customer Service

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information:
 - a. Proposed role with regard to OST's account;
 - b. Biographical information;
 - c. Location;
 - d. Experience working with other government entities;
 - e. Number of years of experience in this field;
 - f. Number of years with Firm; and,
 - g. Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
 - a. For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
 - b. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - c. What are the hours of operation of the customer service unit involved in supporting the State?
 - d. If a State employee needs assistance after business hours, what support is available?
 - e. In what languages is customer support available?

B. Purchasing Card Services

1. What card platform(s) does your Firm's program employ (e.g., MasterCard and/or Visa)? If more than one is used, which would you recommend for the State and why?
2. The State requires the awarded Firm to not only support the existing 4,700 cardholders, but also support the expected growth of the program. Explain how the Firm is able to accomplish both of these objectives.
3. Will the Firm require social security numbers or perform credit checks to approve existing or new cardholders? *(Note: The State will not agree to Firms performing credit checks on employees.)*
4. Does the Firm have the ability to offer separate Purchase and Travel cards? What benefits are derived by having separate Purchase and Travel card programs? Would you recommend separate programs?
5. Provide an overview of software/web based card program management system that supports the Firm's purchasing card program.

6. Is the software/web based card program management system wholly owned by your Firm? If not, specify the owner of the software/web based card program management system.
7. Describe the procedure for enrolling new State organizations into the program, including the following:
 - a. Required account setup information
 - b. Authorizations
 - c. Applications
 - d. Forms and signatures that are required (samples are encouraged)
 - e. Time frames for providing cards once the organization takes the necessary enrollment steps
8. The State currently has an online process for adding cardholders that ensures organizational and State internal controls are met. This paperless approach is a requirement of the State and an explanation on how your Firm can meet this requirement should be detailed in question a below.
 - a. How is the procedure of adding cardholders accomplished through an on-line or electronic system?
 - b. What cardholder information needs to be supplied to issue a new card?
 - c. Does a new cardholder have to input or supply any information or can the State administrator supply all of the necessary information without any involvement by the new cardholder?
 - d. Does the Firm offer the ability to have multiple approvers for each new cardholder added?
 - e. Are there any paper forms or signatures required to add a new cardholder?
 - f. What is the time frame for issuing and mailing cards once the organization takes the necessary enrollment steps?
9. Describe the card controls and usage restrictions supported by the Firm's program:
 - a. The ability for the State to occasionally allow cash advances to card holders is essential. Is the State able to block or grant ATM/Institution Cash Advance access on a card-by-card basis to include the issuance of PINs?
 - b. How quickly can cash advances be permitted when needed by a cardholder? Is it instantaneous?
 - c. Is the State able to block card usage by Merchant Category Code ("MCC")?
 - d. Can the State establish card limits on a real-time basis? Card limits include both a per transaction dollar limit, as well as a monthly dollar limit.
 - e. Describe any additional limits, purchase restrictions or any other types of restrictions or fraud controls available.
10. Card Issuance
 - a. Can the card design be customized to include the State's logo?
 - b. Can the card design be customized to include State supplied graphics? Are there any restrictions on the graphics supplied?

- c. Confirm all cards will include, at minimum:
 - i. EMV Chip
 - ii. Phrase: "FOR OFFICIAL USE ONLY"
 - iii. Employee Name
 - iv. Toll free 24-hour per day customer service number
- d. What card design features can assist with card acceptance or the prevention of misuse?
- e. Is the State able to order cards with no distinctive governmental affiliation for cardholders who should not readily be identified as a State employee?
- f. For cards issued with an EMV, will a pin number be required for face-to-face transactions? If so, how will the pin number be assigned and communicated to the employee?
- g. What is the delivery method and turnaround time for new/replacement cards?
- h. If the State orders 10 or more new cards on any given day, will the Firm be willing to express ship those cards to the State at no cost?
- i. Can the Firm send all newly issued cards (including replacement cards) directly to a centralized location? *(Note: the State desires to have all cards sent to DOA)*
- j. What is the time frame for emergency or rush cards, and is there a fee to the State for overnight delivery?
- k. Can card profiles associated with an employee job title or position be made available to quickly set up new cardholders with a specific transaction/credit limit and specific MCC categories?
- l. It is State requirement that all cards require activation upon receipt and prior to first use. How will the Firm accommodate this?
- m. How often do cards expire and are re-issued to cardholders?
- n. When are reissued cards issued and sent prior to the expiration date of the existing card?
- o. What are the Firm's procedures for canceling a card and notifying the State? Is the State able to disallow any such cancellation?

11. Lost, Stolen or Compromised Cards

- a. In what ways can the State notify the Firm once they realize a card has been lost, stolen or compromised?
- b. The State requires support for notification. Is support for notification available 24/7?
- c. How long does it take for a card to be cancelled once the Firm has been notified?
- d. How quickly can a replacement card be mailed once the Firm has been notified?
- e. How will the Firm handle the replacement of a lost or stolen card in the event the State requires account activation within 48 hours or less?

12. Program Administration

- a. What capabilities and functionalities do administrators have (i.e. adding new cardholders, adjusting credit limits, reviewing activities)? Are these changes made in real-time?

- b. If a transaction is declined at the point-of-sale and the cardholder contacts the Program Administrator, can the Program Administrator adjust restrictions, cardholder limits, and controls on individual cards on a “real-time” basis? If not “real-time”, identify the length of time required for changes to become effective.
- c. If the internet is unavailable, can Program Administrators make changes to cardholder limits/restrictions by phone?
- d. Can Program Administrators make temporary adjustments to a cardholder’s profile that automatically reverts back to the original profile on a specified future date?
- e. Can a report be generated to show dormant accounts that have no activity for a period of time?
- f. Can a report be generated to summarize the amount spent by all cardholders for individual vendors?

13. Customer Support

- a. Will State administrators have a dedicated customer service team to handle requests and service needs?
 - i. What are the normal business hours of this team?
 - ii. Will it be available 24/7/365?
 - iii. Where is the call center located?
 - iv. How many support personnel available?
 - v. What is the average response time?
- b. Will cardholders have a toll-free assistance line for account inquiries, billing information, reporting fraud and other services the Firm describes?
 - i. What are the normal business hours of this team?
 - ii. Will it be available 24/7/365?
 - iii. Where is the call center located?
 - iv. How many support personnel available?
 - v. What is the average response time?

14. Disputed and Fraudulent Activity

- a. What is the process for handling disputed and fraudulent items?
- b. How will a cardholder dispute an item on his or her statement, or submit notice of an item believed to be fraudulent?
- c. How is the pending dispute or fraudulent item notated on a cardholder’s account?
- d. How is a cardholder’s account corrected if dispute is settled in cardholder’s favor or transaction is confirmed fraudulent?
- e. What is the timeframe for crediting the disputed or fraudulent item to the cardholder’s account?
- f. Does the Firm offer any program for eliminating/reducing card fraud?

- g. What are the liabilities of the State and employees in the event of fraud, abuse, or loss of a card that is committed by a non-employee and not for the benefit of the State?
 - i. If the State is not liable but a loss is incurred, would it impact the rebate, if any, paid to the State?
 - ii. Confirm neither the State nor any State employee will be held responsible for charges incurred from a lost/stolen card if the loss is reported to the awarded Firm within five business days of the known loss.
- h. Is the Firm able to electronically notify authorized designees of unusual transaction activity at the individual cardholder level?

15. Reporting

- a. Describe the online reporting provided to cardholders and administrators.
- b. Identify whether the online reporting system provides real time information for transactions. If not, how long does it take for transaction data to become available? *(Note: availability of real-time transaction information is a requirement of the State.)*
- c. Is the State able to generate reports that are organization (Department or Division level, not across the entire Program) or cardholder specific? *(Note: the ability to generate these reports is a requirement of the State.)*
- d. Is the State able to schedule on-demand ad-hoc reports?
- e. Confirm that the Firm can provide the reporting requirements provided in the table below.

Requirement	Yes/No
List of cardholders by State, organization, etc.	
Detailed transaction listing by cardholder.	
Detailed transaction listing by organization or unit within the organization.	
Summary listing of activity by merchant type.	
Detailed listing of transaction by merchant type, cardholder.	
Monthly listing of all cards reported lost or stolen, including date account was closed.	
Listing of all accounts closed during the month and the date of closing.	
Listing of all disputed transactions submitted by State organizations.	
Daily listing of all declined transactions by organization, cardholder.	
Listing of all authorized card users by account.	

- f. In what formats, can these reports be downloaded? Are these reports downloaded from the web-based application? Are there alternative options for transmitting daily reports (i.e. FTP)?
- g. Validate the capacity to meet the file definitions provided in **Appendix H** for current file transfers.
- h. Confirm the Firm's ability to provide cardholder test files to the extent where a testing database is provided to the central P-Card team to execute the triggers provided in **Appendix H** for creation of testing files for the cardholder data interface file.
- i. Does the State have the ability to run reports to show activity for: daily, weekly, monthly, quarterly, yearly, and for a period between any two dates chosen by the central team end user?

- j. Describe the electronic data available online that can be downloaded. In what format is information available?
 - k. Are workflow reports available to show an audit trail of specific activity, such as card review/approvals (name, date, activity) and temporary credit limit approvals?
 - l. Provide a demonstration of your Firm's online capabilities. Access to the demo can be by CD-ROM or online.
 - m. How can the State limit the ability to view information on an organization-by-organization basis (scoped viewing)?
 - n. Describe the data that is captured by the online reporting system. Does the reporting system capture Level 3 data?
 - o. Describe the Firm's capabilities regarding interfaces with First State Financials. Elaborate on the ability to extract data in various formats from your system for analysis or to interface with the State's accounting systems.
16. Additional Benefits / No Cost Features
- a. Discuss any no-cost benefits provided to cardholders (i.e. travelers' checks, emergency check cashing privileges, etc.)
 - b. For employees using the card for travel expenses, what additional benefits (i.e. accident and lost baggage protection) are provided at no additional cost?

C. Electronic Payables (ePayables) Services

Currently, FSF does not have the functionality to handle comprehensive ePayables services. The following questions would allow the State to evaluate the feasibility of implementing a holistic ePayables solution and determine the allocation of resources needed to complete the project.

- 1. Describe the Firm's capabilities and experience with electronic payables solutions (virtual card and ACH payments).
- 2. How many customers currently use your Firm's electronic payables service? How many used the service as of December 31, 2017 and as of December 31, 2016?
- 3. Describe the Firm's involvement with the payment process. Discuss in detail any files that OST would need to prepare or transmit to the bank. Are separate files required for virtual card transactions and ACH transactions or can they be combined in a single file?
- 4. Please provide a timeline or flowchart of the entire payment process, including the deduction of cash from an OST account and receipt of payment by the vendor.
- 5. What are the options for transmitting vendor payment instructions to the bank? What is the deadline for the transmission of these payment instructions for same-day processing?
- 6. Once the Firm receives a payment instruction file, can the State instruct payments to be delayed and sent on a specific date or will payments be initiated immediate?
- 7. What controls are in place to protect against lost files and duplications of transmissions? If duplicate files are sent, is there a penalty or potential issue?
- 8. How frequently can transmission files be uploaded to the bank for the issuance of additional payments? Is there a limit to the number of files per day?
- 9. Does the Firm provide automatic file receipt acknowledgements?

10. Describe the Firm's ability to warehouse payment orders.
11. Describe the Firm's capabilities for delivering remittance detail to the payment recipient for each payment method. Is there an additional fee for this service?

12. Payments to Vendors by Merchant Card

- a. Describe how vendor payments made by card are communicated to vendors. Are ghost cards or one-time use cards used for payment?
- b. Describe how suppliers receive payments.
- c. Identify how authorization limits are determined or changed.
- d. If the supplier reverses a payment, identify the impact on the available balance for the card.
- e. Are there any reports that the State can access that identifies initiated, but unprocessed card payments?
- f. If an email is sent to vendors, provide an example of the correspondence sent. Can the body of the email sent to vendors be customized by the State?
- g. If a vendor does not process a credit card payment, after how many days does the card number "expire" and can no longer be used?
- h. Before the card number "expires" does your Firm's system send an automated reminder notice to the vendor informing them that they have a payment that has not been processed?
- i. Does your Firm offer a Buyer Initiated Payment (push pay) Program? If so, provide an explanation of how this service would operate. Does a different rebate schedule apply?

13. Payments to Suppliers by ACH

- a. Does the State need to send a separate file for vendors receiving ACH payments or can these transactions be sent in the same payment instruction file as virtual card payments?
- b. Does the payment instruction file need to include the payee's routing and account number details? If not, how does the Firm process the payment (i.e. a vendor code)?
- c. Does your Firm assign a vendor code? Is the vendor code assigned by your Firm or do you use the State's unique vendor identification code?
- d. Is your Firm willing to accommodate the State's preference to process ACH payments through its primary bank by storing and retaining routing and account information in OST's ERP system? If not, discuss why your approach is better for OST.

14. Vendor Enrollment

- a. Discuss your Firm's approach in recruiting vendors on the State's behalf to your Firm's electronic payables platform.
- b. What are the steps for signing up a vendor? Does the Firm have an online self-enrollment internet portal for vendors to register?
- c. Identify the number of suppliers your Firm currently has enrolled. Please specify the number of vendors currently receiving card payments vs. ACH payments.

- d. If a supplier is already enrolled with your Firm's payables platform, can these vendors be paid immediately or does your vendor enrollment team have to contact the vendor first? Is the process the same for ACH and card payments? If not, describe the differences.
- e. Who makes outbound phone calls to vendors (i.e. employees of your bank or a third-party)? Will a specific individual or a team of individuals be assigned to the State?
- f. How many professionals on the vendor outreach teams does your Firm employ? For these individuals, what percentage of their time is dedicated to vendor outreach calls or activities?
- g. Is the vendor outreach team empowered to sign up the vendor or is it handed off to another department?
- h. Will your Firm provide vendor payment information (i.e. contact person, e-mail, address, phone number, routing and account number) to the State?
- i. How quickly does your Firm anticipate reaching out to the State's vendors? How many vendors do you plan to reach out to in 3 months? In 6 months?
- j. Based on the vendor file provided in **Appendix I** identify the number of vendors, transaction and dollar amount, that your Firm thinks will likely accept the State's electronic payables program within 6 months? Within 12 months? Please specify what you expect to convert to ACH versus card payments.
- k. What policies or procedures would your Firm recommend the State adopt to maximize vendor acceptance of OST's electronic payment options?
- l. Provide two specific examples of a successful implementation for a client. What were the organization's issues, solutions, and results of this implementation?

D. New Services & Ideas

1. What additional ideas or services can your Firm offer that will improve or enhance the State's purchasing card or virtual card program? These can include, but not be limited to:
 - a. Alternative payment programs
 - b. Unique card features
 - c. Advances in fraud detection
 - d. Specialized customer services
 - e. Timesaving items on billing statement
 - f. Specially created and informative management reports
 - g. Vendor relations and marketing
2. Does the Firm currently have or will offer in the near future, mobile banking services (i.e., via cell phone, tablet, laptop, etc.) to view transactions or perform administrative functions? If so, is there a cost associated with this service?
3. Provide any additional information that your Firm believes to be pertinent but not specifically requested elsewhere in the RFP.

4. Provide any additional ideas or suggestions your Firm feels could improve the State's purchasing/virtual card program. Specifically, (a) growing the State's vendor acceptance of both programs, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

E. Implementation / Conversion

1. Provide a detailed conversion plan for transitioning the State's existing purchasing and virtual card programs to your Firm. Include the estimated length of time for the transition and the amount of effort required by the DOA's staff.
2. What are the general steps in implementing an ePayables program for the State? What resources will be needed from the State? *(Note: ePayables in this RFP is defined as the ability for the State to create and send a single file with vendor payments to be made by either virtual card or ACH.)*
3. If the State implements an ePayables program as mentioned above, does the State have the ability to add check payments to this same file in the future, and have the bank print and mail physical check payments?
4. Based on the State's implementation expectations provided in **Section II. Background**, how would your Firm work with the individual State agencies to transition this service to your Firm?
5. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
6. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
7. Indicate the Firm's plans for initial and ongoing education and training of DOA and State agency employees in the use of your Firm's systems.
8. Identify potential issues and risks to the State's implementation of a new purchasing/virtual card and ePayables program. Identify the appropriate steps to avoid or mitigate these risks.
9. Describe the recommended process for data conversion and migration of the existing 4,700 cardholders that the State expects to convert to the new card administration system. Where and when does this task/subtask fit into the overall project workplan? Identify State and Vendor responsibilities for these activities.
10. Describe the post implementation support that will be provided for the Delaware Procurement Card Program. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.
11. What type of training is available for all current and potential purchasing card users? Include the availability of training in the following formats: webinars, on-site and job aids. Also, describe any training resources that will be available for the State to use to train new end users on an ongoing basis after initial implementation.

12. The awarded Firm will be responsible for providing help desk operations to support the new Delaware Procurement Card Program. The implementation will have an impact on the demand for and delivery of help desk services. The Firm will be responsible for providing help desk operations to support the State. Describe the following:
- a. Coordination of the State help desk with training activities;
 - b. Recommended help desk software tools;
 - c. Training to be provided to the State help desk agents;
 - d. Suggested escalation procedures;
 - e. Interim staffing for peak help desk demand periods and transition to a permanent arrangement; and
 - f. Development of a help desk knowledge base.

F. Pricing

1. Settlement and Billing System

- a. Describe the Firm's basic system for billing. Examples and samples are encouraged.
- b. Discuss the Firm's adaptability of its system to organization requests for changes, such as additional data elements, characters, or control numbers.
- c. Provide an example of a cardholder billing statement format and displayed information.
- d. Who has the ability to view and download cardholder billing statements?
- e. What are the available options to add other recipients/parent organizations?
- f. What billing cycles are available?
- g. How will the State receive billing statements? Are they available electronically? (*Note: electronic billing is desired by the State*).
- h. What are the payment terms from "statement date"?
- i. How soon after the billing cycle ends are statements available? Can statements be available electronically the morning following the billing cycle end date?
- j. Is the Firm able to provide a monthly invoice for all statewide charges and credits transacted in the statement period? If so, in what format is this information available?
- k. Is the Firm able to provide a detailed electronic report of all statewide transactions to support the summary invoice, available the first morning following the end of the billing period? If so, in what format is this information available?
- l. By what payment methods (ACH/Wire/Check) will the Firm accept monthly payments by the State?

2. Rebate Schedule

- a. Provide a rebate schedule for card activity at various usage levels up to \$500 million.
- b. Describe any other factors, such as average transaction size, file turn, etc., that affect the rebate amount.

- c. Describe how speed of payment is calculated.
 - d. Identify any exceptions to the rebate schedule (i.e. large dollar items, etc.) Specifically define what constitutes a “large dollar” item.
 - e. Address additional proposed incentives to include signing bonuses.
 - f. Will the same rebate schedule apply for purchasing card and virtual card payments?
3. Fees to the State
- a. Identify all fees/charges that would apply to international transactions.
 - b. Are there any fees associated with cash advances?
 - c. Is there a cost to send monthly paper statements to individual cardholders?
 - d. Identify all fees and charges for the ePayables solution including payment by purchasing card, check and ACH, that the State would be responsible for paying in an ePayables environment.
 - e. Is your Firm willing to offer any upfront or one-time transition or retention incentives?
 - f. For how long will the Firm guarantee the proposed fees/rebate?
 - g. Provide all purchase, licensing, and maintenance costs. If software must be licensed per workstation, show each workstation license cost. Note if any site license/master license program is available. Please provide a copy of this proposed license agreement. If there is a software maintenance agreement, please provide a copy of this proposed agreement. Indicate support capabilities and availability; indicate whether upgrades and to what degree (i.e., full vs. incremental) are included in the maintenance agreement.

G. Disaster Recovery

- 1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested in **Section V.A. Tab K**?

Attachment 1-D: Stored Value Card Questionnaire

CONTRACT NUMBER: TRE18101-BANKINGSVC

A. Key Personnel & Customer Service

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information.
 - a. Proposed role with regard to OST's account;
 - b. Biographical information;
 - c. Location;
 - d. Experience working with other government entities;
 - e. Number of years of experience in this field;
 - f. Number of years with Firm; and
 - g. Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
 - a. For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
 - b. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - c. What are the hours of operation of the customer service unit involved in supporting the State?
 - d. If a State employee needs assistance after business hours, what support is available?
 - e. In what languages is customer support available?

B. Stored Value Card Services

1. Provide a description of your Firm's card program and how it will meet the State's requirements. Can the same card program be used for all of the purposes mentioned for DSCYF, DHSS, and DOL? If not, please elaborate.
2. How long has your Firm offered this card program?
3. What network brand is on the card (Visa / MasterCard, other)? Provide a sample image of the card.
4. Describe how the cards are tied to an account at a financial institution; is the account owned by the recipient, the State, or is the card tied to a For Benefit of ("FBO") account? Explain the ownership and structure of the FBO account.
5. Are the accounts insured by FDIC or National Credit Union Share Insurance Fund ("NCUSIF")?
6. How will the State agencies get the account number information to make future payments electronically?

7. Is there an annual minimum number of cards that the State needs to issue for this program? Would this minimum threshold apply for the entire State or each individual program (DSCYF, DHSS, DOL)?
8. At what point does a card become inactive? What happens to inactive cards?
9. Who is responsible for escheatment of unused funds?
10. What assistance has your Firm provided your government clients in navigating the new prepaid rules established by the Consumer Financial Protection Bureau ("CFPB")?
11. What changes has your Firm made or are anticipating to make due to the new prepaid rules established by the CFPB?
12. Cardholder
 - a. Does the program provide free access to funds at ATMs, retail stores, and bank branches? Describe the options for the recipient to access funds.
 - b. Are service fees ever assessed on a withdrawal from an ATM owned by your Firm's financial institution or from a surcharge-free ATM?
 - c. How many "no surcharge" ATM locations are owned and operated by your Firm's financial institution in the State?
 - d. What type of customer support is available by phone? Where is this call center located?
 - e. Are cardholders initially greeted with an Integrated Voice Response ("IVR") System or a live-person?
 - f. What time are live representatives available to answer questions? If a call occurs outside of this available window, will the IVR provide a message informing the cardholder of the hours during which a live representative will be available?
 - g. Provide information on the customer support center's average speed of responses to telephone calls.
 - h. Is it possible for the recipient to overdraw on the card? Describe your Firm's overdraft policy.
 - i. What protections are associated with the program to prevent fraud?
 - j. Do the cards expire? If yes, in what period of time?
 - k. Does your Firm offer any mobile applications for cardholders to view balances or locate in-network ATMs? Is there a cost?
 - l. How can the State agencies pay recipients that have lost their cards and have not yet received replacement cards (emergency payments)? Will balances from the lost/stolen cards be automatically transferred to the new cards?
 - m. What type of online reporting is available to cardholders?
 - n. How many months of previous account statements are available to cardholders online?
 - o. How is returned mail (monthly statements, promotional information) handled?
13. Issuance
 - a. Please describe options for automatic enrollment of individuals to the stored value card. Is there any forms or documents that need to be completed, signed or acknowledged by the cardholder?

- b. What information is required for each individual card? Is the recipient required to provide their Social Security Number, physical address, date of birth, telephone number, other?
- c. If a Social Security Number is required, can an Individual Taxpayer Identification Number ("ITIN") be substituted?
- d. Can cards be mailed to a recipient's P.O. Box address as long as they have provided a physical address during the application process?
- e. How quickly will the recipient receive their card once it is mailed?
- f. Does the program allow for immediate on-site issuance and load of cards? If so, describe the process to maintain and secure an inventory of cards.
- g. If instant issue cards are an option, what is the minimum quantity instant issue cards can be ordered? Does the program monitor the remaining inventory of instant-issue cards and initiate an order when the inventory level reaches a certain threshold?
- h. Will the State have access to issue cards online 24/7? If no, what are the hours/days of access?
- i. If the State transmits a NACHA file to its cash management bank with an effective date of Friday, how quickly will funds be available?
- j. If the State issues a Same Day ACH to the card, how quickly will funds be available to the cardholder?
- k. Are written materials provided that can be used by recipients on the proper use of the cards?
- l. If a recipient's name is misspelled on the original card, can the State make this change in the system without automatically reissuing a new card?
- m. How quickly will the Firm be able to make data changes, such as name and address, of cardholder data that is transmitted by the State or State Departments?
- n. Will the Firm be able to provide a list of cards returned by the U.S. Postal Service as undeliverable?

C. New Services & Ideas

1. Describe any new services or ideas that will enhance the State's use of a stored value card program.
2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.
3. Provide any ideas or suggestions your Firm believes could improve the State's stored value card program(s). Specifically, (a) issuance of cards and providing customer service to card recipients, (b) new services that will benefit the State, (c) services the State could discontinue or replace, and (d) implementing best practices.

D. Implementation / Conversion

1. Provide a detailed conversion plan for transitioning the State's existing stored value card program to your Firm. Include the estimated length of time for the transition and the amount of effort required by the OST's staff.
2. Based on the State's implementation expectations provided in **Section II. Background**, how would your Firm work with the individual State agencies to transition this service to your Firm?

3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of your Firm's systems.
6. Identify potential issues and risks to the State's implementation of stored value card services. Identify the appropriate steps to avoid or mitigate these risks.
7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

E. Pricing

1. Fee Structure - Describe any fees incurred by the **State**, including:
 - a. Card issuance fees
 - b. Card funding fees
 - c. Administrative costs
 - d. Software (lease purchase, installation, training, customization)
 - e. Standard reports
 - f. On-going technical assistance
 - g. Related training
2. Fee Structure – Describe any fees incurred by the **Cardholder** including:
 - a. How many free withdrawals per month can a cardholder get from your Firm's ATM network or from a surcharge free ATM?
 - b. Will the cardholder be charged any point-of-sale (POS) fees for pin-based transactions?
 - c. Will the cardholder be charged for any POS fees for signature based transactions?
 - d. Will the cardholder be charged for bank over the counter transactions?
 - e. Will the cardholder be charged any monthly account fees?
 - f. Will the cardholder be charged monthly paper statement fees?
 - g. Will the cardholder be charged balance inquiry fees?
 - h. Will the cardholder be assessed a fee for calling the customer service center?
 - i. Will lost cards be replaced at no charge for standard delivery?
 - j. If the cardholder requests for an expedited replacement card, what is the fee?
 - k. Detail all other fees that could be charged to cardholder.
3. Complete the schedule of fees provided in **Attachment 4**.

F. Disaster Recovery

1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested in **Section V.A. Tab K**?

Attachment 1-E: Check Printing Questionnaire

CONTRACT NUMBER: TRE18101-BANKINGSVC

A. Key Personnel & Customer Service

1. Provide biographical information on the individuals who will work with the State on a regular basis. Please include the following information:
 - a. Proposed role with regard to OST's account;
 - b. Biographical information;
 - c. Location;
 - d. Experience working with other government entities;
 - e. Number of years of experience in this field;
 - f. Number of years with Firm; and
 - g. Number of accounts the person is responsible for.
2. Provide an organizational chart that includes these individuals.
3. Customer Service
 - a. For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for this individual(s) that will be assigned to this account.
 - b. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - c. What are the hours of operation of the customer service unit involved in supporting the State?
 - d. If a State employee needs assistance after business hours, what support is available?

B. Check Printing Services

1. Describe the Firm's experience in providing check-printing services.
2. How will the State transmit check payment information to the bank?
3. Are there any file size limits for check printing files? If so, what are they?
4. What is your Firm's cut-off time for receiving files for vendor checks to be printed on the next business day?
5. What is the cut-off date and time for receiving files for payroll checks and statements for mailing of checks/paystubs on Friday?
6. Where will checks be printed?
7. Can a printed check be returned? How long does it take?
8. What controls does your Firm employ to assure safety of customer data transmitted, check stock, and safeguarding of the checks before they are mailed?

9. Describe the process that your Firm would use to verify that all records have been received and processed.
10. Describe in detail the type of printers and the technology that would be used to print the payroll statements and checks? What security features does the equipment have?
11. What quality controls are in place to prevent errors in printing?
12. What are the hours of your Firm's printing operation?
13. Describe in detail any quality improvement program that your Firm has in place. Provide statistics or other regularly available performance data related to the level of service quality and any other data that demonstrates your commitment to quality improvement.

C. New Services & Ideas

1. Describe any new services or ideas that will enhance the State's use of a check printing services.
2. Provide any additional information your Firm believes to be pertinent to your ability to provide this service but not specifically requested elsewhere in this RFP.

D. Implementation / Conversion

1. Provide a detailed conversion plan for transitioning the State's current process of check printing to your Firm. Include the estimated length of time for the transition and the amount of effort required by the OST's staff.
2. Based on the State's implementation expectations provided in **Section II. Background**, how would your Firm work with the individual State agencies to transition this service to your Firm?
3. Who will be responsible for coordinating the transition? If a conversion team is used, how will the State's account be transitioned to the ongoing client service team?
4. How are implementation managers or implementation teams assigned (i.e. availability, geographically, complexity of the transition)?
5. Indicate the Firm's plans for initial and ongoing education and training of OST and State agency employees in the use of your Firm's systems.
6. Identify potential issues and risks to the State's implementation of check printing services. Identify the appropriate steps to avoid or mitigate these risks.
7. Describe the post implementation support that will be provided for the State. Include the philosophy and approach to providing the technical and functional post implementation support requested and identify the resources it would make available to the State to provide this support.

E. Pricing

1. What are the estimated costs associated with the State outsourcing their check printing? Be sure to include any one-time setup fees.
2. Complete the pro forma provided in **Attachment 4**.

F. Disaster Recovery

1. Are there any disaster recovery plans specific to this component that are not outlined in the Disaster Recovery plan requested in **Section V.A. Tab K**?
2. How quickly can check printing resume in a disaster recovery situation?

Attachment 2: Requirements Matrix

CONTRACT NUMBER: TRE18101-BANKINGSVC

Please complete excel file entitled Requirements Matrix attached to this document.

The remainder of this page intentionally left blank.

Attachment 3: Confidential or Proprietary Information Form

CONTRACT NUMBER: TRE18101-BANKINGSVC

- ☐ By checking this box, the Vendor acknowledges that its proposal does not contain any information it declares to be confidential or proprietary for the purpose of production under 29 Delaware Code, Chapter 100, Delaware Freedom of Information Act.

Confidentiality or Proprietary Information

Note: Use additional pages as necessary.

Attachment 4: Schedule of Fees

CONTRACT NUMBER: TRE18101-BANKINGSVC

Please complete excel file entitled Pro Forma Schedule of Fees attached to this document.

The remainder of this page intentionally left blank.

Attachment 5: Exception Form

CONTRACT NUMBER: TRE18101-BANKINGSVC

Proposals must include all exceptions to the specifications, terms or conditions contained in this solicitation. If the Vendor is submitting the proposal without exceptions, please state so below.

- ☐ By checking this box, the Vendor acknowledges that they take no exceptions to the specifications, terms or conditions found in this solicitation.

[illegible]

Note: Use additional pages as necessary.

Attachment 6: Business References

CONTRACT NUMBER: TRE18101-BANKINGSVC

List a minimum of three business references for each component being proposed, including the following information:

- Business Name and Mailing address
- Contact Name and phone number
- Number of years doing business with
- Type of work performed

Please do not list any State employee as a business reference. If you have held a State contract within the last 5 years, provide a separate list of the contract(s).

1.	Contact Name & Title:	
	Business Name:	
	Address:	
	Email:	
	Phone # / Fax #:	
	Current Vendor (YES or NO):	
	Years Associated & Type of Work Performed:	
2.	Contact Name & Title:	
	Business Name:	
	Address:	
	Email:	
	Phone # / Fax #:	
	Current Vendor (YES or NO):	
	Years Associated & Type of Work Performed:	
3.	Contact Name & Title:	
	Business Name:	
	Address:	
	Email:	
	Phone # / Fax #:	
	Current Vendor (YES or NO):	
	Years Associated & Type of Work Performed:	

Note: Use additional pages as necessary for additional components.

Attachment 7: Non-collusion Statement

CONTRACT NUMBER: TRE18101-BANKINGSVC

CONTRACT NO.: TRE-18101-BANKINGSVC

TITLE: Enter Contract Title

DEADLINE TO RESPOND: August 3, 2018 at 4:00 PM (local time)

NON-COLLUSION STATEMENT

This is to certify that the undersigned Vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a sub-contractor to another Vendor who also submitted a proposal as a primary Vendor in response to this solicitation** submitted this date to the State of Delaware, Enter Agency Name.

It is agreed by the undersigned Vendor that the signed delivery of this bid represents, subject to any express exceptions set forth at Attachment 7, the Vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

NOTE: Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Enter Agency Name.

COMPANY NAME _____ (Check one)

<input type="checkbox"/>	Corporation
<input type="checkbox"/>	Partnership
<input type="checkbox"/>	Individual

NAME OF AUTHORIZED REPRESENTATIVE _____

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

FEDERAL E.I. NUMBER _____ STATE OF DELAWARE LICENSE NUMBER _____

COMPANY CLASSIFICATIONS: CERT. NO.: _____	Certification type(s)	Circle all that apply	
	Minority Business Enterprise (MBE)	Yes	No
	Woman Business Enterprise (WBE)	Yes	No
	Disadvantaged Business Enterprise (DBE)	Yes	No
	Veteran Owned Business Enterprise (VOBE)	Yes	No
	Service Disabled Veteran Owned Business Enterprise (SDVOBE)	Yes	No

[The above table is for informational and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO:

COMPANY NAME: _____

ADDRESS _____ CONTACT _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

YES ____ NO ____ IF YES, PLEASE EXPLAIN _____

THIS PAGE SHALL BE SIGNED, NOTARIZED AND RETURNED FOR YOUR BID TO BE CONSIDERED

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 20 _____

Notary Public _____ My Commission Expires _____

City of _____ County of _____ State of _____

Attachment 8: Employing Delawareans Report

CONTRACT NUMBER: TRE18101-BANKINGSVC

As required by House Bill # 410 (Bond Bill) of the 146th General Assembly and under Section 30, no bid for any public works or professional services contract shall be responsive unless the prospective vendor discloses its reasonable, good-faith determination of:

1. Number of employees reasonably anticipated to be employed on the project: _____
2. Number of such employees who are bona fide legal residents⁴ of Delaware: _____
3. Percentage of such employees who are bona fide legal residents of Delaware: _____
4. Total number of employees of the vendor: _____
5. Total percentage of employees who are bona fide residents of Delaware: _____

If subcontractors are to be used:

1. Number of employees who are residents of Delaware: _____
2. Percentage of employees who are residents of Delaware: _____

⁴ "Bona fide legal resident" shall mean any resident who has established residence of at least 90 days in the State.

Appendix A: Scope of Services⁵

CONTRACT NUMBER: TRE18101-BANKINGSVC

I. Component 1: General Banking

- General Requirements:** The State uses an extensive array of cash management banking services. At minimum, the scope of Component 1: General Banking will include OST's cash positioning accounts. The Firm selected for Component 1 may also be asked to provide cash management services for the State agencies. OST's main cash positioning accounts are currently with two different banks: PNC Bank and Bank of New York Mellon.

OST's Cash Positioning Accounts

There are currently twenty-one (21) demand deposit accounts that are maintained and reconciled by the OST in order to determine the State's daily cash position. Through this RFP, the State anticipates consolidating these accounts held at two separate banks to a single financial institution. The combined relationship will be referred to as the State's concentration bank.

An overview of the State's main concentration bank relationships are shown below based on the existing structure.

	Incumbent Bank	Account Description	Check Disbursements	ZBA Master/Sub
1	PNC Bank	Payroll Account	Y	
2	PNC Bank	Pension	Y	
3	PNC Bank	Direct Deposit of Pension		
4	PNC Bank	Direct Deposit of Payroll		
5	PNC Bank	Concentration Account		Master
6	PNC Bank	Vendor ACH Payments		Sub
7	PNC Bank	Credit Card Collections		Sub
8	PNC Bank	Revenue Tax Account	Y	
9	PNC Bank	Abandoned Property Refunds	Y	
10	PNC Bank	Division of Revenue		Sub
11	PNC Bank	Vendor Payment Account	Y	
12	PNC Bank	Welfare Account	Y	
13	PNC Bank	DDDS Rep Payee for Client Beneficiaries		
14	PNC Bank	ACH Debits		Sub
15	PNC Bank	LOSAP Fireman's Pension		
16	PNC Bank	DPERS Qualified Excess Benefit Arrangement Plan		
17	BONY	Pension Investments		Sub
18	BONY	General (Electronic) Collections		Master
19	BONY	Bank Franchise Tax		Sub
20	BONY	Revenue Delinquent Taxes		Sub
21	BONY	Revenue Electronic Lockbox		Sub

In addition to consolidating the bank relationships, the State is also considering closing some of the accounts listed above. For example, there may no longer be a need to have two separate Direct Deposit accounts, two separate Vendor Payment accounts (ACH and check), etc. The State is

⁵ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the RFP.

interested in hearing from Vendors on their recommendations regarding account structures and best practices, and has provided relevant questions in **Attachment 1(A-E)**.

Agency Bank Accounts

Component 1 will likely include the accounts and volumes used for the majority of State agencies. There are currently over 250 State agency accounts at several different financial institutions. It is the State's desire to consolidate these relationships into one bank in order to better maintain control and maximize earning potential of State funds. Over the term of the contract, OST plans to complete a comprehensive review of accounts to determine if the number of accounts can be reduced with activity being transacted within other State accounts.

The State would like Vendors to recommend solutions for these agency accounts and transitioning them from their current bank(s) to the State's concentration bank, if desirable. In **Attachment 4**, estimated volumes for OST's Cash Positioning Accounts and agency bank accounts are identified separately. A full list of current agency accounts can be found in **Appendix L**.

Required services include:

1. Establish demand deposit accounts ("DDAs") to meet the State's banking requirements and maintain accurate records of activity in those accounts; and
 2. Offer zero-balance account ("ZBA") services.
2. **Relationship Management:** Regular communication with the State's financial institution, as well as support from the relationship management team is essential to the success of this relationship. It is the State's desire to have quarterly meetings with the bank's relationship team. These meetings should consist of the following:
1. Review of open issues and problems;
 2. Review of the monthly account analysis statement to determine if volume counts are appropriate and consistent, and to be sure that contract pricing is properly applied;
 3. Consider any new products that could replace or enhance existing services or increase efficiency;
 4. Determine if there are less expensive ways to process transactions without sacrificing efficiency;
 5. Determine if any training is needed on the bank's systems;
 6. Discuss fraud protection and consider ways that transactions can be processed more securely; and,
 7. Review the financial condition of the bank and any recent changes.

Required services include:

1. Provide a relationship management team with government experience; and,
 2. Quarterly (at minimum) meetings with the State to review the items listed above.
3. **Deposit Services:** For Component 1, the bank will need to offer Remote Deposit Capture and Image Cash Letter services to process checks received. There is no requirement for checks to be processed and deposited at a local branch or vault facility. Any branch or vault activity will be awarded to a bank through a separate Request for Qualification process. The State is seeking to move away from the collection of checks and cash and increase electronic collections.

OST's Cash Positioning Accounts

The State deposits approximately 53,000 checks per month.

Currently, approximately 2,300 checks are processed using Remote Deposit Capture ("RDC") and 26,700 checks are processed using Image Cash Letter ("ICL"). Between these two services, there are approximately 330 deposits per month. The remaining 24,000 checks are currently deposited at local branches, however, these checks will likely be processed by RDC or ICL after this transition.

The Division of Revenue uses ICL. All items are processed in a single ICL deposit and uploaded to the bank at 11:30 a.m.

The State has 16 organizations using RDC. The table below provides a list of the current organizations using RDC and the number of locations associated with each. In total, there are 46 locations using RDC throughout the State. The State uses a location identification code (deposit reconciliation) to identify the location making the deposit.

State Organization	Locations
Office of the State Treasurer	1
DelMar School District	1
Dept of Natural Resources and Environmental Control	3
Office of Management and Budget	12
Dept of State - Office of the Secretary	1
Dept of State - Public Service Commission	1
Dept of State - Division of Professional Regulation	1
Dept of State - Division of Historical & Cultural Affairs	1
Dept of State - Commission of Veterans Affairs	1
Dept of State - Office of the State Bank Commissioner	1
Dept of Finance - Division of Accounting	2
Dept of Transportation	2
Dept of Education- Finance Section	1
Dept of Labor - Division of Industrial Affairs	1
Milford School District	1
Dept of Insurance	11
DEDO - Small Business Development & Tourism	4
Dept of Justice - VCAP	1
Statewide RDC Locations	46

State Agency Accounts

Currently, there are two State agency accounts using RDC and ICL. The Division of Child Support Services (DCSS) processes approximately 10,350 checks per month using ICL (1 deposit per business day) and the Division of Unemployment Insurance processes approximately 455 checks per month using RDC (2 deposits per business day).

The State is seeking to leverage the use of technology and will likely encourage additional State agencies to use RDC. There is the potential for an additional 12,000 checks to be deposited per month.

Required services include:

1. Process the deposit of approximately 29,000 checks per month via RDC or ICL;
2. Image deposited RDC items;
3. Provide deposit reconciliation services; and
4. Provide online access of deposited item images.

4. Check Disbursement Services

OST's Cash Positioning Accounts

The State disburses approximately 30,000 checks per month from six (6) accounts. All six of these accounts have controlled disbursement and use positive pay services. None are currently using payee positive pay, however, this is a feature the State would like to consider. Positive pay files

are provided to the bank daily, and the OST uses online decisioning for positive pay exceptions. Four employees currently need access to the online system for decisioning; three at the Department of Revenue and one at Abandoned Property.

State date service is being used. Checks or drafts issued by the State shall not be honored after the expiration of six months from the date of issuance. (29 Del. C. §2706(b)).

Payroll & Pension Payments

The State mandates direct deposit, however, some employees and retirees are still receiving physical checks. Approximately 450 employees receive checks bi-weekly on Fridays and 250 retirees receive a check on the last business day of the month. The State's central payroll operations group ("PHRST"), also issues 60-70 on-demand payroll checks each pay period.

Check Disbursements to Non-U.S. Residents

The Office of Management and Budget ("OMB") issues checks to 15 pension recipients living outside of the United States each month. The Division of Revenue ("DOR") also occasionally issues abandoned property checks to individuals now living outside of the United States. These are USD denominated checks. Since some of these checks may cost more for the payee to cash than the amount of the check, some of these checks remain outstanding and cost the State time and effort to escheat. The State is seeking alternative solutions, such as International ACH Transactions (IATs).

State Agency Accounts

State agencies disburse an additional 13,000 checks from over 100 accounts.

Required services include:

1. Provide controlled disbursement services;
2. Provide positive pay services with online transmission of check details;
3. Provide positive pay exception item review and correction online;
4. Provide payee positive pay services;
5. Provide state date service; and,
6. Provide online stop payment services.

5. Electronic Disbursement of Funds

OST's Cash Positioning Accounts

The State originates approximately 62,000 ACH credits each month, not including direct deposit of payroll. The majority of these are vendor payments and personal income tax refunds. The State also originates approximately 16,000 ACH debits each month. A NACHA file is provided to the bank daily. The maximum ACH file is approximately \$150 million.

An additional 900 ACHs are originated through the bank's online platform. The State initiates 61 wire transfers per month.

Payroll & Pension Payments (included in OST's Cash Positioning Accounts)

Direct deposit has been mandated at the State since 1996 for employees and retirees receiving pension payments. Exceptions to direct deposit are grandfathered employees, attachés, student workers, tutors, aides, substitutes or casual/seasonal employees (term not to exceed two months). Some employees may receive permission to waive this requirement, however this is rare.

The State pays its 40,000 employees on a bi-weekly basis on Fridays. If Friday is a holiday, employees are paid on Thursday. Approximately 31,000 of these employees are full-time and 9,000 are part-time. There are approximately 100,000 payroll credits originated on a monthly basis (assuming two pay periods). Approximately 1% of employees, or 450 employees, still receive a physical payroll check. The total pay per cycle is approximately \$55 million.

Although the NACHA file has an effective date of the pay day/settlement date, local credit unions have funded employee accounts one day early of the actual pay day. The State will need to have the NACHA file be released to the Clearinghouse by 5pm two days prior to the settlement date to allow the credit unions to continue to offer this benefit.

The State also has a unique program used to garnish wages from paychecks referred to as STRIP. The State will need to have the ability to delete or strip a direct deposit from the NACHA file. This request will be submitted to the vendor by 3 p.m., two days prior to the settlement date of the file. This is effectively modifying the originally transmitted NACHA file. This will allow sufficient time for the file to be sent to the clearinghouse for deposits to post as required. On average, there are 2 deleted transactions occurring each pay cycle that total under \$10,000. The State recognizes this is an unusual process, but has implemented this process to assure that the State's 40,000 other employees receive their direct deposit of payroll in a timely fashion on Friday.

The State pays pension recipients on the last business day of the month. There are approximately 35,000 payments totaling \$54 million per month to retirees. Only 250 retirees are currently receiving checks.

When the two direct deposit cycles fall on the same date, the State makes approximately \$104 million in payments from these two sources. Vendors need to document their exception management process to handle potential scenarios that may fall outside of traditional technical or disaster recovery plans. For instance, when ACH files exceed predetermined limits, the processing of files should not be delayed without notifying the State, due to the potential impacts associated with payroll and pension processing.

A detailed list of specifications for the payroll and pension direct deposit process can be found in **Appendix G**.

Fraud Prevention

Currently, the OST uses ACH debit blocks and will likely have ACH debit blocks placed on all of the State's cash positioning accounts. The State also uses ACH Positive Pay service on their main concentration account and an SEC code fraud filter on three additional accounts.

State Agency Accounts

State agency accounts originate approximately 96,000 credits and 1,200 debits each month.

Required services include:

1. Send ACH transactions;
2. Provide a secure electronic method for wiring funds and initiating intra-bank transfers;
3. Meet all processing deadlines in order for payroll and pension direct deposit payments to process as needed; and,
4. Provide ACH debit blocking, positive pay and fraud filter services.

6. Electronic Receipt of Funds:

OST's Cash Positioning Accounts

The State receives 22,800 ACH transactions on average per month. These transactions are received in a concentration account that uses a service similar to Universal Payment Identification Codes (UPICs) to identify the beneficiary (specific State agency) for the funds. Although the State would prefer a portable solution similar to UPICs, the State is willing to consider alternative solutions to accommodate the reconciliation of these services.

It is the State's understanding that the current solution is not portable. It is important to address how the bank will assist the OST in ensuring payors send ACH transactions to the new banking information. The State currently has approximately 250 of these codes in use.

The OST receives 138 wire transfers per month.

State Agency Accounts

State agency accounts receive approximately 30,000 credits and 60 debits each month. 89% of the received credits are in one account for DCSS.

Required services include:

1. Accept ACH transactions;
2. Accept incoming wire transfers; and,
3. Provide UPIC services or an alternative solution.

7. **Reconciliation:** The State uses full reconciliation on all disbursement accounts.

Enterprise Resource Planning (ERP) System

The State uses PeopleSoft as both their Human Capital Management ("HCM") system and financial accounting system. The HCM system is used by PHRST for payroll and the Office of Pensions for pension administration. The financial accounting system used by the DOA is referred to as First State Financials ("FSF"). Both systems are currently running PeopleSoft v. 9.2.

The OST also uses an additional third-party system, T-Recs by Chesapeake System Solutions for reconciliation. The State is currently using version 7.2, however an upgrade to version 7.4 is scheduled for early July 2018.

8. **Reporting:** All disbursement checks are imaged and provided to the State on a CD-ROM. The OST is currently receiving 13 copies of the CD-ROMs; two copies for each disbursement account, except for the Revenue Tax Account which receives three. The State would like to discontinue the receipt of CD-ROMs and evaluate alternative archiving options.

The OST requires access to daily reports of balances and transaction information, including current and prior day reporting of ledger balance, available balance, and summary and details of credits/debits posted. The State reconciles the cash positioning accounts on a daily basis.

Select employees require online access to the bank's online reporting platform. A small portion of these users are administrators and the balance of the users require different hierarchies of access.

Vendors must also be able to direct communications to agencies as needed, including PHRST and OST for payroll processing issues.

Security of the State's financial information and proper controls are of the highest importance to the OST. The State is seeking a bank with an extensive user reporting feature in order for the OST to easily identify who has access to the bank's online platform, what accounts they have access to, and what entitlements they have (e.g. wire transfers, approvals, internal book transfers, etc.).

State Agency Accounts

If the State decides to add additional agency accounts to this relationship, the need for this level of reporting and the administration of these users will become much more complex. The State would require an online system that can support a multi-level hierarchy. This hierarchy would allow the OST to control entitlements and access for all OST users, and allow the OST to delegate this control to sub-administrators at the different agencies. The agency sub-administrators would have the ability to maintain the users and their entitlements for their agency only.

9. **File Transfers:** The State sends and receives a variety of files to and from the bank on a daily basis. Most of these files are standard formats, however, some must be customized by the State

once received in order to be uploaded into the State's ERP systems. The State's Department of Technology and Information (DTI) would like to minimize the amount of customization required for these files. The ability for the bank to meet the State's ERP formatting requirements and minimize any customization by the State is highly desired.

Payroll & Pension Direct Deposit File Transfers

The State's payroll direct deposit file is submitted to the bank no later than 11:59 p.m. ET, three days before the settlement date/pay day. ACH file confirmation will need to be received by the State's payroll department on the next business day by 9:00 a.m. The pension direct deposit file is submitted to the bank no later than 4:00 p.m. three business days prior to the pay date.

Additional File Transfers

A full list of the State's current incoming and outgoing file transfers associated with this component can be in **Appendix F**. Most reconciliation files are received from the bank each evening. These files are uploaded into the State's ERP system, FSF, each day at 12:00 p.m. All files are transmitted via Secure File Transfer Protocol ("SFTP").

The State has strict file processing specifications that must be followed. The State's Enterprise Standards and Policies, created and maintained by DTI, can be found here:

<https://dti.delaware.gov/information/standards-policies.shtml>. The State's Secure File Transport requirements and file processing specifications can be found on this site as well.

Required services include:

1. Provide online balance reporting services;
 2. Allow State employees with different levels of authorization to access the bank's online reporting system;
 3. If needed, provide multi-hierarchy administration;
 4. Provide current day and prior day reporting;
 5. Provide full account reconciliation services for disbursements and deposits;
 6. Provide online monthly activity statements and reports for all accounts by the third business day of the following month;
 7. Provide a detailed monthly account analysis statement for each individual account and a consolidated statement showing charges for all account services by the tenth business day of the month;
 8. Provide electronic archival of cleared checks (images of front and back) ;
 9. Provide online access to cashed check images; and
 10. Transfer, at no cost to the OST, all records and information relating to Component 1, electronically and by hard copy as requested, to a successor bank upon termination or completion of contract.
- 10. Bank Balances:** Over the last year, average ledger balances have fluctuated from \$20 million to \$200 million with an average of approximately \$100 million. The OST is willing to consider holding these balances as compensating balances or an automated sweep into a money market mutual fund.

The State requires all collected balances in excess of balances insured by the FDIC be collateralized. Collateralization requirements for State funds were established by the Cash Management Policy Board and are included in the Guidelines. This document can be found in **Appendix B**. *(Specific requirements for Collection and Disbursement Accounts can be found in Section 5.0 of Appendix B.)*

Required services include:

1. Provide a competitive earnings credit rate for uninvested balances;
2. Provide an overnight investment service (sweep) and/or interest bearing account for excess cash balances in the demand deposit accounts;

3. Collateralize all collected balances, in excess of balances insured by the FDIC, as per the collateral requirements of the State of Delaware; and
4. Meet all requirements for the investment of State funds as described above and in the Guidelines (found in **Appendix B**).

II. Component 2: Lockbox Services

The State currently has five different lockboxes with three financial institutions: BNY Mellon, J.P. Morgan, and PNC Bank. The DOR also accepts electronic payments in an eLockbox with BNY Mellon. Through this RFP, the State would like to consolidate these relationships with one financial institution. A summary of the current lockboxes and their processing requirements is below.

Lockbox #1 Division of Corporations – Domestic Franchise Tax Payments

The Division of Corporations uses a lockbox to process domestic franchise tax payments. This lockbox has both a retail and wholesale processing component. Any items that come in with a remittance document are processed through the retail lockbox, while any items needing manual intervention are processed through the wholesale box.

The lockbox only collects check payments and all payments are currently sent to a Binghamton, NY post office box. The lockbox DDA account also accepts ACH credits. The ACH credits and lockbox payments are reported together using a consolidated receivables platform.

Approximately 182,000 payments are processed through the Scannable lockbox annually, and 22,800 payments are processed through the wholesale lockbox. The payments are highly seasonal. In May, the volume peaked at 100,370 items. In January, the volume is minimal with only 190 items processed. The monthly average is 16,994 items processed. The State processed a total of \$266.3 million in payments through this lockbox in 2017.

The current cutoff processing time is 5:00 pm. All checks are processed the same day as received. The State may require a cutoff extension around the June 1 tax deadline.

Imaging: The Division is imaging the front of each envelope, front and back of remittance items and each check. These files are archived and available online for 10 years.

Any correspondence or miscellaneous items received through the lockbox are returned to the Division via overnight delivery.

Remittance Documents: There is a standard remittance document that is received with payments. This document has an OCR scanline, which includes the following information. There is a check digit in the scanline.

Corporate file number: 7 digits

Invoice Amount: 9 digits

Payment Identification: 1 digit

1 = Quarterly tax bill

4 = Limited partnership tax bill

6 = Tax bills

7 = Limited liability tax bill

8 = General partnership tax bill

Keyed Data: The current processor is keying in the file number, amount of check, payment ID and check number into the system for items unable to be scanned.

Exceptions/Rejects: Occasionally items are returned to the Division if they include legal filings or formation documents, and not a tax payment. Other items that are considered exceptions and returned to the Division are listed below under Processable remittances (check enclosed to be

processed) and Non-processable remittances (no check enclosed). These items are returned to the Division of Corporations daily via UPS.

Processable remittances

- Where the remittance indicates no payment is due or a credit balance, return the remittance with its envelope to the Division in special handling.
- Where the remittance includes multiple check(s) and/or invoice(s) totals that do not agree, return the item with its envelope to the Division in special handling.
- Where the remittance includes an invoice that has no OCR scan or where there is only correspondence accompanying the check, return the remittance to the Division in Special Handling.

Non-processable remittances

- Remittances with no checks enclosed. The bank will return the item to the Division as special handling with "NO CHECK" indicated on the envelope.
- Remittances with checks drawn on banks which are not in the United States or Canada and payable in United States dollars.
- Remittances that do not have a Delaware file number.
- Remittances with stale-dated checks (more than six months old), and checks postdated more than three days in advance of the processing date.

The Division is using online decisioning; 9 employees are authorized to decision items and all items are decisioned same day.

Reporting: 17 Division employees have access to the bank's online platform; four have access to move funds, 13 have access to enrich data.

The Division receives a text file (.txt) by 10:00 p.m. each day. The file is sent by the bank via SFTP directly to the State's SFTP file server. File transfer details can be found in **Appendix F**. The Vendor must provide the State with a fixed IP address so that appropriate firewall rules can be implemented.

Lockbox #1 – Division of Corporations	
Purpose	Collection of Domestic Franchise Tax Payments
Lockbox Type	<input checked="" type="checkbox"/> Wholesale <input checked="" type="checkbox"/> Retail <input type="checkbox"/> Wholetail
Annual Collections	\$266.3 million
Annual Volume Received	181,176 (Scannable LBX) 22,752 (Wholesale LBX)
Standard Remittance Documents	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Items Scanned	<input checked="" type="checkbox"/> Envelope (front) <input checked="" type="checkbox"/> Check <input checked="" type="checkbox"/> Remittance Document (front and back) <input type="checkbox"/> Correspondence
Images Available Online	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Length of Time Images are Accessible	10 years
Payment Data Transmitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Physical Copies Returned	<input checked="" type="checkbox"/> Yes (only exceptions) <input type="checkbox"/> No

Lockbox #2: Division of Unemployment – Training Tax

The Division of Unemployment uses a wholesale lockbox to process training tax. The lockbox only collects check payments and all payments are currently sent to a Philadelphia, PA post office box.

Approximately 47,000 payments are processed through this lockbox annually. The payments are seasonal; July can see volumes close to 12,174, while December can see a low of 279. The monthly average is 3,957. This lockbox processes over \$5.45 million in payments annually.

The current cutoff processing time is 2:00 p.m.

Imaging: The Division is imaging the front of the remittance document and all checks. These images are available online for seven years.

Remittance: There are standard remittance documents submitted with payments; these include a mix of scannable and non-scannable items. Examples of each can be found in **Appendix K**. All remittance items or correspondence received through the lockbox should be returned to the Division.

Keyed Data: the Division requires the bank to key in the following information for each item: Account, Year/Quarter, Dollar amount of payment.

Exceptions/Rejects: Exceptions for this lockbox include items received with no account number, stale dated items and checks with no signature. These items should not be processed and returned to the Division of Unemployment daily via USPS.

Reporting: Three teams in the Tax Operations unit have authorized access to view online images, and each team has separate login information. The Division is not currently using online decisioning, but is interested in exploring it through this RFP process.

A text (.txt) file is received daily at 3:00 p.m. via SFTP. File transfer details can be found in **Appendix F** and detailed specifications related to this file can be found in **Appendix J**.

Lockbox #2 – Division of Unemployment - Training Tax	
Purpose	Collection of Training Tax Payments
Lockbox Type	<input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Wholetail
Annual Collections	\$5.45 million
Annual Volume Received	47,484
Standard Remittance Documents	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Items Scanned	<input type="checkbox"/> Envelope <input checked="" type="checkbox"/> Check <input checked="" type="checkbox"/> Remittance Document <input type="checkbox"/> Correspondence
Images Available Online	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Length of Time Images are Accessible	7 years
Payment Data Transmitted?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Physical Copies Returned	<input checked="" type="checkbox"/> Yes (exceptions/correspondence only) <input type="checkbox"/> No

Lockbox #3: Division of Unemployment – Unemployment Insurance

The Division of Unemployment uses a wholesale lockbox to process unemployment insurance payments. The lockbox only collects check payments and all payments are currently sent to a Philadelphia, PA post office box.

Approximately 74,000 payments are processed through this lockbox annually. The payments are seasonal; May can see volumes of 16,257, while December can see a low of 289. The monthly average is 6,141. This lockbox processes over \$87.28 million in payments annually.

The current cutoff processing time is 2:00 p.m.

Remittance Items: There are standard remittance documents (UC8, UC8A and UC8PAY) submitted with payments. None of these items have an OCR scanline. The Division requires that the original copies of the UC8 and UC8As be returned via overnight courier each day. If the Division is able to access these images online, the remittance items can be sent back via USPS. In addition, any stale dated items or checks without signatures should also be returned. Examples of remittance items can be found in **Appendix K**.

Imaging: The Division is imaging the front of the remittance documents and all checks. Tax reports include UC8 and UC8a. These images are available online for seven years.

Keyed Data: The Division of Unemployment currently requires a large amount of data to be captured and keyed. The State would like to explore ways to decrease or eliminate this. The information currently being hand keyed for each item includes:

- Year/Quarter
- Due date
- Tax rate
- Federal Employer Tax ID Number (FEIN)
- Social Security Numbers and corresponding first initial and last name
- Taxable wages
- Total remittance amount
- Gross and excess wages

Exceptions/Rejects: Exceptions for this lockbox include items received with no identifier, such as no account number, FEIN, or if it is missing the year/quarter that identifies which tax period it should be applied to. These items should not be processed and returned to the Division of Unemployment via USPS.

Reporting: Three teams in the Tax Operations unit have authorized access to view online images, and each team has separate login information. The Division is not currently using online decisioning, but is interested in exploring it through this RFP process.

Three text (.txt) files are received daily at 3:00 p.m. via SFTP. File transfer details can be found in **Appendix F**, and detailed specifications related to this file can be found in **Appendix J**.

Lockbox #3 – Division of Unemployment - Unemployment Insurance	
Purpose	Collection of Unemployment Insurance
Lockbox Type	<input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Wholetail
Annual Collections	\$87.28 million
Annual Volume Received	73,692
Standard Remittance Documents	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Items Scanned	<input type="checkbox"/> Envelope <input checked="" type="checkbox"/> Check <input checked="" type="checkbox"/> Remittance Document (front) <input type="checkbox"/> Correspondence
Images Available Online	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Length of Time Images are Accessible	7 years
Payment Data Transmitted?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Physical Copies Returned	<input checked="" type="checkbox"/> Yes (exceptions & UC8/UC8As) <input type="checkbox"/> No

Lockbox #4: Pension – Insurance Payments

The Pension department collects retiree healthcare premiums, pension buy-ins and benefit repayments using a wholesale lockbox. The lockbox only collects check payments and all payments are currently sent to a Philadelphia, PA post office box.

Approximately 2,250 payments are processed through this lockbox annually. The payments are not seasonal, the monthly average is 188 payments received.

The current cutoff time for processing is 5:00 p.m. and funds are made available same-day. Any checks unable to be cleared are attempted to be redeposited a second time before being marked as NSF. On a monthly basis, the State receives the physical copies of all checks and correspondence via first class mail.

Imaging: The Department is imaging each check, correspondence and any notes the customer may include in the envelope. These images are available online for 7 years and are accessible by 5 employees on the State's Investment and Accounting staff.

There are no standard remittance documents received in this lockbox. Each check image, however, includes information captured during processing. An example is below.

Batch: 1, Tran: 3, Date: 20180405, Amount 259.34, Lockbox #5585, Acct#: XXXXXXXX, Check #6477

Exceptions/Rejects: Postdated checks are considered exception items. If the check is postdated within 10 days, the State would like the Vendor to hold and process. If the check is postdated more than 10 days, it should be sent to the Pension Office. The State is not currently using online decisioning.

Items that do not use the proper payee name (Delaware State Pension Office or Delaware Public Employees' Retirement System) should be rejected, as well as any unsigned checks.

Reporting: The State does not currently receive a transmission of any data files. Each day, the State downloads the prior day images from the online platform for processing through their ERP system.

Lockbox #4 – Pension	
Purpose	Collection of retiree healthcare premiums, pension buy-ins and benefit repayments
Lockbox Type	<input checked="" type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Wholetail
Annual Volume Received	2,256
Standard Remittance Documents	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No remittance document
Items Scanned	<input type="checkbox"/> Envelope <input checked="" type="checkbox"/> Check <input type="checkbox"/> Remittance Document <input checked="" type="checkbox"/> Correspondence <input checked="" type="checkbox"/> Handwritten notes
Images Available Online	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Length of Time Images are Accessible	7 years
Payment Data Transmitted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Physical Copies Returned	<input checked="" type="checkbox"/> Yes (Monthly) <input type="checkbox"/> No

Lockbox #5: Division of Revenue eLockbox

The Division of Revenue has implemented an eLockbox solution to facilitate the electronic processing of payments from consumer bill payer systems. There are 6,900 items (on average) per month that go through the Division of Revenue’s eLockbox and this volume of items is expected to grow.

Required Services Include:

1. Provide a lockbox solution for the State’s payment and document collection needs;
2. Process, including imaging, checks, remittance documents, and other forms/documents received;
3. Provide online access to images of processed items, remittance documents and other forms/documents;
4. Capture details from the remittance document and other forms/documents either electronically or manually;
5. Provide online reporting and download of transaction detail and summary including account numbers and payment amounts;
6. Split exception items from general processing to allow for review and correction by the Treasurer’s Office;
7. Provide online exception item review and correction; and
8. Provide an “eLockbox” solution.

III. Component 3: Purchasing/Virtual Card & ePayables

Background

The State has an existing contract to provide state agencies and school districts with a VISA card program for procurement and/or travel purchases. There are 320 Departments, including 19 school districts and 25 charter schools that participate in the State’s purchasing card program. The program is called the Delaware Procurement Card Program (“P-Card”), which currently offers the ability to issue purchasing cards, travel cards, or purchasing and travel on the same card. The State also has a virtual card program that uses Single Use Accounts (SUAs) to pay vendors. The purpose

of this procurement is to establish a new contract with a vendor to provide card and card management services to the State.

General Requirements: The State is seeking proposals from qualified vendors to supply purchasing card and ePayables services and management program for eligible organizations within the State of Delaware. For the purpose of this RFP, ePayables is specifically defined as the ability for the State to send a single payment file to the bank with vendor payment information and for the bank to make the requested payments on the State's behalf via virtual card or ACH. FSF supports only solutions from MasterCard or VISA.

Purchasing Card

Project Vision

It is the State's desire to capture the greatest number of efficiency and quality benefits possible from the use of purchasing cards. In this procurement, the card-management system offered is of an importance equal to the card program itself. DOA personnel, on behalf of the State, performs card maintenance centrally. The State envisions a system that:

- Interfaces with the State's existing ERP system, FSF, for transaction processing;
- Remains compatible with future images of PeopleSoft Financials;
- Provides tools and transaction controls to manage fraud and abuse;
- Provides maximum visibility into State Procurement Card transactions; and
- Minimizes administrative burden on card users and managers throughout the processing lifecycle.

Program Details

DOA is responsible for the direct oversight and management of the Delaware Procurement Card Program. As such, the DOA central P-Card production staff maintains cardholder accounts in the P-Card vendor's card application. This application is designed to enable the State to establish a database of card activity limits and to maintain and change those limits on a permanent or per transaction basis and to obtain other related services on a web site hosted and controlled by the P-Card vendor.

The State's existing purchasing card program had over \$73 million in spend in 2017. Detailed information on spend over the last three years can be found in the table below. The average total State monthly spending through Procurement Card is approximately \$6.0 million with an average of 12,000 transactions processed per month. There are 320 departments identified in the First State Financials system and over 4,700 state employees have the Procurement Card which obligates the State to pay for their purchases.

2015 – 2017 Monthly P-Card Spend

	2015	2016	2017
JAN	\$5,352,364.19	\$4,777,751.59	\$5,444,587.39
FEB	\$6,388,734.37	\$5,694,154.80	\$6,011,498.06
MAR	\$5,767,714.00	\$5,754,611.32	\$5,625,409.20
APR	\$6,441,336.49	\$5,921,070.50	\$6,203,815.52
MAY	\$6,255,574.47	\$6,622,971.84	\$7,030,014.58
JUN	\$6,151,117.38	\$5,739,339.63	\$5,510,977.58
JUL	\$5,778,522.61	\$7,553,320.90	\$5,030,097.62
AUG	\$7,840,022.32	\$5,923,497.95	\$7,971,535.24
SEPT	\$5,897,705.64	\$6,078,496.35	\$6,277,653.25
OCT	\$5,609,707.93	\$5,984,947.90	\$6,089,154.70
NOV	\$6,573,705.29	\$5,645,480.75	\$5,974,411.96
DEC	\$5,238,592.26	\$5,278,752.27	\$5,947,721.13
TOTAL	\$73,295,096.95	\$70,974,395.80	\$73,116,876.23

Cash Advances

Cash advances are permitted on a case by case basis and requires multiple approvals within the State, including DOA. Some examples of cash advance needs include overseas travel by Department of State employees. In addition, cash advances are permitted for emergency workers that are traveling out of state or internationally.

Virtual Card

The State started a virtual card program in 2015. There are currently 1,305 vendors enrolled (as of end of fiscal year 2017) with \$57 million in spend in fiscal year 2017. Detailed information on spend over the last three years can be found in the table below. A table showing the vendor growth of the SUA program is provided as well.

2015 – 2017 Monthly Virtual Card Spend

	2015	2016	2017
JAN	\$89,175.17	\$2,683,086.99	\$3,701,601.93
FEB	\$697,117.52	\$3,778,550.58	\$4,029,427.45
MAR	\$1,717,497.84	\$3,249,282.57	\$4,072,905.15
APR	\$2,851,430.56	\$3,121,898.50	\$4,443,963.75
MAY	\$2,475,843.12	\$3,720,528.57	\$4,470,216.66
JUN	\$4,690,116.28	\$7,811,794.49	\$6,319,709.05
JUL	\$1,879,694.40	\$2,569,841.15	\$3,467,547.56
AUG	\$2,949,975.56	\$4,362,786.40	\$5,566,237.98
SEPT	\$3,390,294.98	\$4,488,149.73	\$5,941,605.02
OCT	\$2,566,875.10	\$4,400,589.72	\$5,224,736.55
NOV	\$2,935,192.87	\$4,947,612.87	\$4,739,286.30
DEC	\$3,597,575.20	\$4,980,901.17	\$4,979,576.36
TOTAL	\$29,840,613.43	\$50,115,022.74	\$56,956,813.76

FY 2015-2017 Virtual Card Suppliers by Quarter

	2015	2016	2017
1 st Quarter	246	704	1,017
2 nd Quarter	246	807	1,150
3 rd Quarter	413	901	1,281
4 th Quarter	563	979	1,305

Electronic Payables (ePayables)

The State is interested in evaluating the potential implementation of an electronic payables program with the bank to pay vendors utilizing virtual card or ACH. A vendor list with the vendor's name, number of payments, and total amount of payments can be found in **Appendix I**.

Reporting Requirements: The State requires complete card management reporting. Reporting must be accessible on-line to multiple users from multiple locations throughout the State. Access to reports must be on a real-time basis via web-based software provided by the Vendor. Access to the reporting system must be through a secure connection. The reporting system must provide reporting at different levels (State, organization, unit within organization, cardholder, etc.) Only the State P-Card program administrator(s) will receive or will have access to aggregate program information. Reporting received or accessed by an individual organization or cardholder shall be specific to the organization or cardholder. Reporting should be available in multiple formats (e.g. PDF, text, Excel, HTML, browser, etc).

Vendors' ability to schedule on-demand ad-hoc reports will be considered a valuable capability.

File Transfers

The State's financial system of record is PeopleSoft Financials, version 9.2. The State uses delivered functionality for Procurement card management and transaction reconciliation. The cardholder tables are populated via a nightly (weeknight) interface sent from the procurement card vendor to a secure server. The interface file contains data from the vendor's 3rd party card management software application. The interface script validates the employee id against HCM. If the validation is successful the cardholder file loads.

Business Process Description

1. The cardholder interface file runs on a daily frequency, Monday through Friday, nightly.
2. State receives via file transmission.
3. State loads the cardholder records into PeopleSoft with employee ID values.

A list of the State's current incoming and outgoing file transfers for this component can be found in **Appendix F**.

The State has strict file processing specifications that must be followed. The State's Enterprise Standards and Policies, created and maintained by DTI, can be found here: <https://dti.delaware.gov/information/standards-policies.shtml>. The State's Secure File Transport requirements and file processing specifications can be found on this site as well.

PeopleSoft Environment

The State's PeopleSoft Finance system includes all or portions of 12 Oracle/PeopleSoft Financials system version 9.2 modules. Most relevant to the Delaware Procurement Card Program are the Purchasing, eProcurement, and Accounts Payable modules. The State utilizes the delivered Procurement Card functionality available in the Oracle/PeopleSoft modules. Full details of the technical requirements, can be found in **Appendix E**.

Required Services include:

1. Work with the State to convert vendors that currently receive checks to payment by virtual card or ACH;
2. Pay a rebate to the State on purchasing card and virtual card payments;
3. Work with the State to expand the use of its electronic payables program to increase the rebate earned,
4. Provide a VISA or MasterCard solution,
5. Include a plan for business continuation and/or recovery as a result of disaster,
6. Issue cards to State employees without a prior individual credit approval or credit check,
7. Provide issued cards within seven to ten business days,
8. Support the State's current transaction volume and allow for continued growth,
9. Provide an online platform that allows real-time changes to cardholder accounts, such as names, addresses, card cancellations and organizational transfers,
10. Respond to technical testing requirements within 48 hours, and process the request within 7 business days;
11. Transfer, at no cost to the State, all records and information relating to Component 3, electronically and by hard copy as requested, to a successor bank upon termination or completion of contract.

IV. Component 4: Stored Value Card

General Requirements: The State is seeking a provider of stored value cards as an alternative payment option for constituents that do not provide bank routing and account information to facilitate direct deposit of funds. The prepaid debit card program is designed to be an electronic-based program that will provide recipients with access to funds, while reducing exposure to lost and stolen checks and diminishing dependence on paper-based check disbursements.

Recipients shall have access to funds deposited on the card at no cost and provide an online platform for cardholders and the State to be able to manage the program(s). The State will need a program that allows agencies to either reload existing cards or provide instant issue cards, depending on the current program.

Three agencies are currently using a stored value card program: Department of Services for Children, Youth and Families ("DSCYF"), Department of Health and Social Services ("DHSS"), and the Department of Labor ("DOL"). Details of each of these programs can be found below.

Department of Services for Children, Youth and Families Program (KeyBank)

DSCYF provides monthly benefit payments to unbanked recipients on a stored value card each month. Currently, there are 70-75 active stored value cards in use. Cards are issued by KeyBank.

DSCYF has approximately 850 recipients; 70-75 are receiving payments via stored value card, 20 are receiving paper checks and the remainder are receiving funds via direct deposit. Payments are disbursed monthly and the average payment amount is \$1,000.

New recipients that do not provide direct deposit information, or are unbanked, are set up with a stored value card. DSCYF staff members request these cards online and would like to continue that process.

DSCYF is also considering expanding this program to include payments to juveniles once released from Department custody. When juveniles are taken into custody, any cash is collected and held by the State. Once released, the State would like to start returning these funds via stored value card.

Department of Health and Social Services (FIS)

The Division of Child Support Services ("DCSS") within DHSS, issues child support payments via check, ACH and stored value cards from Fidelity National Information Services ("FIS"). DCSS

would like to increase volume of the stored value program and decrease the number of checks printed and issued.

There are currently 43,283 recipients of child support payments in the State. A breakdown of payment types and average payment amounts can be found in the table below.

Payment Type	# of Recipients	Average Payment
ACH	23,630	\$196
Check	1,866	\$152
Stored Value Card	17,787	\$116

Direct deposit is mandatory for the program. Recipients are auto-enrolled in the card program if they do not respond to the choice between direct deposit and stored value card. However, auto-enrollments into the stored value card have been suspended due to the recent CFPB Prepaid Regulations. The State is waiting to see the impact of these regulations on government prepaid programs.

The State is ordering cards through an application-to-application ("A2A") webcall from DCSS's Delaware Child Support System ("DECSS") to the current vendor and would like to continue this process. Demographic changes, such as change of address and phone number, are sent real-time via this application as well. Once DCSS requests a card through the web call, an account is created and the card is issued and mailed to the recipient. The recipient can begin receiving funds on the card immediately.

A payment file is sent daily to the bank with disbursement information for ACHs, stored value cards and pre-notes. By federal regulations, the funds collected by DCSS for child support payments must be disbursed within two business days of receipt.

Department of Labor (KeyBank)

The Division of Unemployment with disburses unemployment benefit payments every day via direct deposit and stored value cards issued by KeyBank. The number of recipients receiving unemployment benefits will fluctuate based on the economy, but currently there are 5,824 people receiving weekly benefits in the State. Of this total, 2,139 are receiving payments via stored value card, 3,014 via direct deposit and 671 are receiving a check. The average weekly payment is \$330.

The DOL is ordering cards through the existing provider and cards are mailed to the recipient.

Direct deposit is not mandatory for these payments, but the DOL will automatically enroll recipients into the stored value card if they do not provide direct deposit information.

The Department of Labor generates the following daily files and transmits them to the bank:

- NACHA file with payment information (this is sent to DOL's bank)
- Refresh file with name and address updates.
- Daily enrollment file

The Department receives two files from the bank daily: a refresh file with card accounts that have been closed and a file with account numbers for new enrollees.

The State is interested in making the stored value card program available to other agencies reducing the need to issue, print and distribute the check and cash payments.

Required services include:

- a. Accept 100% of the State's program recipients;
- b. Allow 100% withdrawal off funds;
- c. Provide written instructional materials to cardholders once issued;
- d. Offer a system linked to a wide ATM network (e.g. STAR, Cirrus, Plus, Maestro);

- e. Provide domestic 24/7 telephone customer service center;
- f. Allow unlimited daily withdrawals;
- g. Provide cardholders with a detailed monthly statement;
- h. Prohibit overdrawn accounts;
- i. Provide program and administration at no cost to the State;
- j. Provide no- or low- fee options for card recipients to access funds;
- k. Accept demographic changes on cards regardless of ready or active status;
- l. Provide reporting on returned cards and daily load values;
- m. Provide 24-hour turnaround on issues raised at help desk; and,
- n. Transfer, at no cost to the OST, all records and information relating to Component 4, electronically and by hard copy as requested, to a successor bank upon termination or completion of contract.

V. Component 5: Check Printing Services

General Requirements: The State currently prints payroll and A/P checks internally. OST is considering the use of an outside check printing and mailing service. The State is working to reduce the number of checks written and convert payments to ACH or card. However, we expect that there will still be a significant number of checks written each month. The total volume of check printing that will be outsourced has not been determined, but the majority of volume would likely be generated from the payroll and vendor payment processes. Checks may also be printed for the Office of Pensions, Division of Revenue, Abandoned Property, and the Department of Services for Children, Youth, and their Families ("DSCYF"). The vendor should be able to provide mailing and postage services.

Required services include:

- a. Accept electronic transmittal of payment details and remittance information from PeopleSoft;
- b. Ability to generate ACH advices for payments
- c. Print checks in the format prescribed by the State's banking partners and in conformance with industry standards;
- d. Send a daily electronic file of the checks printed to be used for positive pay and full reconciliation services;
- e. Send an electronic print reconciliation report with counts, amounts and statistics pertinent to the processed data after the completion of each production run;
- f. Provide management reports for reconciliation, control and information purposes, as required;
- g. Process and prepare (fold, insert and meter) all mailings with correct postage rates for all outgoing USPS mail in accordance with USPS requirements for mailings;
- h. Regularly sample checks for MICR line testing to ensure conformity with ANSI standards; and
- i. Transfer, at no cost to the OST, all records and information relating to Component 1, electronically and by hard copy as requested, to a successor bank upon termination or completion of contract.

Appendix B: Cash Management Policy Board Guidelines

CONTRACT NUMBER: TRE18101-BANKINGSVC

STATEMENT OF OBJECTIVES AND GUIDELINES FOR THE INVESTMENT OF STATE OF DELAWARE FUNDS

Originally adopted January 18, 1982

Revised May 14, 2018

1.0 Statutory Authorization

1.1 Role of the Cash Management Policy Board. The Cash Management Policy Board ("Board") was created by 63 *Del. Laws*, ch. 142, to establish policies (a) for the investment of all money belonging to the State or on deposit from its political subdivisions, other than money deposited in any State Pension Fund or the State Deferred Compensation Program ("State Funds"), and (b) to determine the terms, conditions and other matters relating to those investments, including the designation of permissible investments.

1.2 Role of the Office of the State Treasurer. The investment of State Funds is to be made by the Office of the State Treasurer ("OST") in accordance with the objectives and guidelines outlined herein ("Guidelines"); provided, however, that the Board, by majority vote, may authorize OST to depart from the Guidelines.

2.0 Accounts

2.1 Designation of Accounts. For purposes of these Guidelines, State Funds are to be allocated and held in a variety of accounts as outlined below ("Accounts"):

2.1.1 Collection and Disbursement Accounts. Cash required to meet the State's anticipated near-term operating requirements is to be held in "Collection and Disbursement Accounts." These accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 5.0 below by qualified financial institutions ("Cash Management Banks") selected by the Board through a competitive bid process.

2.1.2 Liquidity Accounts. Cash not required for the State's near-term operating requirements but readily available for anticipated funding needs of the State will be held in "Liquidity Accounts." State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 6.0 below by qualified investment managers ("Liquidity Managers") selected by the Board through a competitive bid process.

2.1.3 Reserve Accounts. Cash that is not anticipated to be needed for the State's near-term operating requirements or funding needs, but can be made available for unanticipated needs is to be held in "Reserve Accounts". State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 7.0 below by qualified investment managers ("Reserve Managers") selected by the Board through a competitive bid process.

2.1.4 Endowment Accounts. "Endowment Accounts" consist of State Funds set-aside for specified legislative purposes with the intent of growing the corpus of such funds over time. State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 8.0 below by qualified investment managers selected by the Board through a competitive bid process ("Endowment Managers").

2.1.5 Operating Accounts. "Operating Accounts" consist of State Funds set aside for specified purposes to be made available as and when required to meet such purposes. State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 9.0 below by Liquidity Managers or such other financial institutions as determined by the Board.

2.2 List of Accounts. OST shall maintain on its website a current listing of all Accounts and the Cash Management Banks, Liquidity Managers, Reserve Managers, and Endowment Managers approved by the Board to manage State Funds in such Accounts.

3.0 Allocation of State Funds

3.1 General Allocation. The Board is responsible for setting the policy as to the allocation of State Funds among the Accounts (29 Del. C. §2716(a)(2)).

3.2 Allocation among Accounts

3.2.1 Cash Accounts. Unless otherwise determined by the Board, OST shall use its discretion to allocate State Funds among the Collection and Disbursement Accounts, Liquidity Accounts, and Reserve Accounts (collectively, "Cash Accounts") in accordance with the general purposes of such Accounts as described in Section 2.0 of these Guidelines and the investment objectives more particularly described in Sections 5.0 – 7.0 below. In general, OST attempts to minimize the number of transfers of State Funds in and out of both Liquidity Accounts and Reserve Accounts. In the former case, OST maintains balances of funds with the Cash Management Banks sufficient to meet the State's daily requirements over the near-term, allowing Liquidity Account balances to fluctuate based on the reasonably predictable cyclical pattern of the State's annual collections and disbursements. In the latter instance, OST allocates State Funds to and from Reserve Accounts only as unforeseen need for, or receipt of, funds occurs that deviates meaningfully from the State's historical pattern of collections and disbursements. Notwithstanding the foregoing, the Board may express a fixed allocation of State Funds to be held in each of the Cash Accounts to reflect then-prevailing market conditions or other considerations related to the probable income from and/or level of risk related to the investment of State Funds. (29 Del. C. §2716(a)). In such cases, OST may be required to make more frequent allocations among the Cash Accounts.

3.2.2 Endowment Accounts and Operating Accounts. Unless otherwise determined by the Board, OST shall allocate State Funds to the Endowment Accounts and Operating Accounts in accordance with the general purposes of such Accounts described in Section 2.0 of these Guidelines and the investment objectives more particularly described in Sections 8.0 and 9.0 below.

3.3 Allocation among Banks and Managers

3.3.1 Cash Management Banks. Unless otherwise determined by the Board, OST shall further allocate State Funds in the Collection and Disbursement Accounts among the Cash Management Banks in such proportions as OST determines in its discretion are necessary or desirable to meet the State's anticipated near-term anticipated operating liquidity requirements.

3.3.2 Liquidity Managers. Unless otherwise determined by the Board and subject to the provisions of subsection 3.3.5 below, OST shall further allocate State Funds in the Liquidity Accounts pro rata among the Liquidity Managers based on the aggregate amount of State Funds in such Accounts.

3.3.3 Reserve Managers. Unless otherwise determined by the Board, OST shall further allocate State Funds in the Reserve Accounts pro rata among the Reserve Managers based on the aggregate amount of State Funds in such Accounts.

3.3.4 Endowment Managers. Unless otherwise determined by the Board, OST shall further allocate State Funds in the Endowment Accounts pro rata among the Endowment Managers based on the aggregate amount of State Funds in such Accounts.

3.3.5 Special Allocation of State Funds in Operating Accounts. Unless otherwise determined by the Board, OST shall further allocate State Funds in Operating Accounts pro rata among the Liquidity Managers or such other financial institutions as directed by the Board pursuant to subsection 2.1.5.

4.0 General Investment Standards and Objectives

4.1 Standard of Care. In general, the banks and managers engaged as fiduciaries to manage State Funds shall exercise the judgment and care over the investment of such funds with the care, skill, prudence, and diligence under the circumstances then prevailing that prudent professional investment managers, acting in like capacity and familiar with such matters, would use in the investment of State Funds.

4.2 General Objectives. Subject to the more specific policies set out in Sections 5.0, 6.0, 7.0, 8.0, and 9.0 of these Guidelines, State Funds shall be invested in a manner that ensures the safety of, provides liquidity for, and maximizes return on such funds. For purposes of these Guidelines, the foregoing priorities have the following meanings:

4.2.1 Safety. Safety is defined as the ability, under ordinary market conditions, to ensure against the loss of the original investment amount of State Funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.

4.2.2 Liquidity. Liquidity is defined as the capacity to realize, convert to cash, an asset in a timely fashion, at or near its value. An asset is said to be liquid when the act of selling has little impact on the asset's price. State Funds shall remain sufficiently liquid to meet all anticipated operating requirements and funding needs, and should be managed and invested for availability to meet unanticipated needs with minimal losses associated with illiquidity.

4.2.3 Return. Return is defined as the gain or loss on an investment over a specified period. Gains on investments are considered to be any income received from the security plus the earnings an asset generates in excess of its initial cost. The State Funds portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity set out herein.

5.0 Collection and Disbursement Accounts

5.1 Investment Objectives. The funds in the Collection and Disbursement Accounts must be immediately available to support the State's daily governmental programs and activities. The primary investment objectives are therefore safety and liquidity of such funds; return is a secondary priority. OST may, consistent with these investment objectives, minimize credit risk associated with demand deposit account balances at Cash Management Banks through same-day money market mutual fund sweep products in accordance with subsection 5.2.2 and/or banking services arrangements offering "daylight overdraft" or similar privileges. End-of-day ledger balances shall be secured as provided in Section 5.2.

5.2 Permissible Investments. Cash Management Banks shall maintain State Funds in either collateralized demand deposit accounts or open-end money market mutual funds, in each case, subject to the provisions of subsections 5.2.1 and 5.2.2, respectively, in order to mitigate the risk of State Funds being exposed to the credit risk of such financial institution.

5.2.1 Demand Deposit Accounts. State Funds held by Cash Management Banks in demand deposit accounts shall be collateralized with one or more of following approved methods: (a) pledges of government securities that meet the definitions set out in subsections 6.3.1.1 and 6.3.2.1 to a custody account held for the benefit of the State at a Federal Reserve Bank, or held by an independent trust company, bank or similar financial institution rated in the highest rating category by at least one Nationally Recognized Statistical Rating Organizations approved by OST ("NRSRO"); (b) irrevocable standby letters of credit ("LOCs") issued by a Federal Home Loan Bank or financial institution rated in the highest rating category by at least one NRSRO; and (c) surety bonds issued by insurance companies rated in the highest rating category by at least one NRSRO (collectively, "Eligible Collateral"). The terms of any pledge or custody agreement, LOC, or surety bond shall be reviewed and approved by OST. The aggregate value of Eligible Collateral shall equal or exceed the total average monthly closing ledger balances of State Funds held or expected to be held by Cash Management Banks during the prior month, plus such additional amount of Eligible Collateral as OST may require Cash Management Banks to provide to protect against volatility and ensure that all uninsured ledger balances are fully secured at the close of each business day. Eligible Collateral in the form of government securities shall be marked to market at the close of each business day using an independent pricing service. A Cash Management Bank may substitute or reduce Eligible Collateral provided that Eligible Collateral levels meet or exceed the foregoing requirements. OST shall be provided with same-day notice of any such substitutions or reductions of Eligible Collateral. In addition, a Cash Management Bank shall provide OST with a detailed report of Eligible Collateral held in a custody account as requested by OST.

5.2.2 Money Market Mutual Funds. State Funds held by Cash Management Banks in money market mutual funds shall be invested solely in government securities that meet the definitions set out in subsections 6.3.1 and 6.3.2 and which are rated in the highest rating category by at least one NRSRO.

5.3 Call Reports. Each Cash Management Bank shall provide OST with a consolidated report of condition and income, generally referred to as a "call report," with respect to such financial institution on a quarterly basis unless such report is available publicly from the Federal Financial Institutions Examination Council's web site or a successor agency's website.

6.0 Liquidity Accounts

6.1 Investment Objectives. The primary investment objectives of the Liquidity Accounts are to maintain the safety of State Funds while ensuring the liquidity of such funds to be drawn down to the Cash Management Banks for the support of the anticipated funding needs of the State. As variations in the State's otherwise predictable pattern of annual collections and disbursements do occur and can be material, Liquidity Managers must be prepared to meet unanticipated liquidity demands of the State in addition to those anticipated by OST. After the achievement of those goals, the State seeks to maximize the return on such investments.

6.2 Maturity Restrictions. The maximum maturity for any investment of State Funds in the Liquidity Accounts shall be two years from the date of settlement. Notwithstanding the foregoing, securities identified in subsections 6.3.4, 6.3.9, and 6.3.10 that are subject to periodic reset of coupon or interest rate may have an average life not to exceed three years as measured from the date of settlement.

6.3 Permissible Investments and Percentage of Account Limitations. State Funds held in Liquidity Accounts can be invested solely in the types of securities set out in this subsection 6.3. Each Liquidity Manager is further subject to limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Limit" of such security type identified in this subsection 6.3, measured as a percentage of the total Liquidity Account value of State Funds under such manager's discretion.

6.3.1 United States Treasury Obligations

6.3.1.1 Definition: Bills, bonds, and notes issued by the U.S. Treasury.

6.3.1.2 Percentage Limit: No limit.

6.3.2 United States Government Agency Obligations

6.3.2.1 Definition: Any obligation of, or obligation that is insured as to principal and interest by, the U.S. or any agency or corporation thereof (excluding bills, bonds and notes issued by the U.S. Treasury), and any obligation and security of U.S.-sponsored enterprises, including, the Export-Import Bank of the United States, Farmers Home Administration, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Land Banks, and the Government National Mortgage Association.

6.3.2.2 Percentage Limit: 50% in total; 20% in any one issuer.

6.3.3 Certificates of Deposit and Time Deposits

6.3.3.1 Definition: Certificates of deposit and time deposits denominated in U.S. dollars and issued or endorsed by either (i) a bank or a savings and loan association organized and supervised under federal or any state laws and regulated by the Federal Reserve or a trust company which is a member of the Federal Reserve system or (ii) a bank organized and supervised under the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Any such banking institution must have assets of not less than \$100 billion and be rated not lower than A1/P-1/F1 Short Term by at least two NRSROs.

6.3.3.2 Percentage Limit: 50% in total (domestic & non-domestic combined); 25% in all non-domestic banking institutions; 5% in any one issuer.

6.3.4 Corporate Debt Instruments

6.3.4.1 Definition: Commercial paper, variable rate notes, and non-convertible bonds and debentures denominated in U.S. dollars and issued by a U.S. corporation or a non-domestic corporation subject to the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Such securities must be rated by at least two NRSROs and (i) in the case of commercial paper, must be rated not lower than "A-2" by S&P, "P-2" by Moody's and "F2" by Fitch and the senior long-term debt of the issuer must be rated not lower "A-" by S&P, "A3" by Moody's and "A-" by Fitch (excluding asset-backed commercial paper that is rated A1 or better) and (ii) in the case of notes, bonds and debentures, must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch; provided that, any security that meets the foregoing rating standards and is backed fully by an irrevocable, unconditional letter of credit issued by a banking institution shall not be permissible hereunder unless such banking institution meets the definition of subsection 6.3.3.1 (in which case, any such securities will be deemed to be securities of both the corporate issuer and the banking institution for purposes of calculating the Percentage Limits set forth in subsections 6.3.4.2 and 6.3.3.2, respectively).

6.3.4.2 Percentage Limit: 50% in total; 25% in all non-domestic corporations; 25% in any one industry; 5% in any one issuer.

6.3.5 Repurchase Agreements

6.3.5.1 Definition: Securities permissible pursuant to subsections 6.3.1 and 6.3.2 acquired from a primary dealer designated by the NY Federal Reserve Bank, or a domestic bank which meets the definition set out in subsection 6.3.3.1, subject to a written repurchase agreement from such dealer or bank; provided that, (i) in the case of securities held in book-entry form in the Federal Reserve System, all deliveries of such securities must be made through the Federal Reserve book-entry system to an account designated by the State's custodian for such purpose and (ii); in the case of securities held in certificated form, all deliveries of such securities must be made to such address as designated by the State's custodian.

6.3.5.2 Percentage Limit: 50% in total; provided that any securities purchased subject to repurchase agreements shall be subject to the respective Percentage Limit for such security type as set forth in this subsection 6.3 and valued for such purposes at the lesser of fair market value and 102 percent of the maturity value of the securities pursuant to the repurchase agreement and marked-to-the-market daily as requested by the investment manager.

6.3.6 Money Market Funds

6.3.6.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 6.3.1 and 6.3.2) and which are rated in the highest rating category by at least one NRSRO.

6.3.6.2 Percentage Limit: No limit.

6.3.7 Canadian Treasury Bills

6.3.7.1 Definition: Marketable securities issued by the government of Canada; provided that such securities are U.S. dollar denominated.

6.3.7.2 Percentage Limit: 25% in total.

6.3.8 Canadian Agency Securities

6.3.8.1 Definition: Any obligation of any Canadian government-sponsored agency that is insured as to principal and interest by the Canadian Government; provided that the obligation is U.S. dollar denominated commercial paper having a maximum maturity of 270 days from the date of settlement.

6.3.8.2 Percentage Limit: 25% in total; 10% in any one agency.

6.3.9 Mortgage-Backed Securities

6.3.9.1 Definition: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Association (FHLMC) mortgage-backed securities issued in the form of pass-throughs; provided that, such securities have (i) been issued and guaranteed by the US Government or Government Agency and (ii) an average life not to exceed two years from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement).

6.3.9.2 Percentage Limit: 10% in total, including securities defined in subsection 6.3.10.1.

6.3.10 Asset-Backed Securities

6.3.10.1 Definition: Securities collateralized by pools of auto loan receivables, credit card receivables, and equipment loans; provided that such securities have (i) the highest credit rating from at least two NRSROs and (ii) an average life not to exceed two years from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement).

6.3.10.2 Percentage Limit: 10% in total, including securities defined in subsection 6.3.9.1.

7.0 Reserve Accounts

7.1 Investment Objectives. The Reserve Accounts have been established to provide funding over an intermediate horizon but must be available to meet unanticipated operating requirements of the State as they arise. The primary investment objectives are to maintain the safety of and maximize the return on such funds. Liquidity of such funds is a secondary consideration, but Reserve Managers are expected to invest State Funds in a manner to mitigate losses in connection with the need to liquidate investments for unforeseen operating requirements.

7.2 Maturity Restrictions. The maximum maturity for any investment of State Funds in the Reserve Accounts shall be ten years from the date of settlement.

7.3 Permissible Investments and Percentage of Account Limitations. State Funds held in Reserve Accounts can be invested solely in the types of securities set out in this subsection 7.3. Each Reserve Manager is further subject to limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Limit" of such security type identified in this subsection 7.3, measured as a percentage of the total Reserve Account value of State Funds under such manager's discretion.

7.3.1 United States Treasury Obligations

7.3.1.1 Definition: Bills, bonds, and notes issued by the U.S. Treasury.

7.3.1.2 Percentage Limit: No Limit.

7.3.2 United States Government Agency Obligations

7.3.2.1 Definition: Any obligation of, or obligation that is insured as to principal and interest by, the U.S. or any agency or corporation thereof (excluding bills, bonds and notes issued by the U.S. Treasury), and any obligation and security of U.S.-sponsored enterprises, including, the Export-Import Bank of the United States, Farmers Home Administration, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Land Banks, and the Government National Mortgage Association.

7.3.2.2 Percentage Limit: 50% total; 20% in any one issuer.

7.3.3 Certificates of Deposit and Time Deposits

7.3.3.1 Definition: Certificates of deposit and time deposits denominated in U.S. dollars and issued or endorsed by either (i) a bank or a savings and loan association organized and supervised under federal or any state laws and regulated by the Federal Reserve or a trust company which is a member of the Federal Reserve system or (ii) a bank organized and supervised under the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Any such banking institution must have assets of not less than \$100 billion and be rated not lower than A1/P-1/F1 Short Term by at least two NRSROs.

7.3.3.2 Percentage Limit: 50% in total (domestic & non-domestic combined); 25% in all non-domestic banking institutions; 5% in any one issuer.

7.3.4 Corporate Debt Instruments

7.3.4.1 Definition: Commercial paper, variable rate notes, and non-convertible bonds and debentures denominated in U.S. dollars and issued by a U.S. corporation or a non-domestic corporation subject to the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway; provided that such securities must be rated by at least two NRSROs and (i) in the case of commercial paper, must be rated not lower than "A-2" by S&P, "P-2" by Moody's and "F2" by Fitch and the senior long-term debt of the issuer must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch (excluding asset-backed commercial paper that is rated A1 or better) and (ii) in the case of notes, bonds and debentures, must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch; provided that, any security that meets the foregoing rating standards and is backed fully by an irrevocable, unconditional letter of credit issued by a banking institution shall not be permissible hereunder unless such banking institution meets the definition of subsection 7.3.3.1 (in which case, any such securities will be deemed to be securities of both the corporate issuer and the banking institution for purposes of calculating the Percentage Limits set forth in subsections 7.3.4.2 and 7.3.3.2, respectively).

7.3.4.2 Percentage Limit: 50% in total; 25% in all non-domestic corporations; 25% in any one industry; 5% in any one issuer.

7.3.5 Repurchase Agreements

7.3.5.1 Definition: Securities permissible pursuant to subsections 7.3.1 and 7.3.2 acquired from a primary dealer designated by the NY Federal Reserve Bank, or a domestic bank which meets the definition set out in subsection 7.3.3.1, subject to a written repurchase agreement from such dealer or bank; provided that, (i) in the case of securities held in book-entry form in the Federal Reserve System, all deliveries of such securities must be made through the Federal Reserve book-entry system to an account designated by the State's custodian or such purpose and (ii); in the case of securities held in certificated form, all deliveries of such securities must be made must be made to such address as designated by the State's custodian.

7.3.5.2 Percentage Limit: 50% in total; provided that any securities purchased subject to repurchase agreements shall be subject to the respective Percentage Limit for such security type as set forth in this subsection 7.3 and valued for such purposes at the lesser of fair market value and 102 percent of the maturity value of the securities pursuant to the repurchase agreement and marked-to-the-market daily as requested by the investment manager.

7.3.6 Money Market Funds

7.3.6.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 7.3.1 and 7.3.2) and which are rated in the highest rating category by at least one NRSRO.

7.3.6.2 Percentage Limit: 100% in total.

7.3.7 Canadian Treasury Bills

7.3.7.1 Definition: Marketable securities issued by the government of Canada, provided that such securities are U.S. dollar denominated.

7.3.7.2 Percentage Limit: 25% in total.

7.3.8 Canadian Agency Securities

7.3.8.1 Definition: Any obligation of any Canadian government-sponsored agency that is insured as to principal and interest by the Canadian Government; provided that the obligation is U.S. dollar denominated commercial paper having a maximum maturity of 270 days from the date of settlement.

7.3.8.2 Percentage Limit: 25% in total; 10% in any one agency.

7.3.9 Mortgage-Backed Securities

7.3.9.1 Definition: Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Association (FHLMC) mortgage-backed securities issued in the form of pass-throughs; provided that they have (i) been issued and guaranteed by the US Government or Government Agency and (ii) an average life not to exceed ten years (from the date of settlement of purchase).

7.3.9.2 Percentage Limit: 10% in total, including securities defined in subsection 7.3.10.1.

7.3.10 Asset Backed Securities

7.3.10.1 Definition: Securities collateralized by pools of auto loan receivables, credit card receivables, and equipment loans; provided that (i) such securities have the highest credit rating from the highest credit rating from at least two NRSROs and (ii) an average life not to exceed two years from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed three years from the date of settlement).

7.3.10.2 Percentage Limit: 10% in total, including securities defined in subsection 7.3.9.1.

7.3.11 Municipal Obligations

7.3.11.1 Definition: Taxable and tax-exempt securities issued by state and local governments and public authorities in the U.S., excluding securities issued by the State of Delaware, its local governments and public authorities; provided that such securities must be rated by at least two NRSROs and must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch.

7.3.11.2 Percentage Limit: 20% in total; 5% in any one issuer.

8.0 Endowment Accounts

8.1 Investment Objectives. Endowment Accounts are funded with State Funds to be preserved and grown over time with a portion of the investment income and/or appreciation thereon withdrawn periodically to provide for specified legislative purposes. The primary objective of such Accounts is to create a perpetual fund whereby returns are maximized over the long term while ensuring safety of the corpus and the availability of amounts prescribed to meet the periodic liquidity requirements of the permitted withdrawals.

8.2 Permissible Investments and Percentage of Account Limitations. State Funds held in Endowment Accounts can be invested solely in the types of securities set out in this subsection 8.2. Each Endowment Manager is further subject to (i) limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Maximum" of such security type identified in this subsection 8.2, measured as a percentage of the total account value of State Funds under such manager's discretion, and (ii) maintain a minimum of the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the

“Percentage Minimum” of such security type identified in this subsection 8.2, measured in each case as a percentage of the total account value of State Funds under such manager’s discretion.

8.2.1 Money Market Funds

8.2.1.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 6.3.1 and 6.3.2) and which are rated in the highest rating category by at least one NRSRO.

8.2.1.2 Percentage Maximum: 30% in total.

8.2.1.3 Percentage Minimum Limit: 5% in total.

8.2.2 Domestic and International Equities

8.2.2.1 Definition: Common and preferred stocks of companies domiciled both within the U.S. and outside the U.S. that trade on U.S. or foreign exchanges and over the counter. Ownership in a publicly traded company, whether common or preferred, that trades on globally recognized exchanges, and issued by corporations, both foreign and domestic.

8.2.2.2 Percentage Maximum: 75% in total; no more than 35% of which are in international equities.

8.2.2.3 Percentage Minimum: 45% in total; no more than 35% of which are in international equities.

8.2.3 Domestic and International Fixed Income

8.2.3.1 Definition: Debt securities of U.S. and non-U.S. governments, public agencies, corporations and other non-government entities.

8.2.3.2 Percentage Maximum: 55% in total, including securities permitted under subsection 8.2.4.

8.2.3.3 Percentage Minimum: 25% in total, including securities permitted under subsection 8.2.4.

8.2.4 Alternative Investments

8.2.4.1 Definition: Securities not otherwise permissible pursuant to subsections 8.2.1 – 8.2.3 that a prudent manager would deem appropriate for portfolios of like character with comparable investment objectives, excluding hedge funds or other blind pool funds that incorporate leverage as part of their investment strategies.

8.2.4.2 Percentage Maximum: 25% in total.

8.2.4.3 Percentage Minimum: none.

9.0 Operating Accounts

9.1 Investment Objectives. State agencies and other public authorities maintain various operating accounts with the intent of segregating such funds for accounting and reporting purposes. In addition, operating accounts may be created by the State to meet particular purposes and/or to comply with state statutes, bond trust agreements and/or Federal guidelines. The investment objectives with respect to such funds are to ensure safety and maximize return while providing for the liquidity requirements specifically identifiable to the use of such funds.

9.2 Maturity Restrictions. Unless otherwise determined by the Board, the maximum maturity for any investment of State Funds in the Operating Accounts shall be two years from the date of settlement. In some circumstances, State Funds in an Operating Account may be set aside to fund a known, specific future liability; in such cases, the Board grants OST the discretion to set the maturity restrictions with respect to securities purchased with such funds to correspond to the due date of the corresponding liability.

9.3 Permissible Investments and Percentage of Account Limitations. Unless otherwise determined by the Board, Operating Accounts shall be governed by the Permissible Investment and Percentage of Account Limitations for the Liquidity Accounts set out in subsections 6.2 and 6.3.

10.0 Restrictions & Violations

10.1 Investment Restrictions. Notwithstanding any other provision, none of the banks or managers engaged to manage or invest State Funds may:

10.1.1 Purchase any securities other than those expressly permitted under Sections 5.0 – 9.0 of these Guidelines;

10.1.2 Make investments for the purpose of exercising control or management of an issuer;

10.1.3 Purchase any securities on margin, except for use of short-term credit necessary for clearance of purchases and sales of portfolio securities;

- 10.1.4 Make short sales of securities or maintain a short position or write, purchase or sell puts, calls, straddles, spreads or combinations thereof;
- 10.1.5 Make loans to other persons, other than in connection with repurchase agreements as provided herein;
- 10.1.6 Mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness any securities owned or held;
- 10.1.7 Invest in securities with legal or contractual restrictions on resale or for which no readily available market exists (except for repurchase agreements or variable rate master demand notes as provided herein and 144a private placements considered not to be illiquid, but, instead, readily marketable by issuing dealers);
- 10.1.8 Act as an underwriter of securities on behalf of the State of Delaware; or
- 10.1.9 Buy or sell any authorized investment when it is a party or any related or affiliated party in the transaction on both sides.

10.2 Purchases in Violation of Guidelines. In the event that a bank or manager purchases any security that at the time of purchase violates Sections 5.0 – 9.0, the bank or manager shall remove the security from the State's portfolio as soon as possible and will bear all costs associated with the purchase and sale of such security. The bank or manager shall further ensure that the State recognizes no investment gain or loss on the purchase and sale of such security and/or shall effect such transactions as shall be necessary to eliminate any such gain or loss on the books and records of the State's Account with such bank or manager. A bank or manager shall report immediately any such violation and the action(s) taken to correct such violation to OST.

10.3 Holding Impermissible Securities Following a Downgrade. In the event that a bank or manager holds any security that complied with Sections 5.0 – 9.0 at the time of purchase, but which ceases to qualify as a permissible investment as the result of a downgrade, the bank or investment manager shall remove the security from the State's portfolio immediately without any consideration as to the investment gains or losses occasioned thereby. In such case, the State shall bear all costs associated with the purchase and sale of such security and shall recognize any investment gain or loss on such transactions on the books and records of the State's Account with such bank or manager. A bank or manager shall report immediately any such violation and the action(s) taken to correct such violation to OST.

10.4 Holding Impermissible Securities Following a Drawdown. In the event that a manager's account exceeds the percentage of account limitations set forth in Sections 6.0 - 9.0 hereof as the result of a portfolio withdrawal, the manager shall provide to OST within two (2) business days, a detailed plan for remediation of the allocation to within the permissible percentage of account limitation. Such plan shall include: any expected pay-downs on structured securities, expected maturities and expected cash flow items. The manager and OST shall work together to determine a prudent path for remediation, with care taken to manage the overall portfolio risk and implications of any book gains or losses within the portfolio.

10.5 Mutual or Commingled Fund Exceptions to Guidelines. The Board recognizes that (i) mutual funds and other types of commingled investment vehicles can provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed fund pursuing the same investment objectives and (ii) such funds cannot customize their investment policies to conform to the guidelines set out herein. In such cases, the policies of such funds shall supersede these guidelines and are exempt from the policies and restrictions specified herein.

Originally adopted January 18, 1982

Revised December 12, 2014

Revised August 12, 2015

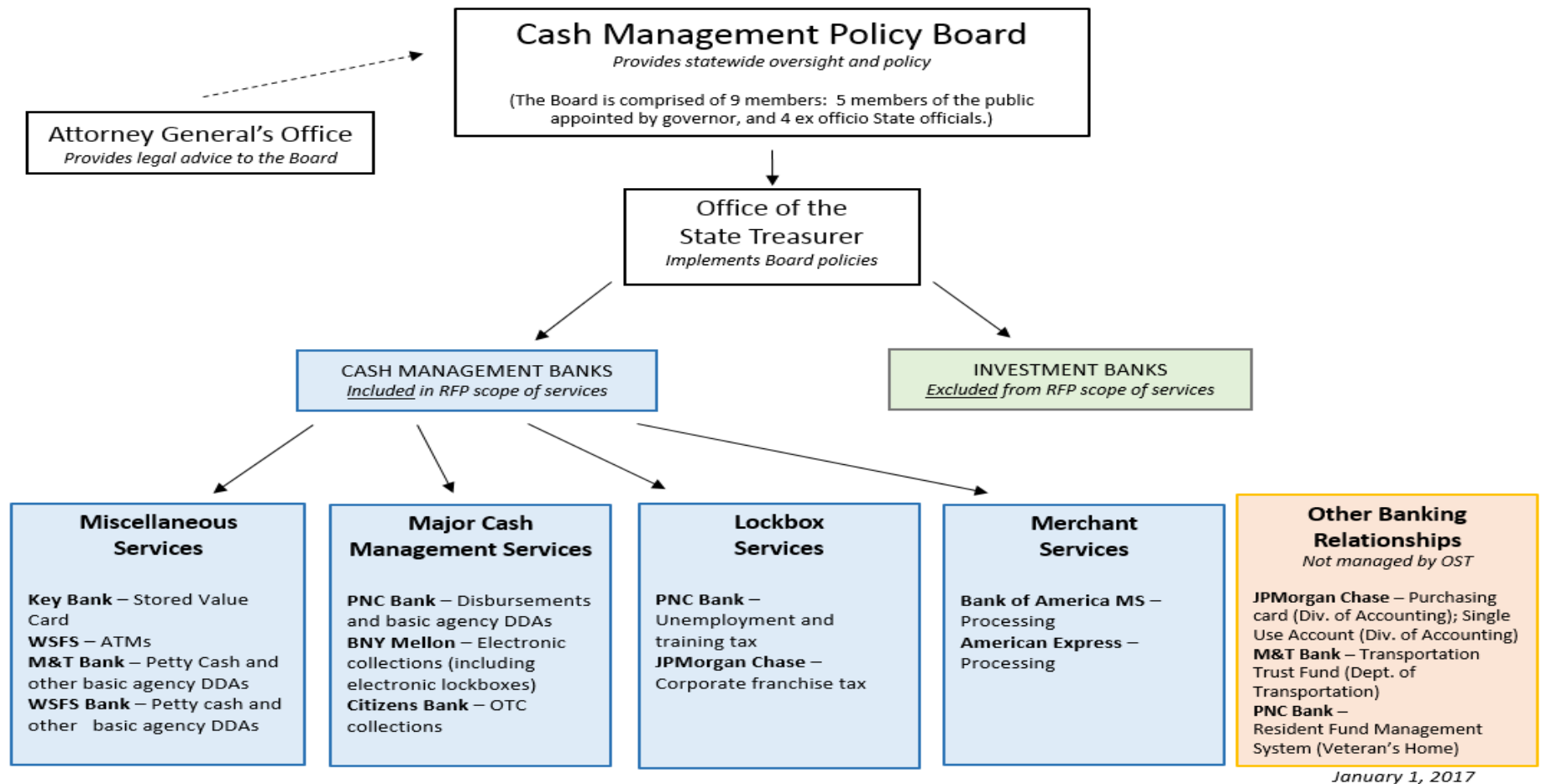
Revised August 10, 2016

Appendix C: Delaware Cash Management Architecture

CONTRACT NUMBER: TRE18101-BANKINGSVC

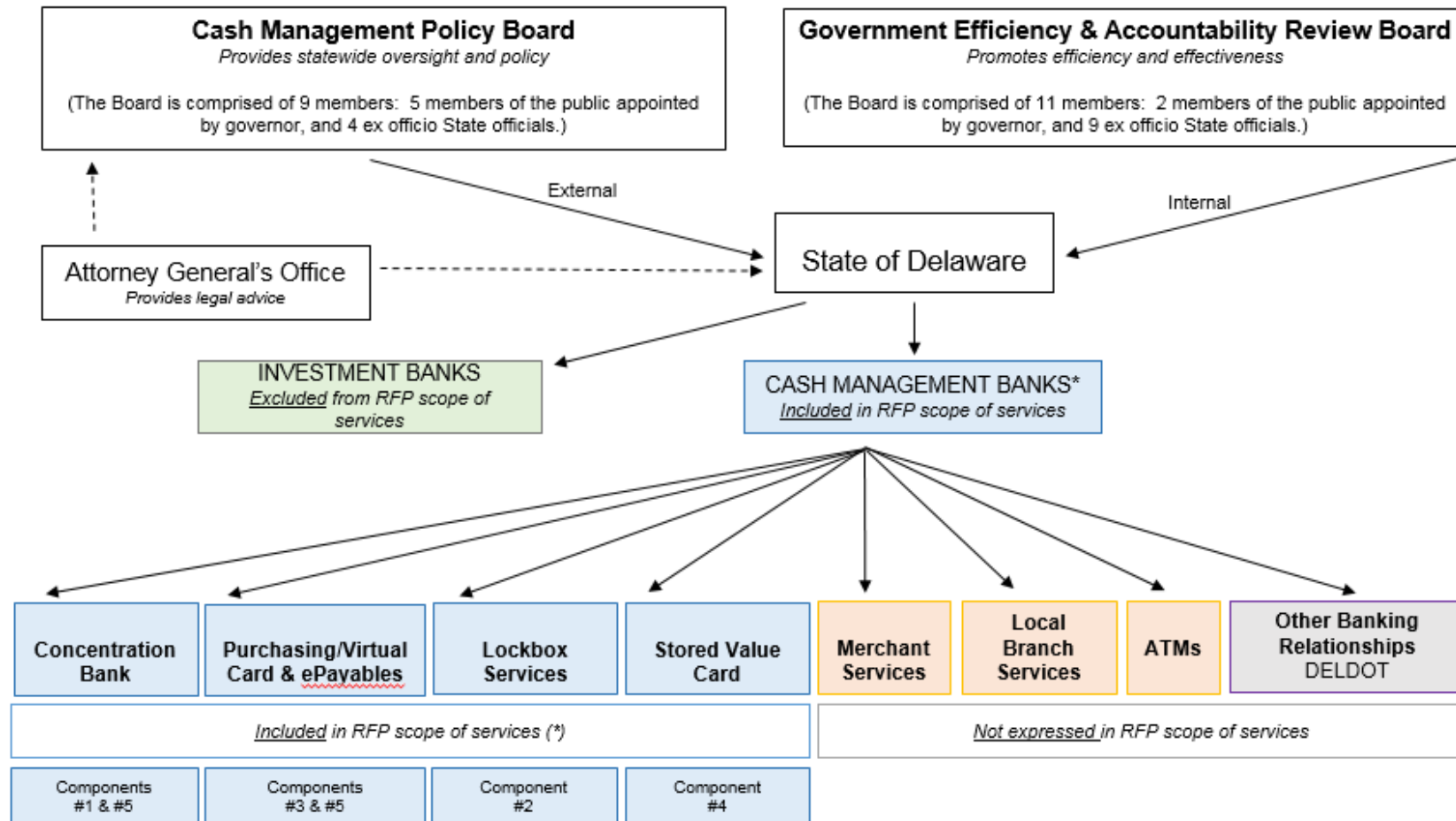
I. Appendix C-1: Delaware's Current Cash Management Architecture

STATE OF DELAWARE BANKING STRUCTURE



II. Appendix C-2: Delaware's Proposed Cash Management Architecture

PROPOSED STATE OF DELAWARE BANKING STRUCTURE



*It is possible that the State can opt for one or more vendors to provide these services

Appendix D: Standard Terms and Conditions

CONTRACT NUMBER: TRE18101-BANKINGSVC

STANDARD TERMS AND CONDITIONS FOR BANKING SERVICES

The following standard terms and conditions ("STCs") shall apply to and govern any contract entered into by and between the State of Delaware (the "State" or "Delaware"), on behalf of the Delaware Cash Management Policy Board (including any successor entity, the "Board"), and a vendor ("Vendor") selected to provide banking services. The STCs, as may be modified by the State in its discretion, shall be deemed automatically incorporated into the terms of any banking services agreement with a Vendor (the "Agreement") and shall control and take precedence over any contrary or inconsistent terms or conditions in the Agreement. The Agreement shall include the STCs and all exhibits, and the primary written contract between the State and the Vendor, including all exhibits, attachments, schedules or other documents attached to or referenced in the contract.

1. Services and Term.

- 1.1. Vendor shall perform the services set forth on **Exhibit 1** and such additional services or work as the State may request from time to time and for which the parties shall mutually agree (collectively, "Services").
- 1.2. The Agreement shall have an initial term of three years from the effective date specified in the Agreement, which initial term can be extended at the State's sole option for up to two additional two-year terms upon written notice to Vendor issued no later than 60 days prior to the expiration of the initial term or an optional term, as the case may be.
- 1.3. Ownership of all demand deposit or other bank or investment accounts containing State assets ("Account") shall remain with the State. Vendor shall not, under any circumstances, take title to or assert an ownership interest in any Account.
- 1.4. Upon execution of the Agreement, the State shall provide Vendor with a list of authorized personnel ("Authorized Persons") who will be permitted to advise, inform and direct Vendor on the State's behalf and signature specimens of Authorized Persons who are authorized to execute specific tasks. The State shall notify Vendor of any changes to such list in writing. Until notified of a change, Vendor may rely and act upon instructions and notices received from an Authorized Person identified on the then-current list furnished by the State. Vendor may request a current list at any time. All instructions or notices to Vendor from any Authorized Person shall be in writing and transmitted via electronic mail containing a PDF or other electronic copy of an instruction form or notice signed by an Authorized Person. All such authorized instructions or notices shall bind Vendor upon receipt. If Vendor receives instructions or notices from a source other than an Authorized Person, Vendor shall not comply with them and shall immediately notify the State of such unauthorized instructions or notices.
- 1.5. Vendor shall meet with the State at such times and places as the State may reasonably request. Vendor shall regularly consult with the State and its staff to provide full information regarding the Services. This interface shall include regular telephone communication, exchange of written data and analysis and other interaction as requested by the State.

2. Payment for Services and Expenses.

- 2.1. The State will pay Vendor for the performance of Services in accordance with the schedule of fees set out on **Exhibit 2**. All Vendor payments shall be made via ACH transfer. Vendor is responsible for ensuring that the State has correct, up-to-date ACH information and otherwise complying with the State Division of Accounting's vendor requirements annexed to **Exhibit 2**.
- 2.2. State's obligation to pay Vendor for the performance of Services will not exceed the fee amounts set out on **Exhibit 2**, nor will the State pay Vendor for the performance of any Service

not listed on **Exhibit 2** absent the State's consent. It is expressly understood that the Services must be completed by Vendor and it shall be Vendor's responsibility to ensure sufficient competency and efficiency so that all Services are completed for the agreed-upon fees.

- 2.3. Vendor shall electronically submit monthly invoices to the State in sufficient detail to identify the Services provided and fees incurred during the previous month. If applicable, invoices will also clearly show any earnings credit generated on Account balances. Vendor shall make available all such invoices on an online platform. In the event the State disputes all or any portion of an invoice, the State agrees to provide Vendor with a detailed statement of the State's position on the invoice, or the disputed portion of the invoice, within thirty (30) days from the date the invoice is made available on the online platform. The State shall pay Vendor's invoices on a quarterly basis. All undisputed charges shall be paid within thirty (30) days after the close of each quarter.
- 2.4. Unless provided otherwise in the Agreement, all costs and expenses incurred in the performance of the Services are to be paid by Vendor.
- 2.5. The State shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of the Agreement.
- 2.6. The State shall have the right to setoff or subtract from any payment to be made to Vendor all damages, costs and expenses caused by Vendor's breach of the Agreement or Vendor's negligence.

3. Time Schedule.

- 3.1. The implementation plan is set out on **Exhibit 3**. The parties recognize that the plan, as of the date of execution of the Agreement, reflects good faith estimates of timeframes and is subject to change in accordance with this Section 3.1. The parties shall have a period of thirty (30) days from the execution of the Agreement by all parties to discuss and refine the plan. If, during such 30-day period, either party in good faith determines that material changes to the plan are necessary, the State and Vendor shall have the right to immediately terminate the Agreement without liability. If the Agreement is so terminated, the State may engage another vendor and issue a new award in respect of the Services.
- 3.2. Any delay of Services or change in the sequence of Services, as applicable, must be approved in writing by the State.
- 3.3. In the event that Vendor fails to complete the Services or any portion thereof within the time specified in **Exhibit 3**, or with such additional time as may be granted in writing by the State, or fails to perform the Services, or any separable part thereof, with such diligence as will insure its completion within the time specified in **Exhibit 3** or any extensions thereof, the State may in its discretion, among other remedies, suspend all payment obligations under the Agreement.

4. Responsibilities of Vendor.

- 4.1. Vendor shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all Services furnished by Vendor and its principals, officers, employees and agents under the Agreement. In performing Services, Vendor shall follow practices consistent with generally accepted professional and technical standards and comply with all applicable federal, state and local laws, ordinances, codes and regulations, including, without limitation, all guidelines and performance standards established by the Board.
- 4.2. Vendor shall be responsible for ensuring that all Services, additional work, products and deliverables furnished pursuant to the Agreement comply with the standards promulgated by the Delaware Department of Technology and Information ("DTI") published at

<http://dti.delaware.gov/>, and as modified from time to time by DTI during the term of the Agreement. If any Service, additional work product or deliverable furnished pursuant to the Agreement does not conform to DTI standards, Vendor shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to DTI standards. Vendor shall be and remain liable in accordance with the terms of the Agreement and applicable law for all damages to and expenses incurred by the State resulting from or attributable to Vendor's failure to comply with DTI standards.

- 4.3. Vendor acknowledges that DTI is responsible for safeguarding the confidentiality and integrity of data in the State's computer files regardless of the source of those data or medium on which they are stored - e.g., electronic data, computer output microfilm (COM), tape, or disk. Software programs supporting the Services or developed to process or manage State agency data shall not be modified without the prior knowledge and written authorization of DTI.
- 4.4. Vendor is required to agree to the requirements in the Confidentiality (Non-Disclosure) and Integrity of Data Agreement ("Data Agreement") attached as **Exhibit 4**. Vendor employees, individually, may be required to sign the Data Agreement prior to beginning work.
- 4.5. Vendor must ensure that computer/network hardware and software do not compromise the security of the State's IT infrastructure. Therefore, Vendor, is guaranteeing that any Vendor system or software meets or exceeds the Top 20 Critical Security controls located at: <http://www.sans.org/critical-security-controls/>.
- 4.6. It shall be Vendor's duty to assure that all Services and products of its efforts do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State. Vendor's agreement shall not limit or modify liability for information security breaches, and Vendor shall indemnify and hold harmless the State and the Board and their respective agents and employees from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State shall subtract from any payment made to Vendor all damages, costs and expenses caused by such information security breaches that have not been previously paid to Vendor.
- 4.7. Multifunction peripherals must be hardened when used or connected to the network. They should be configured to harden the network protocols used, management services, processing services (print, copy, fax, and scan), logging, and physical security. Care shall be taken to ensure that any State non-public data is removed from memory before service calls and/or equipment disposal. Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, etc.) shall be disposed of in a manner corresponding to the classification of the stored information, up to and including physical destruction.
- 4.8. Vendor shall comply with all terms and conditions for cloud services and data usage attached hereto as **Exhibit 5 and Exhibit 6**, respectively.
- 4.9. It shall be the duty of the Vendor to assure that all Services are technically sound and in conformance with all pertinent federal, state and local statutes, codes, ordinances, resolutions and other regulations. Vendor will not provide Services or produce work product that violates or infringes on any copyright or patent rights. Vendor shall, without additional compensation, correct or revise any errors or omissions in its Services or work product.
- 4.10. Permitted or required approval by the State of any Services by Vendor shall not in any way relieve Vendor of responsibility for the professional and technical accuracy and adequacy of such work. The State's review, approval, acceptance, or payment for any of Vendor's Services shall not be construed to operate as a waiver of any rights under the Agreement or of any cause of action arising out of or relating to the performance of the Agreement, and Vendor

shall be and remain liable in accordance with the terms of the Agreement and applicable law for all damages to the State caused by Vendor's performance or failure to perform under the Agreement.

- 4.11. Vendor shall appoint a senior employee who will manage the implementation of Services for the State. Vendor shall also appoint a senior employee who will manage the performance of such Service, and act as the single point of contact to the State and the Board following implementation.
- 4.12. Designation of persons for the positions identified in Section 4.11 shall be subject to review and approval by the State. Should the staff need to be diverted off the project for what are now unforeseeable circumstances, Vendor will notify the State immediately and work out a transition plan that is acceptable to both parties, as well as agree to an acceptable replacement plan to fill or complete the work originally assigned to the diverted project staff at no cost to Delaware. Selected replacement staff are subject to review and approval by the State. If Vendor fails to make a required replacement within 30 days, the State may terminate the Agreement for cause. Upon receipt of written notice from the State that an employee of Vendor is unsuitable to the State, in its sole discretion, Vendor shall remove such employee from the performance of Services and substitute in his/her place an employee suitable to the State.
- 4.13. Vendor agrees that its officers and employees will cooperate with the State in the performance of Services and will be available for consultation with the State at such reasonable times with advance notice so as to not conflict with their other responsibilities.
- 4.14. Vendor has or will retain such employees as it may need to perform the Services. Such employees shall not be employed by the State or any political subdivision of the State.
- 4.15. Vendor will not use the State's or the Boards' name, either express or implied, in any of its advertising or sales materials, or as a reference, without the State's express written consent.
- 4.16. Vendor shall be properly licensed, registered and authorized to transact business in Delaware as provided in 30 *Del. C.* § 2502 and other applicable laws and regulations.
- 4.17. Vendor shall maintain business continuity and disaster recovery plans that are acceptable to the State. Vendor shall provide the State with a summary or copy of any proposed new plan or an amendment to an existing plan at least ten (10) business days prior to the effective date of any such new plan or amendment.
- 4.18. Vendor will maintain an information technology risk management program that meets or exceeds the requirements of the Office of the Comptroller of the Currency and the Federal Financial Institutions Examination Council as well as the Gramm-Leach Bliley Act and other applicable data privacy laws and regulations.

5. State Responsibilities.

- 5.1. The State agrees that its officers and employees will cooperate with Vendor in the performance of Services and will be available for consultation with Vendor at such reasonable times with advance notice so as to not conflict with their other responsibilities.

6. Work Product.

- 6.1. Except as provided below, all materials, information, documents, and reports, whether finished, unfinished, or draft, developed, prepared, completed, or acquired by Vendor relating to the Services are property of the State and shall, if requested, be delivered to Designated Contacts upon completion or termination of the Agreement, whichever comes first. The State shall have the right to reproduce and disclose all documentation provided in connection with or otherwise supplied pursuant to the Agreement.

- 6.2. Vendor may retain title and interest to the data furnished and/or generated by Vendor pursuant to the Agreement but only to the extent that retention of such title and interest does not conflict with the State's rights to the materials, information and documents developed in performing the Services. The State shall have a perpetual, nontransferable, non-exclusive, paid-up right and license to use, copy, modify and prepare derivative works of all materials in which Vendor retains title, whether individually by Vendor or jointly with the State. The parties will cooperate with each other and execute such other documents as may be reasonably deemed necessary to achieve the objectives of this Section.

7. Warranty.

- 7.1. Vendor warrants that the Services will be performed in a good and workmanlike manner and in accordance with industry standards. Vendor represents that all equipment provided by Vendor in connection with the Services shall be operational and fit for the purpose provided. Vendor agrees to re-perform any Services, correct work product and fix or replace equipment not in compliance with this warranty.
- 7.2. Third-party products within the scope of the Agreement, if any, are warranted solely under the terms and conditions of the licenses or other agreements by which such products are governed. With respect to all third-party products and services purchased by Vendor for the State in connection with the provision of the Services, Vendor shall assign to the State all rights Vendor obtains from the manufacturers and/or vendors of such products and services (including warranty and indemnification rights), to the extent that such rights are assignable.

8. Indemnification; Limitation of Liability.

- 8.1. The Board, the State and their respective officers, agents and employees shall have no obligation to indemnify Vendor or its officers, members, agents or employees for any liability, suits, actions, claims, costs or expenses (including attorneys' fees), brought against or incurred by Vendor, including, without limitation, any suit, action, claim, cost or expense arising out of or relating to the Agreement.
- 8.2. Vendor shall indemnify and hold harmless the Board, the State and their respective officers, members, agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees), brought or asserted by third parties based in whole or in part on the negligent, reckless, intentional or other tortious, fraudulent, or unlawful conduct of the Vendor or its officers, agents or employees in the performance of Services or otherwise arising out of or relating to the Agreement. If the State notifies Vendor in writing of such third-party claim, Vendor will, at the State's option, defend such claim at its expense. Vendor will pay all damages, costs and expenses that may be finally awarded against the Board, the State, or their respective officers, members, agents or employees, without regard to whether the State exercises the option referenced in the preceding sentence.
- 8.3. Except for fees that may be due and owing in respect of Services, and notwithstanding anything to the contrary in the Agreement, the Board, the State and their respective officers, members, agents and employees shall have no liability for any damages, whether direct or indirect, compensatory or punitive, actual or consequential, arising out of or related in any way to performance of the Agreement, including, without limitation, damages for breach of contract.
- 8.4. The Board, the State and their respective officers, members, agents and employees expressly reserve all rights, claims, arguments, defenses and immunities, including, without limitation, claims or defenses based on sovereign immunity, qualified immunity and other statutory or common law rights, claims, defenses or immunities.

9. Insurance.

9.1. Vendor shall maintain the following insurance during the term of the Agreement:

- a. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law;
- b. Comprehensive General Liability—\$1,000,000.00 per occurrence/\$3,000,000 per aggregate;
- c. Professional Liability—\$5,000,000.00 per occurrence/\$5,000,000 per aggregate;
- d. Miscellaneous Errors and Omissions—\$1,000,000.00 per occurrence/\$3,000,000 per aggregate; and
- e. Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 for each person and \$300,000 for each accident as to bodily injury and \$25,000 as to property damage to others.
- f. Cyber Liability – Data such as names, addresses, phone numbers, email addresses, social security numbers, dates of birth, driver's license numbers, financial and banking data, federal and state tax information, and other personally identifiable information maintained by Vendor under the Agreement (collectively, "PII") shall be encrypted at rest with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2 Security Requirements. If the Vendor cannot offer encryption at rest, the Vendor must maintain cyber security liability insurance coverage for any loss resulting from a data breach. The policy, if required, shall be issued by an insurance company acceptable to the State and shall remain in place as set forth below for the term of the Agreement, inclusive of any extension(s), or for as long as the Vendor possesses or controls PII, whichever is longer.

Levels of cyber liability insurance required are based on the number of records with PII anticipated to be possessed or controlled by Vendor in connection with the Agreement. Should the actual number of PII records exceed the anticipated number, it is the Vendor's responsibility to ensure that sufficient coverage is obtained (see table below). In the event that Vendor fails to obtain sufficient coverage, Vendor shall be liable to cover damages and shall indemnify the State for any damages, cost or expenses beyond the coverage amount.

Level	Number of PII records	Level of cyber liability insurance required (occurrence = data breach)
1	1-10,000	\$2,000,000 per occurrence
2	10,001 – 50,000	\$3,000,000 per occurrence
3	50,001 – 100,000	\$4,000,000 per occurrence
4	100,001 – 500,000	\$15,000,000 per occurrence
5	500,001 – 1,000,000	\$30,000,000 per occurrence
6	1,000,001 – 10,000,000	\$100,000,000 per occurrence

The policy shall include but not be limited to, coverage for liabilities relating to Vendor's or any independent contractor's or subcontractor's premises, operations, products, completed operations, or conduct relating to the Agreement. At a minimum, the policy must include third-party coverage for credit monitoring, notification costs to data breach victims, and regulatory penalties and fines. The policy shall include a provision requiring that Vendor, as a condition precedent to the termination of the policy, provide thirty days' written notice to the State prior to the effective date of termination. Vendor shall be responsible for any deductible or self-insured retention contained in the insurance policy. The coverage under the policy shall be primary, and not excess, to any other insurance carried by the Vendor.

- g. Excess/Umbrella policy - Excess/Umbrella \$10,000,000 total (sits above underlying worker's compensation and employer's liability, general liability, professional liability, miscellaneous errors and omissions, automotive liability, and cyber liability).
- 9.2. Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered to the State. Failure to maintain required insurance at all times is an event of default and constitutes grounds for terminating the Agreement.
- 9.3. Before any work is done pursuant to the Agreement, certificates of insurance for the insurance policies specified above shall be provided to the State. The certificates shall reference the contract number, TRE18101-BANKINGSERVCS, and identify the certificate holder as follows:

**Office of the State Treasurer
820 Silver Lake Blvd., Suite 100
Dover, DE 19904**
- 9.4. In no event shall the Board, the State, or their respective officers, members, agents or employees, be named as an additional insured on any policy required under the Agreement.

10. Independent Contractor.

- 10.1. It is understood that in the performance of the Services, Vendor shall be, and is, an independent contractor, and is not an agent or employee of the Board or the State and shall furnish such Services in its own manner and method except as required by the Agreement.
- 10.2. Vendor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Vendor in the performance of the Services; provided, however, that vendor will, subject to scheduling and staffing considerations, attempt to honor the State's request for specific individuals.
- 10.3. Vendor shall be solely responsible for, and shall indemnify, defend and hold the Board, the State and their respective officers, members, agents and employees harmless from all matters relating to the payment of its employees, including compliance with Social Security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.
- 10.4. Vendor acknowledges that Vendor and any agents or employees employed by Vendor shall not, under any circumstances, be considered employees of Delaware, and that they shall not be entitled to any of the compensation, benefits or rights afforded employees of Delaware, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees' Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.
- 10.5. Vendor shall be responsible for providing liability insurance for its personnel.
- 10.6. As an independent contractor, Vendor has no authority to bind or commit the Board or the State. Nothing herein shall be deemed or construed to create a joint venture, partnership, or agency relationship between the parties for any purpose.

11. Termination.

- 11.1. The Agreement may be terminated by either party for default of the other party that is not cured within ten (10) business days after the non-defaulting party provides the defaulting party with written notice of default and demand for cure in accordance with the notice provisions of the Agreement. Default shall mean the failure of the other party to fulfill a material obligation under the Agreement.

- 11.2. The Agreement may be terminated in whole or in part by the State for its convenience, but only after Vendor is given thirty (30) business days written notice of intent to terminate.
- 11.3. If termination is effected, the State will pay Vendor that portion of compensation which has been earned as of the effective date of termination, but:
- a. No amount shall be allowed for anticipated profit on performed or unperformed Services or other work;
 - b. Any payment due to Vendor at the time of termination may be adjusted or withheld to the extent of any offset or recoupment rights, including, without limitation, amounts for liability or costs occasioned to the Board or the State by reason of Vendor's default or otherwise attributable to the conduct of Vendor or its officers, agents or employees; and
- 11.4. In the event the Vendor ceases conducting business, the State shall have the right to make an unsolicited offer of employment to any officers or employees of Vendor assigned to the performance of the Agreement.
- 11.5. Upon termination, for cause or convenience, the State may immediately retain another vendor to perform the Services, and Vendor shall commence providing transition services. Vendor shall at all times cooperate in the transition and shall perform, at no cost to the State, such transition services as the State in its sole and absolute discretion shall determine are necessary or appropriate to enable the transition of Services to a successor vendor or vendors. Vendor's obligation to provide transition services shall survive termination and shall continue until such date as is communicated in writing to Vendor that such services are no longer needed. Transition services shall include:
- a. Maintain current support levels without any degradation of services;
 - b. Production of reports and data extracts required to convert and reconcile accounts;
 - c. Operational and technical resource support required for testing and conversion activities;
 - d. Availability for conversion meetings given reasonable advanced notice;
 - e. Continued user access to systems and reports;
 - f. Production of regular status updates advising the State of conversion preparations and progress;
 - g. Support knowledge transfer activities, including the completion of requested templates, questionnaires, checklists, etc.; and
 - h. Documentation of known open issues and risks impacting State accounts or services.
- 11.6. If after termination for breach it is determined that Vendor has not so failed, the termination shall be deemed to have been effected for convenience.
- 11.7. The termination of the Agreement shall not terminate any rights or obligations that are intended to extend beyond termination, including vendor's transition obligations.
- 11.8. The rights and remedies of the State provided in this Section are in addition to any other rights and remedies provided by law or under the Agreement.

11.9. Document Retention & Return.

The State shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the Vendor pursuant to this Agreement, and all such material shall be considered "works made for hire." All such material shall be delivered to the State upon expiration or termination of this Agreement. The State, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the Vendor pursuant to this Agreement.

11.10. Gratuities.

The State may, by written notice to Vendor, terminate the Agreement without liability if it is found that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Vendor or any agent or representative of Vendor to any officer or employee of the State with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending or making of any determinations with respect to the Agreement.

- 11.11. The validity and enforceability of the Agreement is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. The Agreement shall terminate and the State's obligations under it shall cease at the end of the fiscal year in which the State fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which will then become due. The Agreement shall be deemed void and shall be unenforceable as to any obligation of the State requiring the expenditure of money for which no specific appropriation has been made.

12. Assignment; Subcontracts.

- 12.1. Any attempt by Vendor to assign or otherwise transfer any interest in the Agreement without the prior written consent of the State shall be void.
- 12.2. Services specified by the Agreement shall not be subcontracted by Vendor without the prior written approval of the State.
- 12.3. Approval by the State of Vendor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve Vendor of responsibility for the professional and technical accuracy and adequacy of the work. All subcontractors shall adhere to and be bound by all applicable provisions of the Agreement.
- 12.4. Vendor shall be and remain liable for all damages to the Board, or the State caused by negligent performance or non-performance of work under the Agreement by Vendor or any subcontractor.
- 12.5. The compensation otherwise due to Vendor pursuant to **Exhibit 2** shall not be affected by the State's approval of the Vendor's request to subcontract.

13. Complete Agreement.

- 13.1. The Agreement shall constitute the entire Agreement between the State and Vendor with respect to the subject matter of the Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of the Agreement shall supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of the Agreement.
- 13.2. If the scope of any provision of the Agreement is too broad in any respect to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent

permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.

- 13.3. If any term or provision of the Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of the Agreement, but such term or provision shall be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties.

14. Miscellaneous Provisions.

- 14.1. Neither the Agreement nor any exhibit may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of the Agreement shall be effective unless it is in writing and signed by the party against which it is sought to be enforced.
- 14.2. The delay or failure by either party to exercise or enforce any of its rights under the Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 14.3. Vendor covenants that it presently has no interest, and that it will not acquire any interest, direct or indirect, that conflicts or would conflict in any manner or degree with the performance of Services required under the Agreement. Vendor further covenants that, in the performance of said Services, no person having any such interest shall be employed.
- 14.4. Vendor acknowledges that the Board and the State have obligations to ensure that public funds are not used to subsidize private discrimination. Vendor recognizes that its refusal to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, may result in the State declaring Vendor in breach of the Agreement, terminating the Agreement without penalty and/or taking such additional action as may be warranted under the circumstances.
- 14.5. Vendor warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State shall have the right to annul the Agreement without liability.
- 14.6. The Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.
- 14.7. Vendor shall maintain all public records, as defined by 29 *Del. C.* § 502(1), relating to the Agreement and its deliverables for the time and in the manner specified by the Delaware Public Archives, pursuant to the Delaware Public Records Law, 29 *Del. C.* Ch. 5. During the term of the Agreement, authorized representatives of the State may inspect or audit Vendor' performance and records pertaining to the Agreement at the Vendor's business offices during normal business hours.
- 14.8. At the option of the State, the parties shall attempt in good faith to resolve any dispute arising out of or relating to the Agreement promptly by negotiation between officials or executives who have authority to settle the controversy. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in any proceeding involving the parties, provided evidence that is otherwise admissible or discoverable may not be rendered

inadmissible. If the matter is not resolved by negotiation, or if the State in its discretion elects to proceed directly to mediation, then the matter will proceed to mediation as set forth below.

- 14.9. Any disputes, claims or controversies arising out of or relating to the Agreement that are not resolved through resolution pursuant to Section 15.3, must be submitted to mediation if the State in its discretion so elects. Any such proceedings held pursuant to this provision shall be governed by Delaware law and venue shall be in Delaware. The parties shall maintain the confidential nature of the proceedings and shall keep the terms of any resulting settlement or award confidential to the extent permissible under applicable law. Each party shall bear its own costs of mediation, including attorneys' fees and half of the mediator's fees and expenses.
- 14.10. The rights and remedies of the State provided for in the Agreement are in addition to any other rights and remedies provided by law or at equity.
- 14.11. Pursuant to Regulation S-P adopted by the Securities and Exchange Commission, all non-public consumer financial information provided by the State to Vendor under the Agreement shall be kept confidential by Vendor and not disclosed to others, except to the extent disclosure is (i) permitted by Regulation S-P or authorized by Delaware law; (ii) required by applicable law or judicial or regulatory process; or (iii) necessary to carry out the purposes of the Agreement.

15. Assignment of Antitrust Claims.

As consideration for the award and execution of the Agreement by the State, Vendor hereby grants, conveys, sells, assigns, and transfers to the State all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State, relating to the goods or Services and other work product purchased or acquired by the Board or the State pursuant to the Agreement.

16. Governing Law.

The Agreement shall be governed by and construed in accordance with Delaware laws, without regard to conflict of laws rules or principles. Vendor consents to jurisdiction and venue in Delaware.

17. Notices.

Any and all notices required by the provisions of the Agreement shall be in writing and shall be mailed, certified or registered mail, return receipt requested. All notices shall be sent to the following addresses:

DELAWARE:
Office of the State Treasurer
Attn: [Director of Debt and Cash Management]
820 Silver Lake Blvd., Suite 100
Dover, DE 19904

VENDOR:
(Vendor contact address)

18. Exhibits.

The following six exhibits and all terms and conditions thereof shall be incorporated into and considered part of the STCs:

Exhibit 1 – Statement of Work (To be negotiated)

Exhibit 2 – Schedule of Fees (To be negotiated)

Exhibit 3 – Implementation Plan (To be negotiated)

Exhibit 4 – Confidentiality (Non-Disclosure) and Integrity of Data Agreement (Attached)

Exhibit 5 – Cloud Services Terms and Conditions Agreement (Attached)

Exhibit 6 – Data Usage Terms and Conditions Agreement (Attached)

Exhibit 4: Confidentiality (Non-Disclosure) & Integrity of Data

CONTRACT NUMBER: TRE18101-BANKINGSVC

CONFIDENTIALITY (NON-DISCLOSURE) AND INTEGRITY OF DATA AGREEMENT

The Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. Computer programs developed to process State agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State of Delaware. The control of the disclosure of those data shall be retained by the State of Delaware and the Department of Technology and Information.

I/we, as an employee(s) of _____ or officer of my firm, when performing work for the Department of Technology and Information, understand that I/we act as an extension of DTI and therefore I/we are responsible for safeguarding the States' data and computer files as indicated above. I/we will not use, disclose, or modify State data or State computer files without the written knowledge and written authorization of DTI. Furthermore, I/we understand that I/we are to take all necessary precautions to prevent unauthorized use, disclosure, or modification of State computer files, and I/we should alert my immediate supervisor of any situation which might result in, or create the appearance of, unauthorized use, disclosure or modification of State data.

Penalty for unauthorized use, unauthorized modification of data files, or disclosure of any confidential information may mean the loss of my position and benefits, and prosecution under applicable State or Federal law.

This statement applies to the undersigned Contractor and to any others working under the Contractor's direction.

I, the Undersigned, hereby affirm that I have read DTI's Policy on Confidentiality (Non-Disclosure) and Integrity of Data and understood the terms of the above Confidentiality (Non-Disclosure) and Integrity of Data Agreement, and that I/we agree to abide by the terms above.

Vendor Name:

Authorizing Official Name (print):

Authorizing Official Signature:

Date:

Exhibit 5: Cloud Services Terms & Conditions Agreement

CONTRACT NUMBER: TRE18101-BANKINGSVC



STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

DELAWARE CLOUD SERVICES TERMS AND CONDITIONS AGREEMENT

Terms are Subject to Change⁶

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

XaaS Contract # _____, Appendix _____
between State of Delaware and _____ dated _____

	Public Data	Non Public Data	Cloud Services (CS) Terms
			PROVIDER must satisfy Clause CS1-A OR Clauses CS1-B and CS1-C, AND Clause CS4. Clause CS2 is mandatory for all engagements involving non-public data. Clause CS3 is only mandatory for SaaS or PaaS engagements involving non-public data.
CS1-A		✓	Security Standard Compliance Certifications: The PROVIDER shall meet, and provide proof of, one or more of the following Security Certifications. <ul style="list-style-type: none">CSA STAR – Cloud Security Alliance – Security, Trust & Assurance Registry (Level Two or above)FedRAMP - Federal Risk and Authorization Management Program
CS1-B		✓	Background Checks: The PROVIDER must warrant that they will only assign employees and subcontractors who have passed a state-approved criminal background checks. The background checks must demonstrate that staff, including subcontractors, utilized to fulfill the obligations of the contract, have no convictions, pending criminal charges, or civil suits related to any crime of dishonesty. This includes but is not limited to criminal fraud, or any conviction for any felony or misdemeanor offense for which incarceration for a minimum of 1 year is an authorized penalty. The PROVIDER shall promote and maintain an awareness of the importance of securing the State's information among the Service Provider's employees and agents. Failure to obtain and maintain all required criminal history may be deemed a material breach of the contract and grounds for immediate termination and denial of further work with the State of Delaware.
CS1-C		✓	Sub-contractor Flowdown: The PROVIDER shall be responsible for ensuring its subcontractors' compliance with the security requirements stated herein.
CS2		✓	Breach Notification and Recovery: The PROVIDER must notify the State of Delaware immediately of any incident resulting in the destruction, loss, unauthorized disclosure, or alteration of State of Delaware data. If data is not encrypted (<i>see</i> CS 3, below), Delaware Code (6 Del. C. §12B-100 et seq.) requires public breach notification of any incident resulting in the loss or unauthorized disclosure of Delawareans' Personally Identifiable Information (PII, as defined in Delaware's <i>Terms and Conditions Governing Cloud Services</i> policy) by PROVIDER or its subcontractors. The PROVIDER will provide notification to persons whose information was breached without unreasonable delay but not later than 60 days after determination of the breach, except 1) when a shorter time is required under federal law; 2) when law enforcement requests a delay; 3) reasonable diligence did not identify certain residents, in which case notice will be delivered as soon as practicable. All such communication shall be coordinated with the State of Delaware. Should the PROVIDER or its contractors be liable for the

⁶ State is currently reviewing these documents and language.

	Public Data	Non Public Data	Cloud Services (CS) Terms
			PROVIDER must satisfy Clause CS1-A OR Clauses CS1-B and CS1-C, AND Clause CS4. Clause CS2 is mandatory for all engagements involving non-public data. Clause CS3 is only mandatory for SaaS or PaaS engagements involving non-public data.
			breach, the PROVIDER shall bear all costs associated with investigation, response, and recovery from the breach. This includes, but is not limited to, credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll-free telephone call center services. The State of Delaware shall not agree to any limitation on liability that relieves the PROVIDER or its subcontractors from its own negligence, or to the extent that it creates an obligation on the part of the State to hold a PROVIDER harmless.
CS3		✓	Data Encryption: The PROVIDER shall encrypt all non-public data in transit, regardless of transit mechanism. For engagements where the PROVIDER stores Personally Identifiable Information (PII) or other sensitive, confidential information, it shall encrypt this non-public data at rest. The PROVIDER's encryption shall meet validated cryptography standards as specified by the National Institute of Standards and Technology in FIPS140-2 and subsequent security requirements guidelines. The PROVIDER and State of Delaware will negotiate mutually acceptable key location and key management details. Should the PROVIDER not be able to provide encryption at rest, it must maintain cyber security liability insurance coverage for the duration of the contract. Coverage must meet the State of Delaware's standard in accordance with the <i>Terms and Conditions Governing Cloud Services</i> policy.
CS4	✓	✓	Notification of Legal Requests: The PROVIDER shall contact the State of Delaware upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to the data of the State. With regard to State of Delaware data and processes, the PROVIDER shall not respond to subpoenas, service of process, and other legal requests without first notifying the State unless prohibited by law from providing such notice.

The terms of this Agreement shall be incorporated into the aforementioned contract. Any conflict between this Agreement and the aforementioned contract shall be resolved by giving priority to this Agreement. By signing this Agreement, the PROVIDER agrees to abide by the following applicable Terms and Conditions:

FOR OFFICIAL	<input type="checkbox"/> CS1 A and CS4	OR	<input type="checkbox"/> CS1-B and CS1-C and CS4
USE ONLY	<input type="checkbox"/> CS2 (Non-public Data)		<input type="checkbox"/> CS3 (SaaS, PaaS – Non-public Data)

PROVIDER Name/Address (*print*): _____

PROVIDER Authorizing Official Name (*print*): _____

PROVIDER Authorizing Official Signature: _____ Date: _____

Exhibit 6: Data Usage Terms and Conditions Agreement

CONTRACT NUMBER: TRE18101-BANKINGSVC



STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION
801 Silver Lake Blvd., Dover, Delaware 19904

DELAWARE DATA USAGE TERMS AND CONDITIONS AGREEMENT

Terms are Subject to Change⁷

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

Contract/Agreement #/name _____, Appendix _____

between State of Delaware and _____ dated _____

	Public Data	Non Public Data		DATA USAGE (DU) TERMS
DU1	√	√	Data Ownership	The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The PROVIDER shall not access State of Delaware user accounts, or State of Delaware data, except (i) in the course of data center operations, (ii) response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request. All information obtained or generated by the PROVIDER under this contract shall become and remain property of the State of Delaware.
DU2	√	√	Data Usage	<p>PROVIDER will protect against any inappropriate use of State of Delaware information at all times. To this end, PROVIDER shall comply with the following conditions. At no time will any information, belonging to or intended for the State of Delaware, be copied, disclosed, or retained by PROVIDER or any party related to PROVIDER for subsequent use in any transaction. PROVIDER may not use any personal information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service. Protection of Personally Identifiable Information (PII, as defined in the State's <i>Terms & Conditions Governing Cloud Services</i> policy), privacy, and sensitive data shall be an integral part of the business activities of the PROVIDER to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. The PROVIDER shall safeguard the confidentiality, integrity, and availability of State information.</p> <p>Only duly authorized PROVIDER staff will have access to the State of Delaware data and may be required to obtain security clearance from the State. No party related to the PROVIDER may retain any data for subsequent use in any transaction that has not been expressly authorized by the State of Delaware.</p>

⁷ State is currently reviewing these documents and language.

	Public Data	Non Public Data		DATA USAGE (DU) TERMS
DU3	√	√	Termination and Suspension of Service	<p>In the event of termination of the contract, the PROVIDER shall implement an orderly return (in CSV or XML or another mutually agreeable format), or shall guarantee secure disposal of State of Delaware data.</p> <p><i>Suspension of services:</i> During any period of suspension or contract negotiation or disputes, the PROVIDER shall not take any action to intentionally alter, erase, or otherwise render inaccessible any State of Delaware data.</p> <p><i>Termination of any services or agreement in entirety:</i> In the event of termination of any services or agreement in entirety, the PROVIDER shall not take any action to intentionally alter, erase, or otherwise render inaccessible any State of Delaware data for a period of 90 days after the effective date of the termination. Within this 90-day timeframe, vendor will continue to secure and back up State of Delaware data covered under the contract. After such 90-day period, the PROVIDER shall have no obligation to maintain or provide any State of Delaware data. Thereafter, unless legally prohibited, the PROVIDER shall dispose securely of all State of Delaware data in its systems or otherwise in its possession or control, as specified herein.</p> <p>Post-Termination Assistance: The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement.</p>
DU4		√	Data Disposition	<p>At the end of this engagement, PROVIDER will account for and return all State data in all of its forms, disk, CD / DVD, tape, paper, for example. At no time shall any data or processes that either belong to or are intended for the use of State of Delaware or its officers, agents, or employees, be copied, disclosed, or retained by the PROVIDER.</p> <p>When required by the State of Delaware, the PROVIDER shall destroy all requested data in all of its forms (e.g., disk, CD/DVD, backup tape, paper). Data shall be permanently deleted, and shall not be recoverable, in accordance with National Institute of Standards and Technology approved methods. The PROVIDER shall provide written certificates of destruction to the State of Delaware.</p>
DU5		√	Data Location	<p>The PROVIDER shall not store, process, or transfer any non-public State of Delaware data outside of the United States, including for back-up and disaster recovery purposes. The PROVIDER will permit its personnel and subcontractors to access State of Delaware data remotely only as required to provide technical or call center support.</p>

	Public Data	Non Public Data		DATA USAGE (DU) TERMS
DU6		√	Breach Notification and Recovery	The PROVIDER must notify the State of Delaware immediately of any incident resulting in the destruction, loss, unauthorized disclosure, or alteration of State of Delaware data. If data is not encrypted (see CS 3, below), Delaware Code (6 Del. C. §12B-100 et seq.) requires public breach notification of any incident resulting in the loss or unauthorized disclosure of Delawareans' Personally Identifiable Information (PII, as defined in Delaware's <i>Terms and Conditions Governing Cloud Services</i> policy) by PROVIDER or its subcontractors. The PROVIDER will provide notification to persons whose information was breached without unreasonable delay but not later than 60 days after determination of the breach, except 1) when a shorter time is required under federal law; 2) when law enforcement requests a delay; 3) reasonable diligence did not identify certain residents, in which case notice will be delivered as soon as practicable. All such communication shall be coordinated with the State of Delaware. Should the PROVIDER or its contractors be liable for the breach, the PROVIDER shall bear all costs associated with investigation, response, and recovery from the breach. This includes, but is not limited to, credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll-free telephone call center services. The State of Delaware shall not agree to any limitation on liability that relieves the PROVIDER or its subcontractors from its own negligence, or to the extent that it creates an obligation on the part of the State to hold a PROVIDER harmless.
DU7		√	Data Encryption	The PROVIDER shall encrypt all non-public data in transit, regardless of transit mechanism. For engagements where the PROVIDER stores Personally Identifiable Information (PII) or other sensitive, confidential information, it shall encrypt this non-public data at rest. The PROVIDER's encryption shall meet validated cryptography standards as specified by the National Institute of Standards and Technology in FIPS140-2 and subsequent security requirements guidelines. The PROVIDER and State of Delaware will negotiate mutually acceptable key location and key management details. Should the PROVIDER not be able to provide encryption at rest, it must maintain cyber security liability insurance coverage for the duration of the contract. Coverage must meet the State of Delaware's standard in accordance with the <i>Terms and Conditions Governing Cloud Services</i> policy.

The terms of this Agreement shall be incorporated into the aforementioned contract. Any conflict between this Agreement and the aforementioned contract shall be resolved by giving priority to this Agreement. By signing this Agreement, the PROVIDER agrees to abide by the following applicable Terms and Conditions [check one]:

FOR OFFICIAL USE ONLY

☐

DU 1 - DU 3 (PUBLIC DATA ONLY) or

☐

DU 1 - DU 7 (NON PUBLIC DATA)

PROVIDER Name/Address (print): _____

PROVIDER Authorizing Official Name (print): _____

PROVIDER Authorizing Official Signature: _____ Date: _____

Appendix E: DTI Requirements & Guidelines

CONTRACT NUMBER: TRE18101-BANKINGSVC

PeopleSoft Environment

The State's PeopleSoft Finance system includes all or portions of 12 Oracle/PeopleSoft Financials system version 9.2 modules.

The current infrastructure is a 4 tier Oracle/PeopleSoft system. Current Enterprise Resource Planning (ERP) systems are supported by the Department of Technology and Information's Major Projects division, which uses a set of standard tools (shown below) that are being used by the Oracle/PeopleSoft Financials system version 9.2 for operations.

The Department of Technology and Information (DTI) is hosting the necessary hardware infrastructure for the ERP Financials.

Relational Database	Oracle 12c
Server Operating systems	HPUX Itanium 11.31 64bit Windows Server 2012 R2 64bit
Version Control	STAT by Quest
Process Scheduler	Cybermation
QA –Testing	HP Quality Center
File Transfer	SFTP (Secure FTP), Web services
Network protocol	TCP/IP for database server to app/web server (HTTPS for web server to web client)
Email	Microsoft Outlook
Office Applications	Microsoft Office 2010
Report Distribution	Mobius Document Direct.
Web server Middleware	Oracle Weblogic 12.1.3
Web Browser	Microsoft Internet Explorer
ERP	Peoplesoft Financials 9.2

Currently data files are exported from a Web-based application.

Appendix F: File Transfer Details

CONTRACT NUMBER: TRE18101-BANKINGSVC

All files are transferred via Secure File Transfer Protocol (SFTP). All information currently available has been provided below.

OUTGOING FILES						
Description	Standard / Custom	Format	Frequency	Time Sent	Automated / Manual	Originated Application
Component 1: General Banking						
Abandoned Property Positive Pay for Escheat Checks						
Accounting Positive Pay	Custom	CCD+	Daily	6:00 pm – 6:00 am	Automated	PeopleSoft Financial (FSF)
Accounting Electronic Funds Transfer (EFT)	Custom	NACHA	Daily	6:00 pm – 6:00 am	Automated	PeopleSoft Financial (FSF)
Labor UI Benefit Payments (ACH & Stored Value Card)	Standard	NACHA	Daily	12:00 pm	Automated	Check Write
Labor UI Bank Reconciliation (Issued and cancelled checks)	Custom	Flat file	Daily	12:00 pm	Automated	
Labor UI Daily Pre-note Test	Standard	NACHA	Twice Daily	10:00 am & 12:00 pm	Automated	Direct Deposit Application/ Check Write
Pension Direct Deposit of Pensioners		NACHA				
Pension Positive Pay	Custom	NACHA	Monthly	By 5:00 pm 3 days prior to pay day	Automated	PeopleSoft HCM
Pension Retiree Payroll EFT	Custom	NACHA	Monthly	By 5:00 pm 3 days prior to pay day	Automated	PeopleSoft HCM
Pension Vendor EFT	Custom	NACHA	Monthly	By 5:00 pm 2 days prior to pay day	Automated	PeopleSoft HCM
PHRST EDI Addenda Record for Child Support	Standard	NACHA	Pay Cycle	Before 11:59 pm, 3 days prior to pay day	Automated	PeopleSoft HCM
PHRST Direct Deposit of Payroll	Standard	NACHA	Pay Cycle	Before 11:59 pm, 3 days prior to pay day. ⁸	Automated	PeopleSoft HCM
PHRST Positive Pay – On Demand Checks	Custom	DAT	Daily as needed	As needed before 2:00 pm	Automated	PeopleSoft HCM

⁸ Control totals are sent 2 days prior.

OUTGOING FILES						
Description	Standard / Custom	Format	Frequency	Time Sent	Automated / Manual	Originated Application
Component 1: General Banking						
PHRST Positive Pay for Payroll	Custom	DAT	Pay Cycle	Before 11:59 pm, 3 days prior to pay day	Automated	PeopleSoft HCM
Revenue Direct Deposit for Revenue Refunds	Standard	NACHA	Varies	After 5pm	Automated	
Revenue ICL Deposit	Standard	X9.100-187	Daily	11:30 am	Manual	
Revenue Positive Pay – Revenue Refund Checks	Custom		Varies	After 5pm	Automated	
Component 3: Purchasing/Virtual Card & ePayables						
Accounting SUA Payments (VISA)	Custom	CSV	Daily	6:00 pm – 6:00 am	Automated	PeopleSoft Financial (FSF)
Component 4: Stored Value Card						
Labor UI Debit Card Changes	Custom	Flat File	Daily	3:00 pm	Automated	Debit Card
Labor UI New Enrollments	Custom	Flat File	Daily	12:00 pm	Automated	Check Write

Appendix F: File Transfer Details

CONTRACT NUMBER: TRE18101-BANKINGSVC

All files are transferred via Secure File Transfer Protocol (SFTP). All information currently available has been provided below.

INCOMING FILES						
Description	Standard / Custom	Format	Frequency	Time Received	Automated / Manual	Receiving Application
Component 1: General Banking						
Accounting Daily Recon for Credit Card Account	Custom	BAI	Daily		Automated	PeopleSoft Financial (FSF)
Accounting Daily Recon for DeIDOT TTF	Custom	BAI	Daily	4:00pm – 8:00 am	Automated	PeopleSoft Financial (FSF)
Accounting Daily Recon for OTC Collection Account	Standard	BAI	Daily		Automated	PeopleSoft Financial (FSF)
Accounting Daily Recon for Vendor Account	Custom ⁹	BAI	Daily		Automated	PeopleSoft Financial (FSF)
Labor UI Daily Reconciliation (Includes direct deposit, debit card and benefit checks)	Standard	NACHA	Daily	12:00 pm	Automated	
Labor UI Monthly Accounts Receivable	Custom	Flat file	Monthly – 8 th work day	8:30 am	Automated	
OST Analysis Statements	Standard	822	Monthly	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Controlled Disbursement Accts	Standard	BAI	Daily	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Credit Card Account	Custom	BAI	Daily	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)

⁹ Standard BAI file is received from bank. Once received, the State removes the 11th check digit in order to upload into FSF. FSF formatting will only allow 10 digits.

INCOMING FILES						
Description	Standard / Custom	Format	Frequency	Time Received	Automated / Manual	Receiving Application
Component 1: General Banking						
OST Daily Recon for ECC ACH Deposits in Main Collection Account	Standard ¹⁰	NACHA	Daily	7:00 am	Manual ¹¹	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Electronic Collection Account	Standard	BAI	Daily	7:00 am	Manual ¹¹	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Over The Counter (OTC) Collection Account	Standard	BAI	Daily	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
OST Daily Recon for Vendor Account	Standard	BAI	Daily	7:00 am	Automated	Chesapeake Systems Solutions (Trintech, T-Recs)
Component 2: Lockbox						
Corporations	Custom	TXT	Daily	10:00 pm	Automated	.Net (Windows)
Labor UI Training Tax	Custom	DAT	Daily	3:00 pm	Automated	
Labor UI Unemployment UC8	Custom	DAT	Daily	3:00 pm	Automated	
Labor UI Unemployment UC8A	Custom	DAT	Daily	3:00 pm	Automated	
Labor UI Unemployment UC8PAY	Custom	DAT	Daily	3:00 pm	Automated	
Labor Report	Custom	DAT	Daily	3:00 pm	Automated	

¹⁰ This file is converted into a BAI format through a custom FSF process.

¹¹ These files are manually pulled by OST and placed on SFTP server. Files are then automatically uploaded into FSF.

INCOMING FILES						
Description	Standard / Custom	Format	Frequency	Time Received	Automated / Manual	Receiving Application
Component 3: Purchasing/Virtual Card & ePayables						
P-Card Holder Profiles Inbound	Custom	TXT	Daily	2:00pm – 2:00am	Automated	PeopleSoft Financial (FSF)
VISA SUA Reconciliation	Custom	CSV	Daily	2:00pm – 2:00am	Automated	PeopleSoft Financial (FSF)
VISA Transactions	Standard	Fixed Length	Daily	2:00pm – 2:00am	Automated	PeopleSoft Financial (FSF)
Component 4: Stored Value Card						
Labor UI Daily Response (List of errors)	Custom	Flat file	Daily	1:00 pm / 4:30 pm	Automated	
Labor UI Daily Update (Status of cards)	Custom	Flat file	Daily, including weekends	9:00 am	Automated	

Appendix G: Payroll/Pension Direct Deposit Requirements

CONTRACT NUMBER: TRE18101-BANKINGSVC

1. Allow the State of Delaware to fund its Payroll Direct Deposit and Pension Direct Deposit accounts via wire transfer or ACH transfer on the effective date of the payday. With either method, Vendor will receive funding on or before the date of the payday.
 - a. In the event of technical difficulties or natural disasters prevent the funding of the Direct Deposit account in a routine and timely manner, Vendor will fulfill all authorized requests to initiate Direct Deposit payments.
 - b. Vendor shall assume that its fulfillment of Direct Deposit transactions is supported by the full faith and credit of the State of Delaware.
2. Verify Control Totals, resolve all discrepancies and research items on transmitted files in less than 24 hours under normal operating circumstances. An appropriate State of Delaware official will provide verification control totals, and Vendor will submit an acknowledgement of the control totals. Vendor will promptly notify the appropriate State of Delaware official when this deadline cannot be met. Vendor is required to update their website, call center recordings, and appropriate State's personnel should there be any delays in the direct deposit postings to employee bank accounts.
3. Process all Direct Deposit transactions for the State of Delaware to assure settlement of credits on the appropriate pay dates.
 - a. Should any transaction reject, Vendor shall assure the availability of funds to all Direct Deposit participants on or before 9:00 a.m. on the date of payment.
 - b. Vendor shall promptly report any ACH rejects to the appropriate State of Delaware official, and vendor will follow up the initial report with appropriate documentation (ACH Returns/NOC Detail Report). The State initiates pre-notification of bank account information for each direct deposit prior to ACH funds being transmitted.
 - i. All payroll and pension ACH rejects must be returned via the ACH system to Vendor, at which point Vendor will coordinate with the participant's financial institution to determine the most satisfactory method of payment.
 - ii. Vendor shall make corrections to its files as soon as possible and notify the appropriate State of Delaware officials of those corrections.
 - iii. ACH Returns/NOC Detail Report must be provided on a daily basis online or via email, as directed by the agency. Email attachments must be in MS Word or Adobe Acrobat format. The following information must be included:

TR Number	Account Number
Dollar Amount	Company ID / Trace
Receiver Name	Receiver ID
Description / Error	Total Debits
Transaction Code	Effective Date
Status	NACHA Code
Corrected Information	Total Returns
Total Credits	Total NOCs

Appendix H: Purchasing/Virtual Card File Definitions

CONTRACT NUMBER: TRE18101-BANKINGSVC

FILE NAMING CONVENTIONS:

Type of File	Filename	Purpose
Text	DPO003.TXT Due to the format of the output, the file will overwrite the file generated on the previous run. If no data is found, then create an empty file.	File name for transmission

FILE LAYOUT:

Field	Format	Position on the file	Maximum Length	Description/Example
1. Employee ID	Alphanumeric	1	6	If length is less than 6 characters, then fill with leading zeros. Example: 123456 or 012345
2. Card Issuer	Alphanumeric	7	5	Example: VISA or MC
3. Account Number	Alphanumeric	12	10	Constant value of 56000
4. Cardholder account number	Alphanumeric	22	20	Ex: 66665555444433332222
5. Cardholder Expiration date	Date	42	10	Ex: MM/DD/YYYY
6. Date Issued	Date	52	10	Ex: MM/DD/YYYY
7. Card Type	Date	62	4	Ex: VISA or MC
8. Vendor Card	Alphanumeric	66	1	Y or N, default to N constant value
9. GL Business Unit	Alphanumeric	67	5	Constant value STATE
10. Custom Field is Operator ID in FSF	Alphanumeric	72	30	This is the State's Proxy ID. Constant value: DE_PCARD_ADMINISTRATOR
11. Role Name	Alphanumeric	102	30	This is the State's Proxy ID. Constant value: DE_PCARD_ADMINISTRATOR

Appendix I: Vendor Payment File

CONTRACT NUMBER: TRE18101-BANKINGSVC

Please see the attached excel file.

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Appendix J: Unemployment Lockbox File Specifications

CONTRACT NUMBER: TRE18101-BANKINGSVC

Please see the attached excel file.

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Appendix K: Lockbox Remittance Examples

CONTRACT NUMBER: TRE18101-BANKINGSVC

Please see the attached pdf file.

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Appendix L: List of Current Agency Accounts

CONTRACT NUMBER: TRE18101-BANKINGSVC

Please see the attached excel file.

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