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MARYLAND STATE TREASURER'S OFFICE

**Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401**

REQUEST FOR PROPOSALS

BANKING SERVICES AND ELECTRONIC PAYMENT CARD SERVICES

FOR THE

**MARYLAND DEPARTMENT OF HUMAN RESOURCES
CHILD SUPPORT ENFORCEMENT ADMINISTRATION**

RFP #CSEA-BANK-EPC-03142016

DUE DATE: MAY 11, 2016

Issued: March 14, 2016

KEY INFORMATION SUMMARY SHEET

**Maryland State Treasurer's Office
Request for Proposals For
Banking Services and Electronic Payment Card Services for
Maryland Department of Human Resources
Child Support Enforcement Administration**

RFP #CSEA-BANK-EPC-03142016

Procurement Officer: Anne Jewell
Tel.: (410)260-7903
Fax: (410)974-3530
Email: procurement@treasurer.state.md.us

Submit Proposals to: Maryland State Treasurer's Office
Attn: Anne Jewell, Procurement Officer
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Solicitation Issue Date: March 14, 2016

Pre-Proposal Conference: April 5, 2016 at 11:00 a.m. Local Time

Deadline for Receipt of Questions: April 20, 2016 by 2:00 p.m. Local Time

Proposal Due Date and Time: May 11, 2016 by 2:00 p.m. Local Time

Oral Presentations: June 1-2, 2016

Tentative Contract Award: June 20, 2016

Notice: Prospective offerors (the "Offerors") who received this document from eMaryland Marketplace (<https://emaryland.buyspeed.com/bso>), or from a source other than the Issuing Office, should immediately contact the Procurement Officer and provide their name and mailing address in order that amendments to this Request for Proposals ("RFP" or "solicitation") or other communications can be sent to them. Any prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive the amendments and other communications from the Issuing Office prior to the closing date.

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SECTION I. PROCUREMENT INFORMATION

1.01 Summary Statement

The Maryland State Treasurer's Office (the "STO") is requesting proposals to provide general banking services and electronic payment card services for the Maryland Department of Human Resources' Child Support Enforcement Administration ("CSEA" or the "Department") to process and disburse monies collected on behalf of individuals who receive child support services.

1.02 Procurement Method

The STO will conduct this solicitation in accordance with the competitive sealed proposals process under COMAR 21.05.03 and will award a single contract arising out of this RFP (the "Contract").

1.03 Issuing Office and Procurement Officer

Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

Procurement Officer: Anne Jewell
Phone: (410) 260-7903
E-mail: procurement@treasurer.state.md.us

The sole point of contact for purposes of this procurement is the Procurement Officer. The Procurement Officer may designate others to act on her behalf. The STO may change the Procurement Officer or the limits of her authority at its discretion.

1.04 Contract Officer

The Contract Officer monitors the daily activities of the Contract and provides technical guidance to the Contractor. The State Contract Officer is:

George Varghese
DHR Child Support Enforcement Administration
311 W. Saratoga Street, Room 354M
Baltimore, Maryland 21201
Phone: 410-767-7877
Email: george.varghese@maryland.gov

1.05 Use of eMaryland Marketplace

eMaryland Marketplace (<https://emaryland.buyspeed.com/bs0>) is a free electronic commerce system administered by the Maryland Department of General Services. The RFP, associated materials, and all other solicitation-related material will be provided via eMaryland Marketplace.

This means that all such information is immediately available to subscribers of eMaryland Marketplace. All subscribers will receive solicitation notifications as well as solicitation update/change order notifications. Because of the instant access afforded by eMaryland Marketplace, it is recommended that all Offerors interested in doing business with Maryland State agencies subscribe to eMaryland Marketplace. The successful Offeror will be required to subscribe to eMaryland Marketplace upon Contract award.

1.06 Schedule of Events

| <u>Event</u> | <u>Date</u> |
|-----------------------------------|--|
| Solicitation Issue Date | March 14, 2016 |
| Pre-Proposal Conference | April 5, 2016 at 11:00 a.m. Local Time |
| Deadline for Receipt of Questions | April 20, 2016 by 2:00 p.m. Local Time |
| Proposal Due Date | May 11, 2016 by 2:00 p.m. Local Time |
| Oral Presentations | June 1-2, 2016 |
| Tentative Date of Contract Award | June 20, 2016 |

1.07 Pre-proposal Conference

A pre-proposal conference will be held on Tuesday, April 5, 2016 at 11:00 a.m. local time at the, Louis L. Goldstein Treasury Building, Assembly Room, 1st Floor, 80 Calvert Street, Annapolis, Maryland 21401. If you plan to attend the Pre-proposal Conference, please notify the Procurement Officer by email at: procurement@treasurer.state.md.us (identified in Section 1.03 above). Please provide your contact information and the number of individuals expected to attend.

1.08 Questions and Inquiries

All Offerors should direct their questions and inquiries to the Procurement Officer identified in Section I., 1.03 above. **Questions must be submitted in writing by mail or via email and received by the Issuing Office no later than 2:00 p.m. on local time on Wednesday, April 20, 2016.** Oral questions will not be permitted. If the questions or inquiries pertain to a specific section of the RFP, Offerors must reference the relevant page and section number(s).

1.09 Submission Requirements and Deadline

To be considered for award, Offerors must submit to the Procurement Officer a package containing one (1) written original, and five (5) copies (total of 6) of the Technical Proposal

and six copies of the Price Proposal in a separately sealed envelope from the technical proposal copies. All submissions shall indicate the RFP Title and number and the Offeror's name and address. **Proposals must be received by the Procurement Officer at the Issuing Office no later than 2:00 p.m. local time on Wednesday, May 11, 2016.** Additionally each Offeror must provide to the Procurement Officer on compact disks one electronic copy of the Technical and Price Proposals submitted. As with the written submission, the electronic copy submission of the Technical Proposal and the Price Proposal must be provided in separate sealed envelopes. Refer to Section IV. Proposal Format for two-volume submission requirements.

The STO will not grant requests for extension of the submission date or time. Offerors mailing proposals should allow sufficient mail and internal delivery time to ensure timely receipt of the proposals by the Procurement Officer at the Issuing Office. Except as permitted under COMAR 21.05.02.10, the STO will not consider proposals or unsolicited amendments to proposals arriving in the Issuing Office or received by the Procurement Officer after the closing date and time, regardless of the method of their transmission. The STO will not consider proposals submitted by electronic means only (facsimile or e-mail).

1.10 False Statements

Offerors are advised that State Finance and Procurement Article, §11-205.1, Annotated Code of Maryland provides as follows:

(a) *In general.* - In connection with a procurement contract a person may not willfully:

- (1) falsify, conceal, or suppress a material fact by any scheme or device;
- (2) make a false or fraudulent statement or representation of a material fact; or
- (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.

(b) *Aiding or conspiring with others.* - A person may not aid or conspire with another person to commit an act under subsection (a) of this section.

(c) *Penalty.* - A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding 5 years or both.

1.11 Duration of Offer

Proposals submitted in response to this solicitation are irrevocable for 120 days following the later of the proposal due date or the date the Procurement Officer receives final best and final offers, if any. At the request of the Procurement Officer, the Offeror may agree in writing to extend this period.

SECTION II. GENERAL INFORMATION

2.01 Electronic Distribution

This RFP is published on *eMaryland Marketplace*, posted on the websites for the National Association of State Treasurers and the STO, and emailed to financial institutions known to be interested in receiving RFPs. Potential Offerors wishing to receive copies of the written document should contact the Procurement Officer identified in Section I, 1.03, above.

2.02 Revisions to the RFP

The STO reserves the right to amend this RFP at any time prior to the proposal due date and time. If it becomes necessary to revise this RFP at any time prior to the proposal due date and time, the STO will provide amendments to all prospective Offerors that were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Offerors will be required to acknowledge in writing the receipt of all amendments. In addition, the STO will post amendments to the RFP on the STO's Web Page at www.treasurer.state.md.us, (select "Procurement" and then "RFP for Banking Services and Electronic Payment Card Services for the CSEA"), and through eMaryland Marketplace at: <https://emaryland.buyspeed.com/bso>. The STO will send amendments made after the due date for proposals only to those Offerors who submitted a timely proposal.

Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

2.03 Cancellation of the RFP; Rejection of All Proposals

The STO may cancel this RFP, in whole or in part, or may reject all proposals submitted in response whenever this action is determined to be fiscally advantageous to the State or otherwise in its best interests.

2.04 Proposal Acceptance; Discussions

The STO reserves the right to accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified Offerors in any manner necessary to serve the best interests of the State of Maryland. The STO also reserves the right, in its sole discretion, to award the Contract based upon the written proposals received without prior discussions or negotiations.

2.05 Oral Presentation

In support of their proposals, Offerors may be required to make an oral presentation, or conduct a demonstration, or both, not more than two calendar weeks after the STO has requested an Offeror to do so. Failure to be prepared to make an oral presentation or conduct a demonstration within this time period may prevent the Offeror's proposal from

receiving further consideration. All written representations will become part of the Offeror's proposal and are binding if the Contract is awarded to the Offeror.

2.06 Incurred Expenses

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal in response to this RFP, including costs incurred in making an oral presentation, if required.

2.07 Proposal Form

Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's proposal for meeting the requirements of this procurement. The STO will not accept oral, telegraphic, facsimile, mailgram, or electronically transmitted proposals.

2.08 Multiple Proposals

The STO will not accept multiple or alternative proposals.

2.09 Access to Public Records Act Notice

An Offeror should give specific attention to the identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, General Provisions Article, Title 4, Annotated Code of Maryland. The STO may charge a fee for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The STO may require payment of such fees before releasing the requested information.

2.10 Protests

Any protest or dispute related respectively to this solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies). Offerors must file in writing any protest regarding this solicitation with the Procurement Officer. If the reason for the protest is apparent before the proposal opening, the Offeror must file the protest before the proposal opening. In all other cases, the Offeror must file the protest within 7 calendar days after the reason for the protest is known or should have been known.

The term "filed" means receipt by the Procurement Officer who has issued this solicitation.

The protest must be in writing and must contain (1) the name and address of the protester; (2) the appropriate identification of the solicitation and, if a Contract has been awarded, the Contract number if it is known; (3) a statement of the reasons for the protest; and (4) any supporting exhibits, evidence, or documents to substantiate any claims unless the

documents are not available within the filing time, in which case the date by which the supporting documents are expected to be available is to be noted.

2.11 Proposal Opening

Proposals will not be opened publicly.

2.12 Bid/Proposal Affidavit

All proposals submitted by an Offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix B to this RFP.

2.13 Living Wage Requirements

A solicitation for services under a State contract valued at \$100,000 or more may be subject to State Finance and Procurement Article, Title 18, Annotated Code of Maryland. Additional information regarding the State's Living Wage requirement is contained in this solicitation (see Appendix C entitled Living Wage Requirements for Service Contracts). If the Offeror fails to complete and submit the Affidavit of Agreement (Appendix D), the State may determine an Offeror to be not responsible.

Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least \$13.59 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$10.21 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. If the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

The Contract resulting from this solicitation has been deemed to be a Tier 1 contract.

All proposals must be accompanied by a completed Living Wage Affidavit of Agreement. A copy of this Affidavit is included as Appendix D to this RFP.

2.14 Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as Appendix F to this RFP. This Affidavit need not be submitted with an Offeror's proposal.

2.15 Representations

By submitting a proposal in response to this RFP, the Offeror represents that (a) it is not in arrears in the payment of any obligation due and owing the State or any department or unit thereof, including but not limited to the payment of taxes and employee benefits (the “State Obligations”), and (b) it is in compliance with all federal, State and local laws applicable to its activities and obligations under the Contract. Further, if selected for award, the Offeror agrees that these representations will continue in effect during the term of the Contract.

2.16 Minority Business Enterprises

The STO has not established a minority business enterprise subcontractor participation goal for this solicitation, but Offerors are encouraged to work with certified MBE subcontractors. A directory of certified MBEs is maintained by the Maryland State Department of Transportation Office of Minority Business Enterprise. The directory is available online at www.mdot.state.md.us. Select the “Minority/Disadvantaged Business Enterprise” label.

2.17 Veteran-Owned Small Business Enterprise

The STO has not established a veteran-owned small business enterprise (“VSBE”) subcontractor participation goal for this solicitation, but Offerors are encouraged to work with certified VSBE subcontractors. A VSBE must be verified by the Center for Veterans Enterprise of the United States Department of Veterans Affairs. The VSBE list is at: <http://www.vetbiz.gov>.

2.18 No Guarantee of Work

No Contractor is guaranteed any minimum amount of work or compensation.

2.19 Order of Precedence

The Contract between the parties will be embodied in the Contract documents which will consist of the following, listed in their order of precedence:

1. the executed Contract;
2. the RFP; and
3. the Offeror’s proposal.

The STO will not accept any modifications to the order of precedence provision of this solicitation.

SECTION III. SCOPE OF SERVICES AND REQUIREMENTS

3.01 Background

The Annotated Code of Maryland, Family Law Article, Sections 10-106, 10-107 and 10-108 provide for the establishment of a CSEA within the Department of Human Resources (“DHR”). The child support program is State administered and operated locally with offices located in each of the 23 Maryland counties and Baltimore City. The child support program collects child support payments from non-custodial parents and distributes it to custodial parents. The centralization of disbursement of child support payments was implemented in April 1996.

Child support payments are remitted centrally to the front-end receipting vendor for the State and are deposited into a central depository account for CSEA. Other funds deposited into the account are from employers by electronic funds transfer (“EFT”), and federal and state tax intercept collections. Child support collections are also deposited in bank accounts established by CSEA local offices (the “local offices”) and CSEA Central Office (the “central office”). These accounts are swept overnight into the general banking account upon disbursement of funds to the child support recipient. Funds not ready for disbursement remain in the local jurisdiction account.

Effective November 1, 2002, the State implemented direct deposit and debit card services. In Fiscal Year 2014 (July 1, 2013 to June 30, 2014), the percentage of child support payments made by paper checks was approximately 7% of total payments; whereas 93% percentage of payments was made by direct deposit and Electronic Payment Cards (“EPC”).

In Fiscal Year 2015, 2,557,424 disbursements were made by the CSEA. These disbursements consisted of 166,027 checks printed at the Maryland State Treasurer’s Office; and 2,391,397 direct deposit and EPC transactions issued through the current financial institution. Currently, there are 73,355 active EPC customers.

In Federal Fiscal Year 2015 (October 1, 2014 to September 30, 2015), CSEA collected and disbursed \$564 million in child support payments. Child support checks are printed by the STO are payable from a central disbursement account. The central office issues emergency checks manually from a manual checking account. CSEA expects to implement a new Controlled Disbursement Account in addition to the Central Disbursement Account with this Contract.

Program Objectives

The STO on behalf of the DHR/CSEA is seeking proposals to provide general banking services to process and disburse monies collected on behalf of individuals who receive child support services. These services shall include:

- a central depository account for the collection of incoming child support;
- a general banking account for child support payments;
- a controlled disbursement account for disbursement of child support checks;
- process checks drawn for child support payments;
- process child support payments by electronic funds transfer or by crediting an EPC; and
- certain banking and account functions related to the transactions processed against the accounts.

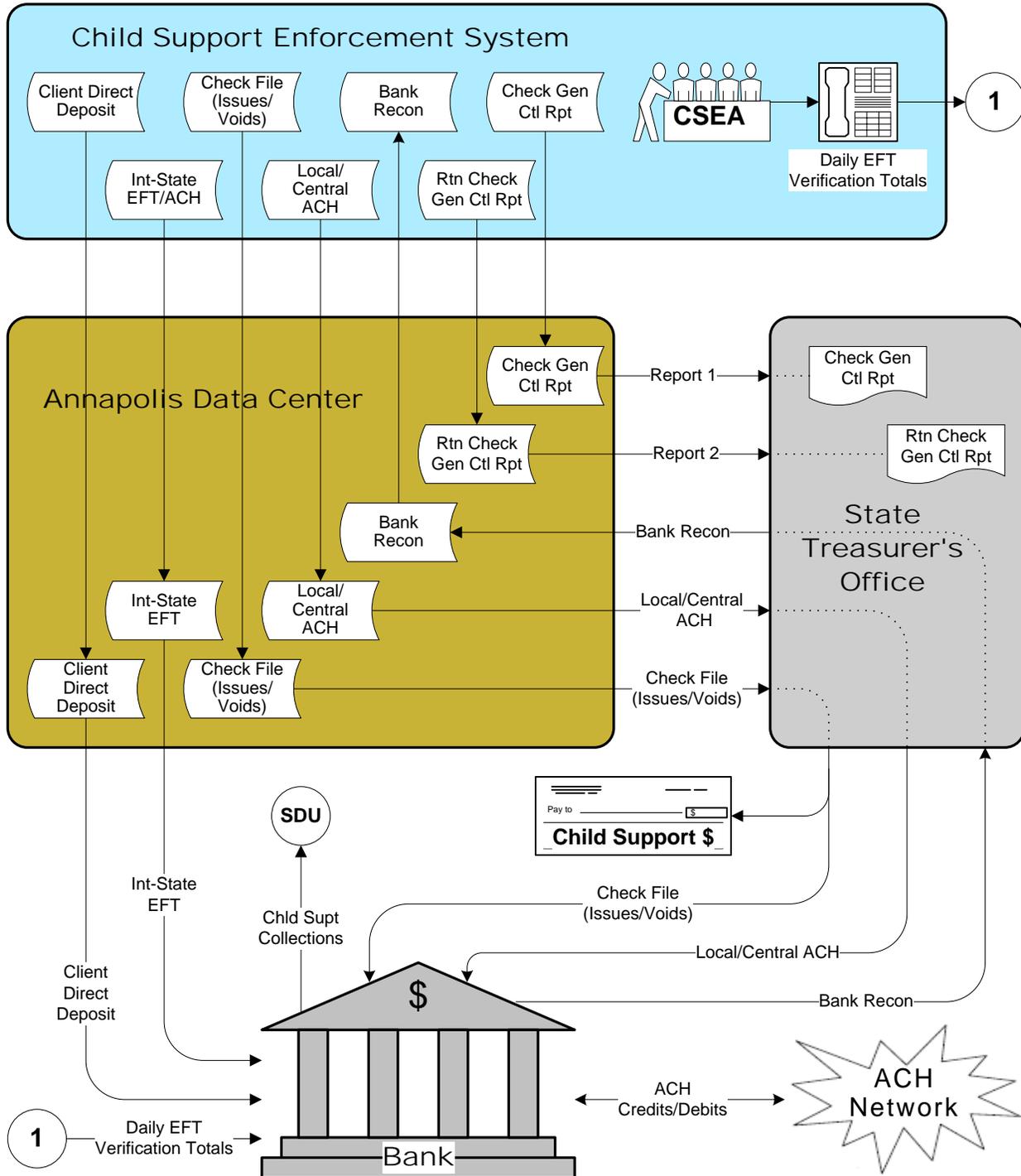
The selected Offeror is required to maintain an EPC program for the disbursement of child support payments in order to:

- ensure cardholders receive the child support benefits efficiently, accurately and securely;
- reduce and/or eliminate the issuance of paper child support checks;
- reduce costs;
- create efficiencies;
- maintain or increase the flexibility of accessing payments for recipients; and
- reduce the potential for fraud inherent in use of paper checks.

The following flowchart shows Maryland Child Support Enforcement System (“CSES”) interaction with the STO’s Office and the Bank.

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Maryland CSES Interaction with State Treasurer's Office and Bank



3.02 Minimum Qualifications

In its proposal, each Offeror must demonstrate that it meets the requirements described in this section. Failure to do so may result in the rejection of the proposal.

1. The Offeror is a financial institution, as defined in §6-201 of the State Finance and Procurement of the Annotated Code of Maryland (Exhibit 1).
2. The Offeror must be certified by or a member with the Federal Deposit Insurance Corporation ("FDIC").
3. The Offeror must have a Kroll Bond Rating Agency, Inc. (KBRA) rating, or a similar financial strength rating from a nationally recognized statistical rating organization of at least a "C".
4. The Offeror must process Electronic Funds Transfers (EFTs) in the manner prescribed by the National Automated Clearing House Association ("NACHA").
5. Accept e-processing payments per NACHA DED Child Support Addendum Records for Financial Institution Data Match payments.
6. The Offeror must be a member of, or have the ability to clear electronic transactions or cash through, all major entry or electronic securities depositories, such as the DTC/ID system and the Federal Reserve System.
7. The Offeror must provide for the collateralization of all State funds deposited to any bank account that meets the requirements of §§ 6-202, 6-209 and 6-222 of the State Finance and Procurement Article, (See Exhibits 2, 3, and 4 respectively). All collateral must be held in the name of the State of Maryland either, (a) with the Federal Reserve Bank of Richmond, (b) with the Federal Reserve Bank of Boston, or (c) at the sole discretion of the Treasurer, on deposit with an independent financial institution acceptable to the Treasurer.
8. The EPC cardholder costs/fees (if any). At the minimum, no fee should be assessed in the following scenarios:
 - a. Purchase at merchants (signed, using PIN, online, phone or mail purchases);
 - b. ATM transactions;
 - c. ATM balance inquires (all ATMs);
 - d. Declined transactions (ATMs only);
 - e. Online, Automated, Live or International Customer Service inquiry;
 - f. Account Alert Services;
 - g. Online funds transfer;
 - h. At the minimum of one/week ATM withdrawal at other financial institution's ATMs; and
 - i. Cash access fee for the first withdrawal at financial institutions that accept VISA card limited to available balance only.

3.03 Minimum Service Requirements

In its proposal, each Offeror must acknowledge and agree that it will meet or exceed the following minimum services requirements.

1. The Offeror shall maintain its KBRA Rating or similar financial strength rating from a nationally recognized statistical rating organization, such as Kroll Bond Rating Agency, Inc., of at least a "C" for the term of the Contract. Should the Offeror's rating drop below "C", the Maryland State Treasurer (the "Treasurer"), at her discretion, may dismiss the Offeror, require additional collateral of the Offeror, or take other actions as she deems necessary under the circumstances to protect the interests of the State of Maryland.
2. The Offeror shall provide collateral for accounts in accordance with the requirements set forth in §§ 6-202, 6-209, and 6-222 of the State Finance and Procurement Article. (See Exhibits 2, 3, and 4 respectively). Except as required or permitted under § 6-202 with respect to surety bonds or letters of credit provided as collateral, the collateral shall be on deposit in the name of the Treasurer, State of Maryland, either, (a) with the Federal Reserve Bank of Richmond, (b) with the Federal Reserve Bank of Boston, or (c) at the sole discretion of the Treasurer, on deposit with an independent financial institution acceptable to the Treasurer.
3. The Offeror must agree to conform to all FDIC guidelines on collateral to insure clear title to all collateral held will rest with the Treasurer in the event of default. If an overnight investment program is proposed (above), that requires collateralization, the collateral pledged to secure account deposits may also be used to secure the overnight repurchase agreement.
4. The Offeror must offer child support obligors the option of paying their child support obligation via a major credit and/or debit card. The Contractor must be compliant with the Payment Card Industry Data Security Standard (PCI-DSS) for the processing of credit card payments. The Contractor must accept a credit card remit type and pass to a credit card remit type in the daily payment file to the State's automated system for collections received by credit card. Obligor who choose to pay by credit card are responsible for credit card fees.
5. The financial statements of the Offeror must be audited annually by an independent certified public accounting firm and an unqualified opinion must be issued by the auditor in connection with the audit. Include Offeror's most recent audited financial statements. One copy of the financial report with all attachments is to be included in original volume only.
6. Offeror call centers providing customer service, as indicated in the RFP, must be located within the geographical boundaries of the United States.

7. The Offeror must provide customer support in English and Spanish languages.
8. Offeror must agree that any material available to the public be approved by CSEA prior to release.
9. Offeror must agree that the State of Maryland shall own the Uniform Resource Locator (“URL”) for retrieving CSEA’s web address.

3.04 Overview of Banking Services

The Offeror shall establish a central deposit account using a zero balance account (ZBA), a general banking account, and a controlled disbursement account. The general services required are: clear checks, electronic transfers, process daily incoming and outgoing payments, and provide reconciliation files of child support collections and disbursements. CSEA requires the vendor to provide usual and normal banking services for (a) the collection of funds (b) clearing and reconciliation services for a monthly average of 14,000 paper checks and 199,000 direct deposit and EPC transactions. The Offeror shall provide on-line daily reports of all the banking activities. CSEA shall be provided with a detailed monthly reconciliation statement along with a report of all outstanding issuances. CSEA shall require daily and monthly settlement reconciliation for the positive pay process. Monthly bank statements and reconciliation reports should be provided by electronic file transfer. Report formats shall have the ability to be customized to meet the needs of CSEA.

Incoming Funds/File Processing:

1. Child support collections are processed for bank deposit by a State Disbursement Unit (SDU), the front-end receipting vendor for the State of Maryland.
2. Incoming payment files include employer payroll deductions, interstate collections, unemployment intercepts from the Department of Labor Licensing and Regulation, and direct pay transactions. These funds are remitted to the agency’s bank by way of ACH.
3. Collections deposited at banks by the local offices shall be swept overnight into the controlled disbursement account upon disbursement of funds to the customer.
4. Additional monies are collected by way of the State Tax Refund Intercept Program (“TRIP”) and the Federal Treasury Offset Program (“TOP”).

Outgoing Funds:

1. The STO prints the checks daily, and a corresponding electronic file shall be forwarded to the bank.
2. CSES generates, in ACH format, two daily files of all electronic disbursements and forwards to the bank for processing. One larger outgoing file combines direct

deposit transactions as well as electronic payment card disbursements to clients. A smaller outgoing file contains EFT payments to other states for their Child Support cases.

CSEA provides the STO with a daily file for paper checks and a local ACH file. The checks printed and electronic payments are currently drawn against an account called the State of Maryland, Child Support Central Disbursement Account (the "General Banking Account"). All money deposited into the State of Maryland Child Support Central Depository Account (the "Central Depository Account") is swept daily into the General Banking Account. The General Banking Account shall also be funded through daily ACH deposits drawn upon individual ACH debits to the bank account set up by the central office for the local offices. DHR shall produce this daily ACH file and transmit it to the STO. The file shall consist of individual debit transactions to the General Bank Account set up for the local child support offices and a credit transaction to the General Banking Disbursement Account to fund the check issuance. The STO shall submit the ACH file for processing and transmission to the Bank.

3.05 Banking Services Requirements

As part of its proposal, each Offeror must demonstrate that it meets the requirements described in this section.

1. Establish three (3) bank accounts during the transition period, titled; "State of Maryland, Child Support General Bank Account," "State of Maryland Controlled Disbursement Account," and an account titled "State of Maryland, Child Support Central Depository Account", (together referred to as "Accounts").
2. Work with CSEA to maintain the program of direct deposit and electronic payment card issuance to all child support clients (except those exempted) who currently receive paper checks. It is CSEA's intention to maintain the electronic payment solution for the disbursement of child support payments using direct deposit method and an EPC that is VISA branded.
3. Receive deposits, and incoming and outgoing ACH transactions. Deposits to the Central Depository Account shall consist of checks, wire transfers and ACH credit transactions from local Child Support offices drawn on financial institutions. The Offeror shall receive and process all such deposits in accordance with standard banking procedures.
4. Receive NACHA/CCD+, and CTX formatted EFT/EDI child support receipts (payments) from the ACH and from compatible third party providers. ACH child support credits shall be credited to the General Banking Account or, at the option of CSEA, to a separate depository account with the Offeror. The Offeror shall have the capability to provide CSEA with a separate NACHA formatted daily output file containing the ACH records and all associated addendum record(s) that were received from the ACH for the General Banking Account. The file shall be

transmitted to the CSEA prior to 11:00 a.m. the morning following the posting date.

5. Receive incoming EFTs from many sources via the ACH network and to forward an aggregate EFT file to CSEA. At present this file is usually received near midnight after every banking business day. This file is then retrieved by CSEA for processing on the succeeding State business day. The CSEA system is prepared to receive EFT files containing batches in both the ACH CCD+ and CTX formats.
6. Receive an outgoing EFT file from CSEA of disbursements to be forwarded to other states via the ACH network. This service is commonly initiated between 10:00 PM and 2:00 AM after every State business day. This file is generated in the ACH CCD+ format.
7. Receive an outgoing EFT file from CSEA disbursements for distribution to client direct deposit and EPC accounts via the ACH network. This service is commonly initiated between 8:00 PM and midnight after every state business day. This file is generated in the ACH PPD format.
8. Provide at least one location in each Maryland County and Baltimore City for the presentment of all properly drawn checks against the account. These locations may be advertised and published in CSEA documents. The Offeror shall also pay the amount of all properly drawn checks against the account to the presenter both without charging the presenter a fee, if the presenter can substantiate his/her identity in accordance with standard banking practice and regardless of whether or not the presenter has an account with that bank. If the Offeror does not have a location in a Maryland County, it shall specify to CSEA the name of the correspondent bank which does have locations in that county. The Offeror shall work with that correspondent bank to ensure the correspondent bank does not charge the presenter of a properly drawn CSEA check a fee for cashing the check.
9. Complete all wire withdrawals from the account on a demand basis no later than close of business on the day of the request based on directions provided by CSEA. At CSEA's option, the Offeror shall provide the CSEA with an on-line wire transfer service. Request for wire transfers are expected to be at least one per month. The wire transfer system shall require secured online service with multi-level security.
10. Provide an automated stop payment and void/cancellation system. The system shall have the capability of permitting CSEA to electronically place stop payments and voids/cancellations against checks issued and provide automated confirmation or denial of the stop/void check immediately. The Offeror's system shall also permit and provide a manual process to communicate stop payment requests with attendant confirmations the same day. Stop payments shall remain in effect for a period of (2) two years and then be cancelled items after that. These cancellations must be reported separately as items previously stopped.

11. Credit the General Banking Account within 24 hours for the face amount of an item presented to the account after receipt from CSEA of an affidavit certifying that the endorsement on such item presented is a forgery. Four (4) forgery claims were filed with a total dollar value of \$7,161 for 2014. The Offeror shall not charge back the item until the Offeror has fully and finally resolved the matter and a determination is made that the Offeror is not the responsible party and has obtained CSEA approval. CSEA shall receive confirmations by way of letter for the initial deposit as well as a confirmation letter that the investigation is completed and the initial credit stands as the final credit. The Offeror shall complete the fraud investigation within 30 days of submission when possible.
12. Provide a payee positive pay service which shall allow CSEA to report issued items electronically to the Offeror on a current basis for daily processing. CSEA shall compile and maintain a valid issued items file and shall transmit an updated file to the Offeror each business day. The Offeror shall review all incoming items presented against the issued file, and the Offeror shall electronically report suspect items presented for payment to CSEA for payment acceptance or rejection.
13. Provide a file of paid items daily as well as a monthly settlement file.
14. Provide a daily bank statement indicating beginning balance; appropriate activity detail, totals of charges and credits, and ending balance.
15. Provide monthly an electronic file containing images of all checks paid for CSEA.
16. Retain all paid checks (either the original item or a legally acceptable copy of the original item) for a period of not less than seven years. Electronic file of images is the preferable method for CSEA's research purposes.
17. Render timely monthly invoices showing by each category of fees in the volume and charges for the month to CSEA as indicated in the price proposal. At no time and under no circumstances shall the CSEA Accounts be auto-debited for bank service fees. Invoices shall be forwarded to the CSEA at the agreed upon address.
18. Provide the Offeror's approaches to fraud, theft, counterfeit and forgery prevention and detection.
19. Provide the following information at the following times:
 - a. A daily file by electronic transmission of all the checks paid against the account, all voids/cancellations, stop payment matches and stop payment cancellation occurring the preceding day. The file shall include the payee's name, check number and check amount, total amount by page and paid date.
 - b. On-line access in real time to all charges and credits to the account excluding paid and canceled checks. Charges and credits (including credits for

fraudulently paid checks) applicable to paid checks shall indicate the check number and check amount. This file shall also include deposits and deposit adjustments. Entries for deposit adjustments shall reflect the original deposit date. The nature of all entries shall be clearly indicated.

20. Provide the following monthly Account Reconciliation Services:
 - a. A monthly full reconciliation service with regard to the accounts to include, at a minimum, file of outstanding items, canceled items, paid items, ACH transactions, account adjustments and corrected items, serial numbers of rejected items. Each file entry shall indicate, by item, payee's name, item amount, item issue date and the item paid date.
 - b. These full reconciliation services shall be based upon a daily item issue file provided by the STO. CSEA shall be responsible for providing input to the Offeror regarding checks, direct deposits, and EPC for which stop payments are requested. The Offeror shall provide monthly reconciliation reports.
21. Identify an individual within the Offeror's organization who shall respond to questions and inquiries concerning the operation of the Accounts, and Direct Deposits. This individual shall be capable of addressing issues and resolving any possible problems encountered.
22. Render such written and/or telephone reports and statements relative to the Account(s) as may be normally and reasonably required by the STO or CSEA.
23. Receive and process all types of standard deposit activity with regard to the Central Depository Account, including but not limited to: pre-encoded check deposits as well as un-encoded check deposits; wire transfers, and ACH credits and debits. In addition, the Central Depository Account must be a zero balance account (ZBA), with collected and available funds flowing to an overnight investment at the end of each business day and transferred to the General Banking Account at the beginning of the following business day.
24. Image cash letter deposits and pre-encoded check deposits will be presented daily to the Depository Account. The timing and location for receipt of these deposits as well as the availability schedule for deposited items must be included with the response. Copies of receipted deposit tickets must be provided to CSEA via fax or mail.
25. The Offeror shall work with CSEA's Payment Processing Center to simplify processing to the extent possible by utilizing Block and Batch Headers as well as Document Carriers for mutilated items.
26. The Offeror shall promptly deliver Returned Deposited items to CSEA.

27. Provide CSEA with the ability to place stop payment requests online by batch and provide batch confirmations of stops.
28. Upon the request of the Contract Officer, work, in good faith, to transition the services described under the RFP to successor contractors, including without limitation, sharing file data, answering questions, providing services for matters already in process at the time of termination of the Contract resulting from this RFP.

3.06 Electronic Payment Card Services

As part of its proposal, each Offeror must demonstrate that it meets the requirements described in this section and provide detailed descriptions of services.

A. Electronic Payment Card ("EPC")

1. Describe the EPC design process and the timeline for this process.
2. CSEA shall have the right to approve the name, design, content (including activation sticker), and graphics of the EPC. Describe how you will ensure these rights.
3. The State of Maryland shall own the EPC design. Describe how you will ensure that it becomes the property of DHR/CSEA.
4. Describe how the activation sticker on the EPC is in English and Spanish.
5. Describe the expiration process, if any, for the EPC. Provide guidelines for EPC expiration dates and policies.
6. Any Child Support Client referred by CSEA shall not be denied participation in the EPC program unless required by State or federal law or regulations. Describe how CSEA will be notified within one (1) business day of any instances when a child support client is denied participation.
7. Describe the enrollment/registration process for new/additional child support recipients to receive an EPC. Describe the information needed from CSEA to issue EPC's to child support recipients.
8. Describe how the EPC distribution process will work, including the maximum time to process an EPC until receipt of the EPC along with instructional materials by the cardholder.
9. Describe the process for EPCs being returned as undeliverable and how CSEA will be notified.
10. The selected Offeror shall issue, replace or re-issue an EPC when necessary.

- a. Describe what constitutes a replacement EPC (e.g., lost, stolen or damaged EPC) and what constitutes a re-issued EPC (e.g., name change) and the policy and timeline for replacement and re-issuance of EPCs. At a minimum, one (1) replacement EPC and one (1) reissued EPC shall be provided by the selected Offeror at no cost to CSEA or the cardholder for each 12-month benefit year period. Describe how additional replacement or reissued EPCs will be handled, defining parameters for replacement cards and any charges to the claimant.
 - b. Describe the procedures for lost, stolen or damaged EPCs, how soon a replacement card is issued and how funds will be provided to the cardholder whose EPC is lost, stolen or damaged. Describe how your customer support package will include the capability for cardholders to report lost, stolen, or damaged EPCs; and describe this reporting process.
 - c. Describe the procedures for expediting a replacement or reissued EPC at the request of CSEA.
11. Identify an individual within the Offeror's organization who shall respond to questions and inquiries concerning the operation of the EPC.

B. Use of EPC

1. Describe how the EPC will be accepted by any participating merchant, including Point of Sale ("POS").
2. Describe how the EPC will allow for PIN-based and signature-based purchases.
3. Describe how the EPC will be compatible with the operating ATM network, and allow for withdrawal of cash through a normal ATM transaction.
4. Describe the ATM network(s) and how it will be accessible to the cardholder, how the technology used will be currently active and available, and indicate which of these networks will provide free services.
5. Describe how ATM access will be offered. Individuals who receive child support payments from Maryland may reside either in State or out of State, with some potentially living out of the country.
6. Provide a schematic of ATMs and direct teller sites located in Maryland, and nationally; a schematic with locations of all ATMs where free services are available; and, outside the State, a method to locate an ATM or branch location via a toll-free customer service telephone service and a web site.

7. Describe any and all limitations placed on the cardholder, such as amounts available to withdraw daily and number of transactions permitted daily.
8. Describe any transactions that will be disallowed, including transactions that cause the cardholder to exceed the amount available in the account and how the cardholder will be notified.
9. Describe how you will prevent overdrafts from transactions that are verified online.
10. Describe any liability to cardholders, for any transaction or other associated costs that cause the cardholder to exceed the amount available in his/her account. CSEA will not have any responsibility or obligation for such overdrafts, nor for any other costs or liabilities incurred by the Offeror due to the actions of a cardholder.
11. Describe policies regarding asset freezing, including how you handle any holds that may be placed on cardholder accounts.
12. Describe the process for cardholders to “cash-out” their EPC account balance. For example, describe how cardholders can withdraw amounts under the ATM minimum withdrawal amount, or the retailer minimum, or for amounts less than one (1) dollar.
13. Describe how you will detect, and communicate to the cardholder, potential fraudulent payments as a result of multiple EPC transactions by individual cardholders in a specific geographical area.
14. Describe any liability to cardholders, for any reason including, fraud, unauthorized use of EPCs or EPC accounts, stolen EPCs, lost EPCs, or EPCs that are damaged or no longer work (for example, demagnetized), etc.
15. The EPC shall have no line of credit. Authorized deposits by CSEA and merchants making refunds for EPC purchases will be allowed. Neither the cardholder nor any other entities shall be able to make deposits or add value to the EPC.

C. Account Activation

1. Describe the data required from a cardholder to activate his/her EPC and the timeframe required for activation.

2. Describe how the cardholder will be able to choose or change his/her PIN under the following circumstances:
 - a. After initial EPC issuance;
 - b. When an EPC is lost or stolen;
 - c. If a cardholder forgets his PIN;
 - d. If the PIN is compromised; and
 - e. In addition, explain alternative methods of PIN selection, if available.
3. Describe how payments will be made immediately available to the cardholder upon EPC activation by the cardholder.
4. Describe how accounts will be deactivated following notification by CSEA. Describe circumstances under which you would otherwise want to deactivate an account. The selected Offeror and CSEA will jointly agree upon processes and procedures for deactivating and reactivating accounts.
5. On a monthly basis the bank will provide CSEA with the name, address and social security number of any customer whose electronic payment card has not been activated after six months.

D. Customer Service

1. Describe the customer communications and marketing information plan and the associated timelines for the EPC. All marketing and instructional materials must be, at a minimum, in English and Spanish. Describe specific information about cardholder services and costs/fees that will be provided. Proposed marketing and instructional materials and samples from previous clients should be included. CSEA reserves the right to review and approve all marketing and instructional materials.
2. Describe training and instructional materials for CSEA staff on the use of the system. Samples of such material should be included. CSEA will have the right to review and approve all materials and approaches.
3. Offerors must include samples of all web pages, statements, dispute forms, and any other forms related to the EPC process in its proposal response.
4. Describe how CSEA and subsequently cardholders will be immediately notified of changes in policy that affect them or their accounts.
5. Describe how calls will be monitored to ensure quality customer service and to address customer complaints. Describe how customer complaints are logged, categorized, resolved, and the timeframes associated with these processes. List the types of issues anticipated and explain how they will be

resolved. Include information and reports that you will provide to CSEA to enable CSEA to monitor customer service and customer complaint resolution.

6. Describe how you will respond to cardholder inquiries regarding EPC transactions within Offeror's stated timeframes.
7. Describe when Customer Service Representatives ("CSR") are available as opposed to Interactive Voice Response ("IVR") technology. Include any alternative methods of accessing account information in your proposal.
8. Describe procedures for determining the identity of a caller prior to providing any account information.
9. Describe providing CSEA's customer service staff with a toll-free direct telephone line in order to transfer a cardholder to a CSR.
10. Describe how your customer support package will include TTY and communications relay capability as described in the Americans with Disabilities Act.
11. Describe how cardholders who are unable to enter the EPC number through the IVR will default to a CSR.
12. Describe how a secure Internet-based management tool will be provided to allow cardholders to view financial transaction detail posted to their account. Specify the website and describe how it will work.
13. Describe how a link to CSEA's website will be provided from the pages that display account details.
14. Describe how CSEA messages are delivered in both English and Spanish to cardholders through your secure web site, IVR system, and CSRs. Describe how customer support in English and Spanish will be provided. Describe how customer service is provided to other non-English and non-Spanish speakers.
15. Describe the customer process for completing an account inquiry, including various options such as IVR, ATM, customer support, online, etc.
16. Describe your procedures to resolve account discrepancies.
17. Describe how you will provide a monthly statement for each cardholder. Offerors shall supply a sample statement in the proposal response.
18. Describe how cardholder address changes can be managed with CSEA being the custodian of the address records.

19. Describe how returned mail is handled and how it will be reported to CSEA.
20. Describe services available to cardholders living outside of the United States.
21. Describe how call centers and operating/processing facilities will be accessible for visits from CSEA staff.

E. Data Management

1. Describe how the required information and file format(s) will be provided for transmitting account setup, including errors or problems with data to and from CSEA. Describe the child support client or CSEA data required to establish an EPC account (e.g., name, address, phone number, date of birth, and unique identification for Child Support Client) and propose a process for sharing this information with CSEA.
2. Describe your procedure for using an industry standard electronically secure data connection to allow CSEA to transmit and receive account information on a daily basis.
3. Describe your ability to accept and process daily payment data from CSEA. CSEA shall submit transactions to the selected Offeror according to NACHA approved format. The daily data includes:
 - a. A new account file containing information necessary to set up new accounts and issue EPCs;
 - b. A maintenance file containing name changes, address changes, etc. to update account information;
 - c. A payment file containing deposits and other required identifying information; and
 - d. Confirmation via e-mail that the file has been received. CSEA shall be notified by noon the next business day if the previous night's file has not been received.
4. Describe the number of hours/calendar days subsequent to receiving new account data from CSEA that you require to:
 - a. Establish an account for each child support client record in the file;
 - b. Provide CSEA with required identifying information necessary for CSEA to begin making payments; and
 - c. Mail EPC to each child support recipient by first class mail.

5. Describe the number of hours subsequent to receiving data from CSEA that you require to process payments to the cardholder's account so that funds are available to the cardholder. Include the number of hours/days for periods involving weekends and holidays.
6. Describe how, on a daily basis, CSEA shall receive from the selected Offeror a file or report containing:
 - a. New account numbers;
 - b. Reissued account numbers;
 - c. All other information necessary for CSEA to properly make payments; and
 - d. An error file containing payment records that could not be processed, along with a description of the error.
7. Describe your reconciliation process, including a reporting timeline, for money received from CSEA versus money disbursed to cardholders, including audit trail(s) for each transaction throughout the process.
8. Describe how you will accept reversals from CSEA for any credit entries made in error to a cardholder account consistent with NACHA regulations.
9. Describe your data archiving and retrieval procedures. The selected Offeror shall be required to retain records, including but not limited to, financial records, supporting documents, statistical records, any other records, papers, logs, audit trails or books related to this RFP and any resulting contract for a period of seven (7) years after the expiration of the Contract, or until CSEA or interested government agencies are satisfied that all audit and litigation matters are resolved, whichever period is longer. The selected Offeror may be requested to produce records or provide testimony as a keeper of record pursuant to a valid subpoena or court order. The selected Offeror shall immediately notify DHR's Attorney General's Office of any subpoena or court order directing the release of information and shall consult with CSEA prior to releasing such information.

F. Disaster Recovery/Business Continuation

1. A major disaster is defined as a loss of the facility or business processing due to a catastrophic event, which causes vital business processes to stop for an extended period of time (more than 24 hours). This includes:
 - a. An event resulting in the inability to meet important customer commitments and contractual obligations or to protect the interests of CSEA and the Offeror and its employees.

- b. The loss of system/service and/or degradation due to, but not limited to the following catastrophic events:
 - (1) Power outage
 - (2) Server crash
 - (3) Server failure
 - (4) Router failure
 - (5) Cable failure
 - (6) Power surge
 - (7) E-mail failure
 - (8) Internet failure
 - (9) Virtual private network (VPN) failure, and/or
 - (10) Computer virus

Describe, in sufficient detail, your disaster recovery plan and continuation of business plan.

- 2. Describe how CSEA will be notified of any situation which could reasonably be expected to adversely affect the payment processing operation. This includes any failure of depositing funds into cardholders' accounts and the cardholders' ability to use funds in the accounts.
- 3. Describe how your procedure manuals are maintained during a disaster. Include how your procedures are available in an automated format.
- 4. Describe how, in the event of a major disaster, CSEA will be ensured that the following occurs:
 - a. Quick recovery of critical systems. Telephone and fax lines are available for customer use within 24 hours, and all business functions are returned to full service within five (5) business days;
 - b. Transfer of business functions to an alternate site. Potential alternate facilities (hot-sites) must be identified in advance. The chosen alternate facility is identified at the time a disaster is declared. The hot-site location choice is based upon the scope and impact of the disaster; and
 - c. Effective communication efforts during disaster recovery. All CSEA contacts, members of each of the disaster recovery plan teams, all call center site employees, and other appropriate staff must be kept up-to-date during the recovery. You must provide information about (1) how to contact your staff during the recovery, (2) when services will

be reestablished, and (3) any decision to locate to alternate facilities. CSEA feels strongly that communication with staff, customers, and CSEA contacts is crucial to the actual and perceived success of the recovery efforts.

G. Query and Reporting

The selected Offeror must provide CSEA with detailed reporting to the extent permissible under Regulation E issued by the Board of Governors of Federal Reserve. Describe the regular reports you propose and provide samples. The reports must be available in summary and detail. Reports must be delivered to CSEA electronically in a format approved by CSEA, through a secure Internet connection. Reports should be delivered monthly, no later than five (5) business days after the last day of the preceding month, for the preceding month's activities, unless otherwise stated by CSEA. The reports should include the following information:

1. Fraud control activity/risk analysis (daily reports):
 - a. Number of PIN changes;
 - b. Number of reports of stolen/lost EPCs;
 - c. Dollar amount stolen/lost;
 - d. Number of reports of fraudulent activity;
 - e. Dollar amount defrauded;
 - f. Geographical location of fraudulent activity;
 - g. Detailed listing of customers who have reported stolen/lost EPCs and/or fraudulent activity and the resolution of each;
 - h. Data to measure timeliness between the date of a reported stolen/lost EPC or other fraudulent activity and the date the reported issue is resolved;
 - i. Number of accounts deactivated due to fraud;
 - j. Number of reissued EPCs and reasons for re-issuance; and
 - k. Detailed listing of confidentiality and security breaches including steps taken to contain the breach, follow-up reports, and a corrective action plan.
2. Detailed listing of any and all business disruptions of four (4) hours or longer.
3. Financial activity (monthly reports, broken down by day):
 - a. Amount of funds disbursed to cardholders sorted by amount of time from receipt of all necessary payment information from CSEA;
 - b. ATM withdrawals;

- c. PIN vs. signature-based merchant transactions;
 - d. Number of free cardholder transactions; and
 - e. Count and amounts of deposits made to cardholder accounts.
 - f. Amount of funds remaining in all cardholder accounts by length of account inactivity; and
 - g. Number of payment records that had errors.
4. EPC/Cardholder activity:
- a. Number of accounts established by amount of time from receipt of all necessary account information from CSEA;
 - b. Number of EPCs mailed via first class mail by amount of time from receipt of all necessary account information from CSEA;
 - c. Number of EPCs issued;
 - d. Number of EPCs activated;
 - e. Amount of time from EPC issuance to activation;
 - f. Active accounts;
 - g. Inactive accounts;
 - h. Closed accounts;
 - i. Frozen accounts; and
 - j. Cancelled accounts.
5. Separate Customer Service activity for Interactive Voice Response (“IVR”) and Customer Service Response (“CSR”):
- a. Number of calls attempted (IVR, CSEA transfer if available, outside if available);
 - b. Number of calls getting a busy signal;
 - c. Number of calls accepted in queue;
 - d. Number of calls in queue abandoned by wait time;
 - e. Number of calls answered by wait time;
 - f. Average wait time;
 - g. Number of calls answered by type of call;
 - h. Number of calls answered by IVR/CSR with breakout of languages served;
 - i. Number of calls answered by talk time (connect time less time in queue);
 - j. Average talk time;
 - k. Time and duration of all IVR/CSR service interruptions, both scheduled and unscheduled reported separately; and
 - l. Number of calls answered and transferred to CSEA.

6. Customer Service activity - Internet (CSEA related):
 - a. Number of Web site hits;
 - b. Number of cardholder account inquiries;
 - c. Number of cardholder account updates (e.g., PIN changes); and
 - d. Time and duration of all web site service interruptions, both scheduled and unscheduled reported separately.

7. Customer Service activity - General:
 - a. Number of account protests by type of protest; and
 - b. Detailed listing of complaints by customers with difficulty accessing services due to low English proficiency, including the steps taken by selected Offeror to enable service.

8. Describe how you will maintain all activity for an individual cardholder's data and make it available to CSEA upon request.

9. Describe the POS process, including data capture capabilities and how much information can be input and received from the POS. Include all reporting options available to CSEA.

H. Confidentiality/Security

All Child Support client information and account information created as a result of any contract that results from this RFP must remain confidential and may not be sold or otherwise shared with any other entity not associated with the Contract or for any purpose other than the execution of the Contract, unless required by law. In addition, the selected Offeror may not use child support client information or account information to solicit other business and must ensure that the child support client information and account information is protected and kept confidential. Offerors must describe in detail all procedures for safeguarding confidential cardholder information and cardholder account information below.

The Offeror shall maintain confidentiality of information made available by CSEA pursuant to the Contract. Information furnished to the Offeror by the State or any of its constituent agencies in the performance of the Contract shall not be disclosed by the Offeror or any of its agents to any other person or concern outside the STO and CSEA without the written consent of the STO and/or CSEA, and shall be utilized solely for purposes consistent with Offeror's responsibilities under the Contract.

1. Describe your processes and procedures used to ensure the confidentiality of child support client information and their account information, including but not limited to the following measures:
 - a. Describe how access to data regarding child support client information and their accounts will be restricted to those individuals whose access is essential to the administration of the program;
 - b. Describe how individuals with access to child support client information or their accounts will be under the direction and control of the selected Offeror;
 - c. Describe how you will monitor the use of the data by individuals with access to child support client information or their accounts to insure that such information is being used only for purposes consistent with the administration of this program;
 - d. Describe how you will keep all information regarding child support clients and their accounts secured in a manner which will ensure its confidentiality; and
 - e. Describe how you will develop and require anyone with access to data regarding child support client information or their accounts to use security procedures to keep the data confidential and to limit its access to those authorized to access such information.
2. Describe the security features associated with the EPC for activation, counterfeit prevention and fraud prevention.
3. Describe your procedures for preventing identity theft and responding to fraudulent activities.
4. Describe your internal controls to help monitor, detect, record or log, prevent and minimize unauthorized physical and information technology activity.
5. Describe your procedures to resolve (prosecute) fraud, how and when you will notify CSEA, and what information you will provide.
6. Describe how quickly and the manner by which CSEA and the Child Support clients will be notified of any data breaches that might expose individual account information.
7. Describe the assistance child support clients will be provided in the event their individual account information is compromised.
8. Describe how physical (including electronic) records are destroyed, and what logging and reporting of the record destruction activity is provided to CSEA. See Section III., 3.06.E.9, for data archiving and retrieval procedures.

9. Describe how you will ensure that any subcontractors will be bound by the same confidentiality requirements as the Offeror.

3.07 Minimum Performance Standards

The Contractor shall ensure that all aspects of the CSEA systems meet or exceed the performance requirements herein. For any performance deficiency identified by the State, the Contractor shall take corrective action as directed by the State.

1. Account Set-up - 95 percent of cardholder accounts must be established within four days of receiving all necessary cardholder account information.
2. EPC Issuance - 95 percent of EPCs must be mailed by first class mail to individuals identified to receive EPCs within four (4) days of receiving all necessary cardholder account information.
3. Payments - 95 percent of all electronic payment card payments must be deposited in established cardholder accounts and be available to the cardholder within one (1) hour of receiving CSEA's telephone validation for the payment file.
4. Customer Service:
 - a. IVR system and Web site must be operational at least 98 percent of the scheduled seven (7) days a week, 24 hours per day service, except for normal maintenance.
 - b. Customer service representatives must be available at least 95 percent of the scheduled seven (7) days a week, ten (10) hours per day service, with an average wait time of five (5) minutes or less. The selected Offeror must provide "down time" reports.

Failure to meet the performance standards for a period of one (1) month, the CSEA may invoke a corrective process which includes a written warning to the Contractor and the submission to CSEA of a written corrective action plan (CAP) within 15 days of the performance measurement period. The CAP must include a schedule by which the deficiency will be corrected, and be approved by the State. If within two (2) months of initial failure the Contractor cannot demonstrate improved performance, a second CAP shall be required and the Contractor shall report on a daily basis to CSEA the reasons that the standard is not being met and what is being done to correct the performance.

CSEA's forbearance from taking action in response to one or more instances where the Contractor fails to meet minimum performance standards shall not constitute a waiver of its rights with respect to any subsequent failure by the Contractor to meet performance standards.

3.08 Enhancements:

Credit Card Payment

The Contractor shall design, develop and distribute marketing and advertising materials and enrollment of interested obligors on an ongoing basis to the CSEA client. The Contractor must provide a schedule of any and all fees the obligor will be responsible for when utilizing this method of payment. The State shall not be responsible for any fees associated with the collection of payments via this service. The Offeror shall make every effort to minimize fees associated with credit card transactions. Additionally, the Offeror must secure the best available rates for the payor.

3.09 Transition

CSEA expects that as part of the transition to a new service provider, if any, may last approximately four months. The Contractor shall work with the incumbent bank, CSEA, Office of Technology for Human Services (“OTHS”) management consulting contractor, and the State’s Disbursement Unit’s Contractor to ensure a smooth transition of operations. Both the new contractor and the incumbent bank will work professionally with each other as well as with the CSEA Project Manager to ensure that all status reports of transition activities are accurate and forthright.

1. Kick-Off Meeting

Within ten days of the start of the Contract, the State Project Manager, Procurement Officer, the Contractor, the Contractor’s Project Manager and any other CSEA or Contractor personnel deemed appropriate, shall attend a Kick-off meeting led by the State in Baltimore. The objectives of the meeting are to:

- Introduce the State representatives and establish the working relationship between the Contractor and the State;
- Provide the State the opportunity to familiarize the Contractor with CSEA, OTHS Child Support Enforcement System CSES’s processes and reports;
- Provide Contractor with all the information and materials relevant to the project;
- Communicate timelines and known requirements relative to the transition plans;
- Discuss service delivery, invoice processing, monitoring; and
- Other Contract terms and conditions.

2. Transition-In Project Plan

Within fifteen (15) calendar days of the Contract start date, the Contractor shall submit a draft project work plan to the State outlining an approach to the transition activities. The transition work plan shall be written in Microsoft Project 2003 or

compatible version. Within thirty (30) calendar days of the Contract start date, the final transition project work plan shall be submitted to CSEA Project Manager. The Plan shall include:

- A specific approach and schedule to transition from the current activities to their own, and clearly identify the tasks and level of effort;
- A clear breakdown of tasks and responsibilities, including those tasks that will be the responsibility of CSEA during the transition;
- Detail how development work and knowledge transfer activities will be accomplished as well as a similar strategy for testing; and
- Include a validation effort with the OTHS management-consulting contractor to demonstrate the Offeror's capability to deliver reliable service.

The *Transition In* Plan shall specifically address in detail:

- a. Milestones and key deliverable dates;
- b. The key transition personnel and their respective role;
- c. The reporting mechanism for providing, at a minimum, bi-weekly reports during the transition;
- d. Transition methodology;
- e. Any experience and concerns considered important and relevant from prior transitions and/or implementations of similar size and scope;
- f. The required involvement of the incumbent contractor, CSEA Project Manager and staff, DHRIS development and operations staff, STO, other State resources, and any third-party involvement subcontracted by the Contractor required during the transition;
- g. Risk assessment and mitigation recommendations/solutions;
- h. A clear set of tasks, objectives, outcomes, and timeframes to transition work activities, processes, people, services, knowledge and documentation associated with the exit of CSEA's current banking team and the entrance of the new proposed banking team;
- i. Describe how Offeror will transition existing debit card customers to the Offeror's new EPC product as of the date that the Offeror goes live;
- j. Within sixty (60) calendar days of the Contract start date, the Contractor shall submit a comprehensive *Transition In* Test Plan. The test plan shall include all aspects of the transition work that shall be tested by transition staff and measures of success to demonstrate achievement of knowledge transfer and successful transition. The plan shall also clearly delineate Contractor responsibilities, CSEA, OTHS and STO responsibilities; and
- k. Provide test files on all output files to include test files of paid items, ACH entries, adjusting entries to include debit and credit memos, stops, voids and cancellations, etc.

3. Meetings/Reports

During the transition period, the Contractor's key personnel shall conduct formal bi-weekly status meetings with CSEA, OTHS, STO and the incumbent bank.

- a. The new Contractor shall generate a status report as the basis for the status meeting. In the status report, the new Contractor shall address:
 - Project schedule (current status of all tasks);
 - Near term activities;
 - Deliverables (submitted, due, overdue, approval status, and payment status);
 - Staffing (planned labor hours and actual labor hours);
 - Project risks (including mitigation status);
 - Quality assurance (tasks and status);
 - Configuration management (tasks and status);
 - Issues (log of identified issues with status of each);
 - Action items (log of items with status of each); and, other topics requested by CSEA.
- b. The Contractor shall generate minutes for all status meetings and distribute the minutes via e-mail within two (2) business days of the meeting for CSEA, OTHS and STO's review and approval.
- c. The Contractor staff shall participate in a Performance Readiness Review (PRR). The PRR shall be comprised of a compliance review of the subtasks and deliverables included the Transition In initiative. Each deliverable shall be checked for total compliance with all required specifications of the task. In the event that CSEA determines that any deliverables were not completed or that key personnel has not completed the transition activities, the State shall so notify the Contractor, allowing ten (10) calendar days for rectification by the Contractor.
- d. The Contractor shall meet with CSEA on a monthly basis to review the current status of the account and to address/resolve any outstanding issues. An agreed-upon meeting time and location shall be established within 30 days after Offeror goes live.

4. *Transition In – Acceptance Criteria*

In addition to the knowledge transfer and technical activities involved in transitioning teams, time shall be dedicated to final transition tasks identified by CSEA to determine acceptance criteria to ascertain a smooth transition.

The Contractor shall develop a detailed project work plan to address these tasks at a granular level and successfully complete the tasks as part of the Transition In effort:

- a. At least one (1) successful monthly transfer of data with zero defects.
- b. At least one (1) successful monthly transfer of data in which any issues encountered were resolved.
- c. Demonstrable understanding of the CSEA, OTHS and STO workflow process.
- d. Satisfactory completion of all *Transition In* activities.
- e. Other tasks required to successfully complete the *Transition In* effort.

CSEA's approval and acceptance of the *Transition In* effort shall be given after conference between OTHS and STO. Reviews of the Contractor's performance shall be conducted to determine an acceptable level of accomplishment.

5. *Transition Out*

At the end of the Contract term, the Contractor shall continue to perform any contract services that were in process on the expiration date of the Contract and shall receive the payment specified in the Contract for such services. The Contractor shall also assist the Office during any transition period to a new contractor and provide all necessary information and data to any subsequent contractor engaged to perform the services described in this RFP.

3.10 Other Services for Consideration

Describe any other services beyond those requested in this RFP that the Offeror believes could offer additional benefits to CSEA.

The Offeror shall provide recommendations for services and/or processes related to banking services that will enhance the effectiveness and efficiency of the CSEA. Detailed descriptions of the services/processes should be provided and any associated costs.

3.11 Term

The initial term of the Contract will shall be for a period beginning July 1, 2016 and ending June 30 2021. The Contract will also contain an option to renew, upon the same terms and conditions, for two additional one-year periods. Exercise of the renewal options will be solely at the discretion of the Treasurer.

3.12 Compensation

By submitting a response to this solicitation, the Offeror agrees to accept any payments from the State by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and

include the reason for the exemption. The COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form may be downloaded from: www.comp.state.md.us, select "General Accounting Division," then "Electronic Funds Transfer Program, and then "Form X-10."

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SECTION IV. PROPOSAL FORMAT

4.01 Transmittal Letter

The Offeror must include a brief transmittal letter prepared on the Offeror's business stationery to accompany the original and required copies of the two-volume proposal. The transmittal letter must be signed by an individual authorized to bind the Offeror to all statements, including services and prices, contained within the proposals. This transmittal letter should also indicate that, if selected, the Offeror will execute a contract with materially the same terms as the form of Contract included as Appendix E and Collateral Security Agreement materially the same as Appendix G.

4.02 Two-Volume Submission

The selection procedure for this procurement requires that the initial technical evaluation of the proposal be completed before consideration of an Offeror's price proposal. Consequently, each proposal must be submitted in two volumes as indicated below.

4.03 Volume I - Technical Proposal

The volume containing the technical proposal shall be labeled "Volume I – RFP for Banking Services and Electronic Payment Card Services for Maryland Department of Human Resources, Child Support Enforcement Administration, RFP #CSEA-BANK-EPC -03142016."

The technical proposal shall contain the transmittal letter (Section 4.01), the completed Bid/Proposal Affidavit (Appendix B), and the Affidavit of Agreement Maryland Living Wage Requirements (Appendix D).

The technical proposal should be prepared in a clear and concise manner. The ideal response would reiterate each subsection and then list the Offeror's response, item by item so that an evaluator can read the requirement followed by the response.

The technical proposal shall provide all required information in the following subsections:

1. Request for General Information
 - a. Name of Offeror.
 - b. Mailing address of office from which the proposal is being submitted.
 - c. Name of individual who will represent the Offeror as the primary contact person on matters relating to the proposal; and
 - d. Telephone, e-mail and facsimile numbers of the individual identified in item c above.

2. Offeror's Qualifications

- a. Each Offeror shall specifically and clearly provide brief supporting statements how it meets the Minimum Qualifications in Section 3.02.
- b. The Offeror shall include one and only one copy of the Offeror's most recent audited financial statements with all attachments, including the unqualified audit opinion, in the original volume of its Technical Proposal.

3. Offeror's Capabilities

- a. Each Offeror shall specifically and clearly provide acknowledgements to comply with the requirements described in Section 3.03 Minimum Service Requirements.
- b. Each Offeror shall provide in its proposal detailed descriptions of the services described in Section 3.05 Banking Services Requirements.
- c. Each Offer shall provide in its proposal detailed descriptions of the services in Section 3.06 Electronic Payment Card Services.
- d. Provide an outline of all risks to CSEA and to CSEA clients as it relates to the disbursement of child support payments using direct deposit and EPC.
- e. Each Offeror shall specifically and clearly provide acknowledgements to comply with the Minimum Performance Standards in Section 3.07.
- f. Each Offeror shall provide a detailed transition plan of the services as described in Section 3.09 Transition.
- f. Include a brief description of any other value added services as indicated in Section 3.10 Other Services for Consideration.

4. Personnel

Each Offeror shall provide a list of the personnel who are to be assigned to this project if the Offeror is selected for award of a contract. Indicate the proposed project role or assignment and provide their resumes.

5. References

Identify a minimum of three current references that you provide services for similar to the services described in the RFP. References shall include the name of each organization, the mailing and street address, point of contact, and telephone number. Include a brief description of the services rendered for each referenced organization.

The Procurement Officer or Evaluation Committee Chair may contact one or more of these references, and in addition, may contact any other reference of their choosing.

6. Community Benefits

Provide information about the Offeror (or, in the case of an Offeror that is not a financial institution, the financial institution that will serve as the depository of funds to be distributed through EPCs) required to be considered under State Finance and Procurement Article, §6-203, Annotated Code of Maryland (See Exhibit 5) by the Treasurer in designating a financial institution for banking services, including, without limitation:

- a. The Offeror's rating on its most recent examination under the Federal Community Reinvestment Act of 1977, P.L. Number 95-128. If the Offeror operates in a state other than Maryland, the Offeror shall provide Maryland-specific information within the assessment area section of its Community Reinvestment Act report.
- b. A statement as to whether, during the previous 5 years, a court in the State of Maryland or in another state has found, in a final adjudication, that the Offeror, its affiliates or an entity acquired by the Offeror has violated any antidiscrimination statute or regulation.
- c. Information demonstrating the extent of the Offeror's assistance to small and minority-owned businesses over the past 5 years through:
 - 1) successfully making loans in Maryland through State or federal lending programs designed to assist small and minority-owned businesses;
 - 2) having an active outreach program to assist small and minority-owned businesses through which the Offeror has made efforts in Maryland; and
 - 3) establishing strategic partnerships in Maryland with entities whose mission is to provide technical assistance to small and minority-owned businesses.

7. Economic Benefits to the State of Maryland

Describe the benefits that will accrue to the Maryland economy as a direct result of the Offeror's performance of the contract resulting from the solicitation. Economic benefits include:

- a. The Contract dollars to be recycled into Maryland's economy in support of the Contract, through the use of Maryland subcontractors, suppliers, and joint venture partners. Offerors should be as specific as possible and provide a breakdown of expenditures in this category. Do not provide actual dollars for each category. Include percent of the total budget requested.
- b. The numbers and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification, and the aggregate payroll to which the Contractor has committed at both prime, and if applicable, subcontract levels. Do not

provide actual dollars for each category. Include percent of the total budget requested.

- c. Tax revenues to be generated for Maryland and its political subdivisions as a result of this Contract. Indicate the tax category (sales tax, payroll taxes, inventory taxes, and estimated personal income taxes for new employee). Provide a forecast of the total tax revenues resulting from the Contract. Do not provide actual dollars for each category. Include percent of the total budget requested.
- d. Subcontract dollars committed to Maryland Small Business and Minority Business Enterprises. Do not provide actual dollars for each category. Include percent of the total budget requested.
- e. In addition to the factors listed above, the Offeror should explain any other economic benefits to the State of Maryland that would result from the Offeror's proposal

8. Standard Operating Agreements (if applicable)

If you intend to incorporate your own operating documents/agreements into the Contract, submit copies of your standard operating agreements associated with the services proposed to be provided.

9. Additional Information (Optional)

Include any additional information the Offeror deems relevant to this procurement and the satisfaction of the State's objectives.

10. Company Literature (if applicable):

If you provide company literature or other material in response to any RFP requirement, describe such literature or other material under this heading and include a reference to the applicable sections of the RFP by name and page citation. If you do not provide the requested section and page citations, the remainder of your response for that section may be considered complete without reference to the additional documents.

4.04 Disclosures

Provide a written statement disclosing any relationships with persons or entities that may create a conflict of interest, or the appearance of a conflict of interest. Disclose specific details of any pending legal proceedings (criminal or civil), or regulatory or disciplinary actions by any state or federal regulatory agency, involving the firm or members of the firm; or any convictions, judgments or settlements resulting from such proceedings or actions with the past five years.

4.05 Volume II – Price Proposal

The Evaluation Committee will evaluate price proposal based on the most favorable cost for each of the services proposed.

Offeror must submit the price proposal identified as Appendix A, which must include the timing and circumstances under which each fee is assessed. For any additional fees not included on the Price Proposal form, include a price supplement on a separate sheet with a detailed description of such additional fees, including the timing and circumstances under which each such additional fee is assessed.

Note: The Price Proposals are evaluated following the evaluation of the Technical Proposals. Therefore, no reference to price may be identified within the Technical Proposal. See Section V for Evaluation and Selection Procedure.

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SECTION V. EVALUATION AND SELECTION PROCEDURE

5.01 Qualifying Proposals

The Procurement Officer first will review each proposal for completeness of response to requirements contained in Section IV Proposal Format. Failure to respond to the appropriate questions or in the manner required may disqualify an Offeror's proposal from consideration by the Evaluation Committee.

5.02 Evaluation Committee and Evaluation Criteria

An Evaluation Committee appointed by the Treasurer or the Treasurer's designee will evaluate all qualifying proposals (those proposals that are reasonably susceptible to selection for Contract award) received by the submission deadline. The Evaluation Committee will rank the proposals and make a recommendation for award based on (1) technical merit (see Section 5.03 below), as demonstrated in the technical proposal and oral presentations, if any, and (2) price proposal, both as presented in the best and final offer, if any. Technical merit will be given more weight than price in determining the Evaluation Committee's final ranking.

5.03 Technical Evaluation

The Evaluation Committee will conduct an initial evaluation of the technical merit of each qualifying proposal based on the information provided in the proposal in response to Section 4.03 Volume I - Technical Proposal above. The Evaluation Committee's final technical evaluation may include information obtained during oral presentations, if any.

For the technical evaluation, the Evaluation Committee will take into consideration the following factors listed in the order of relative importance (greatest first):

1. Offeror's Qualifications and Capabilities;
2. Personnel;
3. References;
4. Community Benefits; and
5. Economic Benefits to Maryland.

5.04 Evaluation of Costs/Fees

Following completion of the initial technical evaluation, the Evaluation Committee will conduct an initial evaluation of the pricing of each proposal and will establish a financial ranking of all proposals.

5.05 Best and Final Offer

When deemed in the best interest of the State, the Procurement Officer may permit qualified Offerors to revise their initial proposals by submitting best and final offers. The Procurement Officer shall notify each qualified Offeror of the scope of the requested best and final offer, and shall establish a date and time for the submission. The Procurement Officer may require more than one series of best and final offers and discussions, if determined that it is in the State's best interest to do so. If more than one best and final offer is requested, an Offeror's immediate previous offer shall be construed as its best and final offer unless the Offeror submits a timely notice of withdrawal or another best and final offer. The Procurement Officer may consult with and seek the recommendation of the Evaluation Committee during the best and final offer process.

5.06 Final Evaluation and Recommendation for Award

Following oral presentations, reference checks, and submissions of best and final offers, if any, the Evaluation Committee will perform its final evaluations and will make a recommendation to the Procurement Officer for award of the Contract to the responsible Offeror or Offerors whose proposal is determined to be the most advantageous to the State based on the results of the final technical and financial evaluations. Contract award, if any, is subject to the approval of the Treasurer or the Treasurer's designee upon the recommendation of the Procurement Officer.

5.07 Debriefing of Unsuccessful Offerors

The STO will conduct a debriefing for an unsuccessful Offeror provided the Procurement Officer receives a written request within a reasonable period of time after sending notice of award. The STO shall honor the requests for debriefings at the earliest feasible time after the request has been received. The STO shall hold debriefings shall be held in accordance with COMAR 21.05.03.06.

5.08 Responsibility

1. General

- (a) The procurement regulations in COMAR Title 21 define a "responsible" Offeror as one "...who has the capability in all respects to perform fully the Contract requirements, and the integrity and reliability that shall assure good faith performance."

(b) COMAR Title 21 also requires that the Procurement Officer determine before awarding a contract to an Offeror whether the Offeror is responsible. The determination of responsibility is based on the subjective judgment of the Procurement Officer about whether the Offeror meets the definition of a “responsible” Offeror.

(c) In addition, the unreasonable failure of an Offeror to supply information promptly in connection with the determination of responsibility shall be grounds for a determination that the Offeror is not responsible.

2. Discussions

The Office reserves the right to discuss and negotiate with qualified Offerors or potentially qualified Offerors, (i.e., which are reasonably susceptible of being selected for award). Discussions or negotiations will be conducted with all qualified Offerors. The Office, however, is not obligated to conduct any discussions or negotiations. Each Offeror should be aware that the Office can select a proposal without first discussing the matter with the selected Offeror.

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PRICE PROPOSAL INSTRUCTIONS FOR APPENDIX A

1. Offerors must submit the Price Proposal identified as Appendix A, including the timing and circumstances under which each fee is assessed.
2. Additional fees not included on the Price Proposal as Appendix A may be submitted on a Price Supplement as a separate sheet. Describe in detail, including the timing and circumstances under which each fee is assessed. See Section 4.05 Volume II – Price Proposal.
3. An individual who is authorized to bind the Offeror to the fees must sign Appendix A and any Price Supplement. The selected Offeror may not charge any fees not included in its proposal.
4. It is imperative that the Price Proposal, Appendix A, is completed accurately, as well as any attached separate Price Supplement containing any additional fees. Any incorrect entries or inaccurate price by the Offeror will be treated as provided in COMAR 21.05.03.03E and 21.05.02.12.

APPENDIX A
RFP for Banking Services and Electronic Payment Card Services for CSEA,
RFP #CSEA-BANK-EPC-03142016

Offeror Name: _____

| BANKING SERVICES TRANSACTION FEES | | |
|---|-----------------------------------|-----------------|
| Service Description | Transaction Fees/Frequency | Comments |
| | | |
| Account Maintenance | | |
| Deposits | | |
| Check Deposited, Pre-encoded | | |
| Checks Deposited | | |
| Currency/Coin Vault Deposit | | |
| Check Deposit Rejects | | |
| Credits Posted Electronic | | |
| Stop Payments | | |
| Checks Paid | | |
| ACH Return/Receipt File/Item | | |
| ACH Credits | | |
| ACH Returns - NOC | | |
| ACH Addenda | | |
| ACH Blocks | | |
| ACH Maintenance | | |
| Wire Transfers | | |
| | | |
| CD Rom Per Image | | |
| | | |
| Positive Pay Maintenance | | |
| Positive Pay Per Item | | |
| Full Reconciliation Maintenance | | |
| Full Reconciliation Per Item | | |
| | | |
| Web Services: | | |
| Previous Day Item | | |
| Monthly Maintenance/Acct. | | |
| | | |
| Controlled Disbursement: | | |
| Monthly Maintenance | | |
| Online Viewing w/Bank Monthly Maintenance | | |
| Per Item Fee Viewing Items Online | | |
| Checks Paid Fee | | |
| Credits Posted Fee (assuming transfer from a master account or a wire or ACH to fund) | | |
| ACH or Wire Fee (if funded by ACH or Wire) | | |
| File Import Fee | | |
| File Export Fee | | |
| Automated Reconciliation Fee | | |

Appendix A - RFP #CSEA-BANK-EPC-03142016

| CARDHOLDER SERVICES COSTS/FEES | | |
|--|---|---|
| Cardholder Services | Costs/Fees Charged Per Card and/or Transaction | Timing and Circumstances Under Which Each Cardholder Fee is Assessed |
| Enrollment: Application Fee for EPC | | |
| Web Application Fee for EPC | | |
| Monthly: Maintenance Fee | | |
| Statements | | |
| ATM & POS (in Network): | | |
| Withdrawal - Domestic | | |
| Withdrawal - International | | |
| Balance Inquiries | | |
| Declined Transaction fee | | |
| Teller - Cash Access | | |
| Purchases - Signature based | | |
| Purchases - Pinned | | |
| Negative Balance (overdrafts) | | |
| ATM & POS (Out of Network): | | |
| Withdrawal - Domestic | | |
| Withdrawal - International | | |
| Balance Inquiries | | |
| Declined Transaction fee | | |
| Teller - Cash Access | | |
| Purchases - Signature based | | |
| Purchases - Pinned | | |
| Negative Balance (overdrafts) | | |
| Other Service Fees: | | |
| Pin Changes | | |
| Card Replacement - Domestic | | |
| Card Replacement - International | | |
| Card Replacement - Emergency | | |
| Bill Payments | | |
| Account Closing fee | | |
| Frozen Accounts | | |
| Duplicate Statements | | |
| ACH Transfer Fee to Bank | | |
| Inactivity Fee | | |
| Customer Service: | | |
| Automated Inquiry | | |
| Customer Service Rep Inquiry | | |
| International Customer Service Inquiry | | |

Appendix A - RFP #CSEA-BANK-EPC-03142016

In compliance with the RFP and with all terms and conditions set forth therein, the undersigned represents that he/she has full authority to submit the above Banking Services Transactions Fees and Cardholder Services Cost/Fees Worksheet and any attached Worksheet Supplement.

Firm Name: _____

Authorized Official: _____

Typed Name: _____

Title: _____

Date: _____

APPENDIX B
(To be submitted with Technical Proposal)
BID/PROPOSAL AFFIDAVIT

A. Authority

I HEREBY AFFIRM THAT:

I (print name) _____ possess the legal authority to make this Affidavit.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct: In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in "discrimination" as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. "Discrimination" means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendor's, supplier's, or commercial customer's employees or owners. "Discrimination" also includes retaliating against any person or other entity for reporting any incident of "discrimination". Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the State of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State's Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

B-1. Certification Regarding Minority Business Enterprises.

The undersigned bidder hereby certifies and agrees that it has fully complied with the State Minority Business Enterprise Law, State Finance and Procurement Article, §14-308(a)(2), Annotated Code of Maryland, which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a bid or proposal and:

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority proposal;
- (2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the bid or proposal;
- (3) Fail to use the certified minority business enterprise in the performance of the contract; or

(4) Pay the certified minority business enterprise solely for the use of its name in the bid or proposal.

Without limiting any other provision of the solicitation on this project, it is understood that if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid.

B-2. Certification Regarding Veteran-Owned Small Business Enterprises. The undersigned bidder hereby certifies and agrees that it has fully complied with the State veteran-owned small business enterprise law, State Finance and Procurement Article, §14-605, Annotated Code of Maryland, which provides that a person may not:

(1) Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain public money, procurement contracts, or funds expended under a procurement contract to which the person is not entitled under this title;

(2) Knowingly and with intent to defraud, fraudulently represent participation of a veteran-owned small business enterprise in order to obtain or retain a bid preference or a procurement contract;

(3) Willfully and knowingly make or subscribe to any statement, declaration, or other document that is fraudulent or false as to any material matter, whether or not that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;

(4) Willfully and knowingly aid, assist in, procure, counsel, or advise the preparation or presentation of a declaration, statement, or other document that is fraudulent or false as to any material matter, regardless of whether that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;

(5) Willfully and knowingly fail to file any declaration or notice with the unit that is required by COMAR 21.11.12; or

(6) Establish, knowingly aid in the establishment of, or exercise control over a business found to have violated a provision of §B-2(1)—(5) of this regulation.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or

disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract;

(9) Been convicted of a violation of one or more of the following provisions of the Internal Revenue Code:

(a) §7201, Attempt to Evade or Defeat Tax;

(b) §7203, Willful Failure to File Return, Supply Information, or Pay Tax,

(c) §7205, Fraudulent Withholding Exemption Certificate or Failure to Supply Information,

(d) §7206, Fraud and False Statements, or

(e) §7207 Fraudulent Returns, Statements, or Other Documents;

(10) Been convicted of a violation of 18 U.S.C. §286 Conspiracy to Defraud the Government with Respect to Claims, 18 U.S.C. §287, False, Fictitious, or Fraudulent Claims, or 18 U.S.C. §371, Conspiracy to Defraud the United States;

(11) Been convicted of a violation of the Tax-General Article, Title 13, Subtitle 7 or Subtitle 10, Annotated Code of Maryland;

(12) Been found to have willfully or knowingly violated State Prevailing Wage Laws as provided in the State Finance and Procurement Article, Title 17, Subtitle 2, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review;

(13) Been found to have willfully or knowingly violated State Living Wage Laws as provided in the State Finance and Procurement Article, Title 18, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review;

(14) Been found to have willfully or knowingly violated the Labor and Employment Article, Title 3, Subtitles 3, 4, or 5, or Title 5, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review; or

(15) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C and subsections D(1)—(14) of this regulation, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. CERTIFICATION OF TAX PAYMENT

I FURTHER AFFIRM THAT: Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with

the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

K. CERTIFICATION REGARDING INVESTMENTS IN IRAN

(1) The undersigned certifies that, in accordance with State Finance and Procurement Article, §17-705, Annotated Code of Maryland:

(a) It is not identified on the list created by the Board of Public Works as a person engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland; and

(b) It is not engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland.

2. The undersigned is unable to make the above certification regarding its investment activities in Iran due to the following activities:

L. CONFLICT MINERALS ORIGINATED IN THE DEMOCRATIC REPUBLIC OF CONGO (FOR SUPPLIES AND SERVICES CONTRACTS)

I FURTHER AFFIRM THAT:

The business has complied with the provisions of State Finance and Procurement Article, §14-413, Annotated Code of Maryland governing proper disclosure of certain information regarding conflict minerals originating in the Democratic Republic of Congo or its neighboring countries as required by federal law.

M. I FURTHER AFFIRM THAT:

Any claims of environmental attributes made relating to a product or service included in the bid or proposal are consistent with the Federal Trade Commission's Guides for the Use of Environmental Marketing Claims as provided in 16 CFR §260, that apply to claims about the environmental attributes of a product, package, or service in connection with the marketing, offering for sale, or sale of such item or service.

N. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____ (print name of Authorized Representative and Affiant)

_____ (signature of Authorized Representative and Affiant)

APPENDIX C
Living Wage Requirements for Service Contracts

- A. This contract is subject to the Living Wage requirements under Title 18, State Finance and Procurement Article, Annotated Code of Maryland and the regulations proposed by the Commissioner of Labor and Industry. The Living Wage generally applies to a Contractor or Subcontractor who performs work on a State contract for services that is valued at \$100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee's time during any work week on the State Contract.
- B. The Living Wage Law does not apply to:
- (1) A Contractor who:
 - (A) has a State contract for services valued at less than \$100,000, or
 - (B) employs 10 or fewer employees and has a State contract for services valued at less than \$500,000.
 - (2) A Subcontractor who:
 - (A) performs work on a State contract for services valued at less than \$100,000,
 - (B) employs 10 or fewer employees and performs work on a State contract for services valued at less than \$500,000, or
 - (C) performs work for a contractor not covered by the Living Wage Law as defined in B(1)(B) above, or B (3) or C below.
 - (3) Service contracts for the following:
 - (A) services with a Public Service Company;
 - (B) services with a nonprofit organization;
 - (C) services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement ("Unit"); or
 - (D) services between a Unit and a County or Baltimore City.
- C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.
- D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent contractor

or assign work to employees to avoid the imposition of any of the requirements of Title 18, State Finance and Procurement, Annotated Code of Maryland.

- E. Each Contractor/Subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- F. The Commissioner of Labor and Industry shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry's Website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.
- G. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of the health insurance premium, as provided in §18-103(c), State Finance and Procurement Article, Annotated Code of Maryland, shall not lower an employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of health insurance premium shall comply with any record reporting requirements established by the Commissioner of Labor and Industry.
- H. A Contractor/Subcontractor may reduce the wage rates paid under §18-103(a), State Finance and Procurement, Annotated Code of Maryland, by no more than 50 cents of the hourly cost of the employer's contribution to an employee's deferred compensation plan. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's contribution to an employee's deferred compensation plan shall not lower the employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland.
- I. Under Title 18, State and Finance Procurement Article, Annotated Code of Maryland, if the Commissioner determines that the Contractor/Subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/Subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of \$20 per day for each employee paid less than the Living Wage.
- J. Information pertaining to reporting obligations may be found by going to the DLLR Website <http://www.dllr.state.md.us/> and clicking on Living Wage.

APPENDIX D
(To be submitted with Technical Proposal)
Affidavit of Agreement
Maryland Living Wage Requirements-Service Contracts

Contract No. CSEA-BANK-EPC -03142016

Name of Contractor _____

Address _____

City _____ State _____ Zip Code _____

If the Contract is Exempt from the Living Wage Law

The Undersigned, being an authorized representative of the above named Contractor, hereby affirms that the Contract is exempt from Maryland's Living Wage Law for the following reasons: (check all that apply)

- Bidder/Offeror is a nonprofit organization
- Bidder/Offeror is a public service company
- Bidder/Offeror employs 10 or fewer employees and the proposed contract value is less than \$500,000
- Bidder/Offeror employs more than 10 employees and the proposed contract value is less than \$100,000

If the Contract is a Living Wage Contract

- A. The Undersigned, being an authorized representative of the above named Contractor, hereby affirms our commitment to comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland and, if required, to submit all payroll reports to the Commissioner of Labor and Industry with regard to the above stated contract. The Bidder/Offeror agrees to pay covered employees who are subject to living wage at least the living wage rate in effect at the time service is provided for hours spent on State contract activities, and to ensure that its Subcontractors who are not exempt also pay the required living wage rate to their covered employees who are subject to the living wage for hours spent on a State contract for services. The Contractor agrees to comply with, and ensure its Subcontractors comply with, the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate established by the Commissioner of Labor and Industry, automatically upon the effective date of the revised wage rate.

Attachment D (continued)
Affidavit of Agreement
Maryland Living Wage Requirements-Service Contracts

- B. _____ (initial here if applicable) The Bidder/Offeror affirms it has no covered employees for the following reasons: (check all that apply)
- All employee(s) proposed to work on the State contract will spend less than one-half of the employee's time during every work week on the State contract;
 - All employee(s) proposed to work on the State contract will be 17 years of age or younger during the duration of the State contract; or
 - All employee(s) proposed to work on the State contract will work less than 13 consecutive weeks on the State contract.

The Commissioner of Labor and Industry reserves the right to request payroll records and other data that the Commissioner deems sufficient to confirm these affirmations at any time.

Name of Authorized Representative: _____

Signature of Authorized Representative

Title: _____

Date: _____

Witness Name (Typed or Printed)

Witness Signature

Date

APPENDIX E

**CONTRACT FOR
BANKING SERVICES AND ELECTRONIC PAYMENT CARD SERVICES FOR
MARYLAND DEPARTMENT OF HUMAN RESOURCES
CHILD SUPPORT ENFORCEMENT ADMINISTRATION**

BETWEEN

**MARYLAND STATE TREASURER'S OFFICE
On Behalf of
MARYLAND DEPARTMENT OF HUMAN RESOURCES
CHILD SUPPORT ENFORCEMENT ADMINISTRATION**

AND

CONTRACT

THIS CONTRACT (the "Contract") is made as of the ___ day of _____, 2016, by and between [NAME AND ADDRESS] (the "Contractor"), and the **MARYLAND STATE TREASURER'S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the "Office"), on behalf of the **DEPARTMENT OF HUMAN RESOURCES, CHILD SUPPORT ENFORCEMENT ADMINISTRATION**, 311 W. Saratoga Street, Room 354M, Baltimore, Maryland 21201 (CSEA) offices of the **STATE OF MARYLAND** (the "State").

IN CONSIDERATION OF the premises and the covenants herein contained, the parties agree as follows:

ARTICLE I - SCOPE OF SERVICES

The Office hereby engages the Contractor to perform the services set forth below:

- 1.1. General Services. The Contractor shall provide banking services and electronic payment card services as described in this Contract, which includes the following exhibits:

- Exhibit A: The Office's Request for Proposals ("RFP") for Banking Services and Electronic Payment Card Services for the Department of Human Resources, CSEA, RFP #CSEA-Bank-EPC-03142016 dated _____;
- Exhibit B: Contractor's Technical Proposal dated ____;
- Exhibit C: Contractor's Price Proposal dated ____;
- Exhibit D: Contractor's Presentation dated ____;
- Exhibit E: Collateral Security Agreement dated ____;
- Exhibit F: Designation of Depository dated _____;
- Exhibit G: Bid/Proposal Affidavit, Living Wage Affidavit, Contract Affidavit; and
- Exhibit H: Contractor's "Bank Operating Documents," dated _____.

- 1.2. If there are any inconsistencies between this Contract and the Exhibits, the terms of this Contract shall control. If there is any conflict among the Exhibits, Exhibit A, shall control.

- 1.3 The Procurement Officer unilaterally may, at any time, make changes in the work within the general scope of the Contract by written order designated or indicated to be a change order. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written

statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under Section 4.5., Disputes. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

ARTICLE II - TERM

- 2.1. The initial term of this Contract shall be for the period beginning July 1, 2016 and ending June 30, 2021.
- 2.2. In addition there shall be two additional one-year renewal options, which may be exercised at the sole discretion of the Treasurer or the Treasurer's designee.
- 2.3. After the end of the Contract term, should a new contract be awarded to a contractor other than the incumbent, the Contract shall be deemed to be extended, Contractor shall continue to perform Contract services, and Contractor shall continue to receive the compensation specified in the Contract for such services, until such time as the transition to the new contractor is complete. Contractor shall cooperate and the Office during any transition period to a new contractor and provide all necessary information and data to any subsequent contractor.
- 2.4. The provisions of Sections 4.1 (Liability), 4.5 (Disputes), 4.6 (Maryland Law Prevails), 4.21 (Retention of Records/Audit), 4.25 (Ownership of Documents and Materials), and 4.26 (Patents, Copyrights and Trade Secrets) of this Contract shall survive termination of this Contract for any reason.

ARTICLE III - CONSIDERATION, PAYMENT AND PERFORMANCE

- 3.1. Contractor shall charge only the fees as set forth in Contractor's Price Proposal [BAFO] as attached hereto as Exhibit __ and any Price Supplement as attached hereto as Exhibit __. These fees shall not be adjusted during the term of this Contract including any renewal option periods.
- 3.2. Payments to the Contractor may be withheld, without interest or penalty, when in the sole discretion of the State Treasurer, the Contractor's performance of any of the services under this Contract is unsatisfactory, or does not meet generally accepted industry standards. Notice of such withholding of payment and the reasons therefore shall be promptly provided to the Contractor, who shall be afforded an opportunity to cure any performance deficiencies.

3.3.1. All invoices for goods and services shall be submitted to:

George Varghese
DHR Child Support Enforcement Administration
311 W. Saratoga Street, Room 354M
Baltimore, Maryland 21201
Phone: 410-767-7877
Email: george.varghese@maryland.gov

3.3.2. Invoices must be submitted either:

- (a) For ongoing services, on a monthly basis for goods or services rendered in the preceding month; or
- (b) For one-time or periodic services, with 30 days of delivery or completion of the goods or services.

3.3.3. Except as provided in Section 3.3.2 above, payments to the Contractor pursuant to this Contract will be made no later than 30 days after receipt by the Office of a proper invoice from the Contractor. Each invoice for services rendered must reflect the Contractor's federal tax identification number, which is _____, and shall clearly indicate the specific type of service provided. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1 of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited.

ARTICLE IV – GENERAL CONDITIONS

4.1. Liability

The Contractor agrees to assume full responsibility for any and all damage to the property of the Office, both real and personal, which results from or arises in connection with, the performance of this Contract.

The Contractor hereby agrees to indemnify and save harmless the State against all claims, damages, costs, losses and liabilities whatsoever, for any and all injury to persons and property that may arise out of the performance of this Contract.

The Contractor agrees to maintain adequate insurance coverage in order to fulfill its responsibilities under this section.

4.2. Tax Exemption

The State is generally exempt from Federal Excise Taxes, Maryland Sales and Use Taxes, District of Columbia Sales Tax and Transportation Taxes. Exemption certificates shall be completed upon request.

4.3. Subcontracting; Assignment

The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State, nor may the Contractor sell, transfer, or otherwise assign its obligations under this Contract, or any portion thereof, or any of its rights or obligations hereunder, without the prior written approval of the State; provided, however, that the Contractor may subcontract services under or make an assignment of this Contract to an affiliate of the Contractor that is fully capable of performing such services if the Contractor retains full responsibility for the Contract. Any such subcontract or assignment shall be subject to any terms and conditions that the Office deems necessary to protect the interest of the State. The Office shall not be responsible for the fulfillment of the Contractor's obligations to subcontractors.

4.4. Non-Hiring of Officials and Employees

No official or employee of the State of Maryland, as defined under State Government Article, §15-102, Annotated Code of Maryland, whose duties as such official or employee include matters relating to or affecting the subject matter of this Contract, shall during the pendency and term of this Contract and while serving as an official or employee of the State become or be an employee of the Contractor or any entity that is a subcontractor on this Contract.

4.5. Disputes

This Contract shall be subject to the provisions of Title 15, Subtitle 2 of the State Finance and Procurement Article of the Annotated Code of Maryland (Dispute Resolution), and COMAR 21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision.

4.6. Maryland Law Prevails

The provisions of this Contract shall be governed by the Laws of Maryland.

4.7. Amendments

This Contract, including the exhibits hereto, constitutes the entire agreement between the parties and all other communications prior to its execution, whether written or oral, with reference to the subject matter of this Contract are superseded by this Contract. Any amendment to this Contract must first be approved in writing by the Procurement Officer,

subject to any additional approvals required by State law. No amendment to this Contract shall be binding unless so approved and unless it is in writing and signed by the party to be charged.

4.8. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

4.9. Commercial Nondiscrimination Clause

4.9.1. As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

4.9.2. As a condition of entering into this Contract, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to

provide any documents relevant to any investigation that is requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions.

4.10. Contingent Fee Prohibition

The Contractor, architect, or engineer (as applicable) warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the Contractor, architect, or engineer, to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this Contract.

4.11. Living Wage Requirements

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland.

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least \$13.59 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total Contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$10.21 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

This Contract has been deemed to be a Tier 1 contract.

4.12. Multi-Year Contracts Contingent upon Appropriations

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any non-

recurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

4.13. Termination for Default

If the Contractor fails to fulfill its obligation under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State shall pay the Contractors fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

4.14. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A(2).

4.15. Delays and Extensions of Time

The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another contractor in the performance of a Contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

4.16. Variations in Estimated Quantities

No equitable adjustment shall be permitted in favor of either the State or the Contractor in the event that the quantity of any pay item in this Contract is an estimated quantity and the actual quantity of such pay item varies from the estimated quantity stated in the Contract.

4.17. Suspension of Work

The Procurement Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

4.18. Pre-Existing Regulations

In accordance with the provisions of §11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) in effect on the date of execution of this Contract are applicable to this Contract.

4.19. Financial Disclosure

The Contractor shall comply with the provisions of §13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

4.20. Political Contribution Disclosure

The Contractor shall comply with the Election Law Article § 14-101 – 14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county or an incorporated municipality, or their agencies, during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Board of Elections: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the Contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

4.21. Retention of Records/Audit

The Contractor shall retain and maintain all records and documents relating to this Contract for three years after final payment by the State hereunder or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or his designee, at all reasonable times.

4.22. Compliance with Laws

The Contractor hereby represents and warrants that:

4.22.1. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time, hereafter may be necessary to remain so qualified;

4.22.2. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;

4.22.3. It shall comply with all federal, State and local laws, regulations and ordinances applicable to its activities and obligations under this Contract; and

4.22.4. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

4.23. Liability for Loss of Data

In the event of loss of any data or records necessary for the performance of this Contract where such loss is due to the error or negligence of the Contractor, the Contractor shall be responsible, irrespective of cost to the Contractor, for recreating such lost data or records.

4.24. Cost and Price Certification

4.24.1. The Contractor by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:

- (1) A negotiated contract, if the total contract price is expected to exceed \$100,000, or a smaller amount set by the procurement officer; or
- (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the procurement officer.

4.24.2. The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

4.25. Ownership of Documents and Materials

The Contractor agrees that all documents and materials including, but not limited to, reports, drawings, studies, specifications, estimates, maps, photographs, designs, graphics, mechanical, artwork, and computations prepared by or for it under the terms of this Contract shall at anytime during the performance of the services be made available to the State upon request by the State and shall become and remain the exclusive property of the State upon termination or completion of the services. The State shall have the right to use same without restriction or limitation and without compensation to the Contractor other than that provided by this Contract. The State shall be the owner for purposes or copyright, patent or trademark registration.

4.26. Patents, Copyrights and Trade Secrets

4.26.1. If the Contractor furnishes any design, device, material, process or other item, which is covered by a patent, or copyright or which is proprietary to or a trade secret of another, Contractor shall obtain the necessary permission or license to use such item.

4.26.2. Contractor will defend or settle, at its own expense, any claim or suit against the State alleging that any such item furnished by Contractor infringes any patent, trademark, copyright, or trade secret. Contractor also will pay all damages and costs that by final judgment may be assessed against the State due to such infringement and all attorney fees and litigation expenses reasonably incurred by the State to defend against such a claim or suit. The obligations of this paragraph are in addition to those stated in paragraph 4.26.3. below.

4.26.3. If any product(s) furnished by Contractor become, or in Contractor's opinion are likely to become, the subject of a claim of infringement, Contractor will, at its option: (1) procure for the State the right to continue using the applicable item; (2) replace the product with a non-infringing product substantially complying with the item's specifications; or (3) modify the item so it becomes non-infringing and performs in a substantially similar manner to the original item.

4.27. Confidentiality

Subject to the Maryland Public Information Act and any other applicable laws, including all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor's computer systems) shall be held in absolute confidence by the other party. Each party

shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is necessary for the performance of their duties under this Contract, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law and the confidentiality provisions of the RFP. The provisions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Contract; (c) was already in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law.

ARTICLE V - NOTICES

5.1. All notices required to be given by one party to the other hereunder shall be in writing and shall be addressed as follows:

If to the Office: Procurement Officer
Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, Maryland 21401

If to the Agency: George Varghese
DHR Child Support Enforcement Administration
311 W. Saratoga Street, Room 354M
Baltimore, Maryland 21201
Phone: 410-767-7877
Email: george.varghese@maryland.gov

If to the Contractor: [Name and Address]

5.2. All invoices and all correspondence and inquiries relating to invoices or payments shall be addressed to the Agency identified above in Section 5.1.

ARTICLE VI - ADMINISTRATION

6.1. The work to be accomplished under this Contract shall be performed under the direction of the Contract Officer, George Varghese. All matters relating to the administration of this Contract shall be referred to the Procurement Officer for determination.

ARTICLE VII - REPRESENTATIONS

7.1. Each party to this Contract represents and warrants to the other that it has full right, power, and authority to execute this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date hereinabove set forth.

ATTEST:

[CONTRACTOR'S LEGAL NAME]

By: _____
[Signatory]
[Title]

WITNESS:

MARYLAND STATE TREASURER'S OFFICE

By: _____
Nancy K. Kopp
State Treasurer

WITNESS:

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

**ACKNOWLEDGED AND ACCEPTED:
DEPARTMENT OF HUMAN RESOURCES,
CHILD SUPPORT ENFORCEMENT
ADMINISTRATION**

By: _____
[SIGNATOR]

Approved for form and legal sufficiency
for the Maryland State Treasurer's Office:

David P. Chaisson
Assistant Attorney General

APPENDIX F
(To be submitted with the Contract)
CONTRACT AFFIDAVIT

A. AUTHORITY

I HEREBY AFFIRM THAT:

I, (print name) _____ possess the legal authority to make this Affidavit.

**B. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE
DEPARTMENT OF ASSESSMENTS AND TAXATION**

I FURTHER AFFIRM THAT:

The business named above is a (check applicable items):

- (1) Corporation — domestic or foreign;
- (2) Limited Liability Company — domestic or foreign;
- (3) Partnership — domestic or foreign;
- (4) Statutory Trust — domestic or foreign;
- (5) Sole Proprietorship

and is registered or qualified as required under Maryland Law.

I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name and Department ID

Number: _____ Address: _____

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

Name and Department ID Number: _____

Address: _____.

C. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Board of Elections a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

E. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is

prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

(i) The dangers of drug and alcohol abuse in the workplace;

(ii) The business's policy of maintaining a drug and alcohol free workplace;

(iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and

(iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §E(2)(b), of this regulation;

(h) Notify its employees in the statement required by §E(2)(b), of this regulation, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under §E(2)(h)(ii), of this regulation, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(2)(h)(ii), of this regulation, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §E(2)(a)—(j), of this regulation.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), of this regulation, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

F. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated _____, 2016, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____ (printed name of Authorized Representative and affiant)

_____ (signature of Authorized Representative and affiant)

**APPENDIX G
COLLATERAL SECURITY AGREEMENT**

THIS COLLATERAL SECURITY AGREEMENT (the “Agreement”) is made and entered into as of _____ by and between the Maryland State Treasurer’s Office, on behalf of the _____ (the “_____”) hereinafter called the “Depositor”, and _____ [a national banking association, organized under the laws of the United States] or [organized under the laws of Maryland] and authorized by law to do banking business in the State of Maryland, hereinafter called the “bank.”

Background

The Depositor, in accordance with Maryland State law, has designated the Bank as a depository for public funds of the Depositor under the Banking Services and Electronic Payment Card Services for the Maryland Department of Human Resources, Child Support Enforcement Administration Contract dated _____, 2016. During the term of this Agreement, the Depositor will designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the Depositor in any and all matters of every kind arising under this Agreement. This Agreement incorporates the terms of the Contract by reference for all purposes; however, to the extent that any provision in the Contract conflicts with any provision in this Agreement, this Agreement will control. All funds on deposit with the Bank to the credit of the Depositor are required to be secured by collateral of the kind and character permitted by §6-202 of the State Finance and Procurement Article of the Annotated Code of Maryland, as may be amended from time to time (“SFP §6-202”).

Under §6-209 of the State Finance and Procurement Article of the Annotated Code of Maryland, as may be amended from time to time (“SFP §6-209”), only certain collateral pledged by the Bank is required to be held by a custodian. For purposes of this Agreement, permissible collateral under SFP §6-202 shall be referred to as “Collateral” and any Collateral that is required to be held by a custodian under SFP §6-209 shall be referred to as “Securities Collateral.”

To perfect the security interest of the Depositor in Securities Collateral pledged by the Bank, a Federal Reserve Bank or a third party financial institution, acceptable to the Depositor, will hold the Securities Collateral in a custody account for the benefit of the Depositor. For purposes of this Agreement, such Federal Reserve Bank or third party financial institution shall be referred to as the “Trustee.”

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, it is agreed as follows:

1. Under the terms of this Agreement, the Bank pledges to the Depositor, and grants to the Depositor a security interest in, the Securities Collateral owned by

the Bank and held by the Trustee for the benefit of the Depositor, to secure the deposits held by the Bank for the Depositor as provided in SFP §6-209.

2. The total market value of the Securities Collateral held by the Trustee (which includes accrued interest or income to the extent it is not included in the market price) will be in an amount at least equal to such amount as is required under SFP §6-209, taking into account any other acceptable Collateral properly delivered to the Depositor. The market value of any security held as Securities Collateral will be obtained from a primary dealer. The Bank will provide a monthly collateral report to the Depositor at no charge. The report includes the market value and description of each item of Collateral pledged as of the last business day of the month.
3. The Bank has previously or will immediately deliver to the Trustee Securities Collateral of the kind and character permitted by SFP §6-202 of sufficient amount and market value to provide adequate collateral under SFP §6-209, taking into consideration any other acceptable Collateral properly delivered to the Depositor, for the funds of the Depositor deposited with the Bank. For so long as the depository relationship between the Depositor and the Bank shall exist hereunder, the Securities Collateral or substitute Securities Collateral, as provided for below, in an amount and market value sufficient to provide adequate Collateral, taking into consideration any other acceptable Collateral properly delivered to the Depositor, shall be kept and retained by the Trustee in trust.
4. The Bank shall cause the Trustee to accept the Securities Collateral and hold the same in trust for the purpose stated in this Agreement.
5. Except in the case where Bank is deemed to be insolvent or in receivership, should the Bank fail at any time to pay and satisfy, when due, any check, draft, voucher or electronic fund transfer lawfully drawn against any deposit, or in any manner breaches its contract with the Depositor, Depositor shall give written notice of such failure or breach to the Bank, and the Bank shall have forty-eight (48) hours to cure such failure or breach. In the event the Bank shall fail to cure such failure or breach within forty-eight (48) hours, it shall be the duty of the Trustee, upon demand of the Depositor (supported by proper evidence of any of the above-listed circumstances), to surrender the Securities Collateral to the Depositor. In the event that bank is deemed insolvent or is in receivership, , it shall be the duty of the Trustee, upon demand of the Depositor to surrender the Securities Collateral to the Depositor. The Depositor may sell all or any part of the Securities Collateral and out of the proceeds of such sale pay the Depositor all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale. Following any sale, the Depositor shall provide an accounting to the Bank for the remainder, if any, of the proceeds or Collateral remaining unsold.

6. Any sale of all or part of the Securities Collateral, made by the Depositor under this Agreement may be either at public or private sale.
7. If the Bank shall desire to sell or otherwise dispose of all or part of the Securities Collateral deposited with the Trustee, it may substitute other Securities Collateral of at least the same market value. Alternatively, the Bank may substitute other acceptable Collateral properly delivered to the Depositor in an amount equal to the market value of the Securities Collateral to be sold or otherwise disposed of. Such rights of substitution shall remain in full force and may be exercised by the Bank as often as it may desire; provided, however, that the aggregate market value of all Collateral pledged to the Depositor, shall be at least equal to the amount of Collateral required under SFP §6-209. If at any time, the aggregate market value of Securities Collateral deposited with the Trustee, taken together with any other acceptable Collateral properly delivered to the Depositor, is less than the total amount required under SFP §6-209, the Bank shall, upon request of the Depositor, deposit with the Trustee such additional Securities Collateral as may be necessary to cause the market value of such Securities Collateral, taken together with any other acceptable Collateral properly delivered to the Depositor, to equal the total amount of required Collateral. The Bank shall be entitled to income on securities held by the Trustee, and the Trustee may dispose of such income as directed by the Bank without approval of the Depositor.
8. The Bank shall cause the Trustee promptly to forward to the Depositor copies of safekeeping or trust receipts and/or activity reports covering all of the Collateral, including substitute Collateral as provided for herein.
9. If at any time the Securities Collateral in the hands of the Trustee shall have a market value, taking into account any other acceptable Collateral properly delivered to the Depositor, that exceeds the required amount of Securities Collateral, the Depositor shall authorize the withdrawal of a specified amount of Securities Collateral, and the Trustee may deliver this amount of Securities Collateral (and no more) to the Bank. Once the Bank receives the redelivered Securities Collateral, the Trustee shall have no further liability for such Securities Collateral.
10. The Depositor shall have the right to terminate this Agreement by advance written notice to the Bank of its election to do so. Termination of this Agreement shall be effective sixty days after the receipt of such notice, provided all provisions of this Agreement have been fulfilled, or upon the date of the last act required by this Agreement, whichever is later.
11. When the depositor-bank relationship ceases to exist between the Depositor and the Bank, and when the Bank has properly paid out all deposits of the Depositor, the Depositor shall give the Trustee written notice to that effect and the Trustee

shall, with the approval of the Depositor, redeliver to the Bank all Securities Collateral then in its possession belonging to the Bank.

12. A. Any notice required to be given to the Bank in writing shall be sufficient if delivered to the following address:

The Bank may change the above address by notifying the Depositor by facsimile or by such other means as is consistent with the Bank's usual means of notification to the Depositor.

- B. Any notice to be given to the Depositor shall be sufficient if delivered to the following address:

Maryland State Treasurer's Office
Attn: Director of Treasury Management
80 Calvert Street
Annapolis, Maryland 21401
Tel: (410)260-7129 – Fax: (410)974-2076

The Depositor may change the above address by notifying the Bank by facsimile or by such other means as is consistent with the Depositor's usual means of notification to the Bank.

13. This Agreement shall be binding upon, and shall insure to the benefit of, the parties hereto and their respective corporate successors.
14. No amendments or modification of this Agreement or waiver of any right under this Agreement shall be binding on any party unless it is in writing and is signed by all of the parties.

[Signatures Appear on the Following Page]

Executed by the undersigned duly authorized officers of the parties as of the date of this Agreement.

ATTEST

[BANK NAME]

By: _____
[Signatory]
[Title]

WITNESS:

**MARYLAND STATE TREASURER'S
OFFICE**

By: _____
Nancy K. Kopp
State Treasurer

WITNESS:

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

Approved as to form and legal sufficiency
for the Maryland State Treasurer's Office:

Assistant Attorney General

APPENDIX H
DESIGNATION OF DEPOSITORY

I, THE UNDERSIGNED, TREASURER OF THE STATE OF MARYLAND, DO HEREBY CERTIFY that, by my action duly taken, the following Designation has been duly made, has not been amended or modified, is not inconsistent with the Constitution and laws of the State of Maryland (the "State"), and is now in full force and effect:

IN ACCORDANCE with §6-205 of the State Finance and Procurement Article of the Annotated Code of Maryland, _____, (the "Bank") is hereby designated as a depository for funds of the State for the term of the Contract for Banking Services and Electronic Payment Card Services for the Maryland Department of Human Resources, Child Support Enforcement Administration by and between the State and _____, dated _____, as it may be amended, and that deposit accounts, whether demand, time, savings, disbursement, or like accounts may be opened and/or maintained from time to time in the name of the State with the Bank. The Bank, as a designated depository for funds of the State, is hereby authorized and directed to honor checks, drafts, or other orders for the payment of money drawn in the name of the State or its agencies, when bearing or purporting to bear the facsimile signature of one of the following: the Treasurer or the Chief Deputy Treasurer; and the countersignature of one of the following: the Comptroller or Deputy Comptroller, or the actual signatures of the certified officers or employees of each agency approved by the Treasurer and the Comptroller to establish an account with the Bank, as indicated on the Bank's standard account signature cards; and the Bank shall be entitled to honor and charge the State for all such checks, drafts and other orders, regardless of by whom or by what means the facsimile signatures thereon may have been affixed thereto from time to time by the Treasurer or other duly authorized officer of the State; and it is

FURTHER CERTIFIED, that the Treasurer or duly authorized agency representative shall certify to the Bank the names of the officers or employees of the State authorized to act with respect to each and every account, and shall from time to time hereafter as changes in such personnel may be made, immediately certify such changes to the Bank, and the Bank shall be fully protected in relying on such certifications of the Treasurer or duly authorized agency representative, and to the extent permitted by law shall be indemnified and saved harmless from any claims, demands, expenses, losses, or damages resulting from, or growing out of honoring the signature of an officer or employee so certified or refusing to honor any signature not so certified; and it is

FURTHER CERTIFIED, that the foregoing Designation shall remain in full force and effect until written notice of its amendment or rescission shall have been received by the Bank, and that receipt of such notice shall not affect any action taken by the Bank prior thereto.

I HEREBY CERTIFY that the following is the title, name, and official signature of the officer, in addition to me, authorized herein to act on behalf of the State:

| <u>Title</u> | <u>Name</u> | <u>Official Signature</u> |
|------------------------|---------------------|---------------------------|
| Chief Deputy Treasurer | Bernadette T. Benik | _____ |

IN WITNESS WHEREOF, I have executed this Designation as of this ____ day of _____, 2016.

STATE OF MARYLAND

By: _____
Nancy K. Kopp
Treasurer

EXHIBIT 1

State Finance and Procurement Article

§6-201.

(a) In this subtitle the following words have the meanings indicated.

(b) "Banking institution" means an institution that is incorporated under the laws of the State as a State bank, trust company, or savings bank.

(c) "Collateral" means collateral that is listed under § 6-202 of this subtitle.

(d) "Deposit insurance" means insurance by:

(1) the Federal Deposit Insurance Corporation; or

(2) the Resolution Trust Corporation created under § 21A of the Federal Home Loan Bank Act (12 U.S.C. § 1441a).

(e) "Financial institution" means:

(1) any banking institution;

(2) any national banking association;

(3) an institution that is incorporated under the laws of any other state as a bank;

and

(4) an institution that is incorporated under the laws of this State or of the United States as a savings and loan association.

(f) "National banking association" means an institution that is incorporated under federal law as a bank.

(g) "State money" for purposes of §§ 6-209 and 6-210 of this subtitle includes money in a bank account maintained under the control of an employee or official of the clerk of the court or register of wills.

EXHIBIT 2

State Finance and Procurement Article

§6-202.

Collateral that may be used under this subtitle shall be:

- (1) an obligation of the United States or any of its agencies;
- (2) an obligation guaranteed by the United States or by any of its agencies;
- (3) an obligation insured by the United States;
- (4) an obligation of the State or any of its units or instrumentalities;
- (5) an obligation of a county of the State or any of its agencies;
- (6) an obligation of a municipal corporation in the State or any of its agencies;
- (7) an obligation of any other governmental authority in the State;
- (8) an obligation of the Inter-America Development Bank;
- (9) an obligation of the World Bank;
- (10) an obligation of the following government-sponsored enterprises:
 - (i) the Federal Home Loan Banks;
 - (ii) the Federal Home Loan Mortgage Corporation;
 - (iii) the Federal National Mortgage Association;
 - (iv) the Farm Credit System;
 - (v) the Federal Agricultural Mortgage Corporation; and
 - (vi) the Student Loan Marketing Association;
- (11) a surety bond if:
 - (i) subject to the terms and conditions of the bond, it is irrevocable and absolute;
 - (ii) the surety bond is issued by an insurance company authorized to do business in this State;
 - (iii) the issuer of the surety bonds does not provide surety bonds for any one financial institution in an amount that exceeds 10% of the surety bond insurer's policyholders' surplus and contingency reserve, net of reinsurance; and
 - (iv) the claims-paying ability of the authorized insurance company is rated, at all relevant times, in the highest category by at least two nationally recognized rating agencies acceptable to the Treasurer;
- (12) an obligation or security of, or other interest in, any open-end or closed-end management type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., if:
 - (i) the portfolio of the open-end or closed-end management type investment company or investment trust is limited to direct obligations of the United States government and to repurchase agreements fully collateralized by United States government obligations; and
 - (ii) the open-end or closed-end management type investment company or investment trust takes delivery of that collateral, either directly or through an authorized custodian; or
- (13) a letter of credit issued by a Federal Home Loan Bank if the letter of credit meets the conditions under the guidelines issued by the State Treasurer's office.

EXHIBIT 3

State Finance and Procurement Article

§6-209.

- (a) State money on deposit with a financial institution shall be secured by:
 - (1) deposit insurance; or
 - (2) collateral as required by this section.
- (b) (1) The collateral for State money on deposit with a financial institution:
 - (i) must have, at all times, a market value that equals or exceeds the State money that is on deposit with the financial institution and is not covered by deposit insurance; and
 - (ii) must be approved by the Treasurer.
- (2) If the collateral is a surety bond under § 6-202 of this subtitle:
 - (i) the surety bond shall be in a form and amount acceptable to the Treasurer as determined by the Treasurer from time to time; and
 - (ii) the financial institution that provides the surety bond as collateral shall immediately notify the Treasurer if the rating assigned to the issuing insurance company by any rating agency, found acceptable to the Treasurer under § 6-202 of this subtitle, is withdrawn or downgraded, in which event the financial institution shall immediately provide the Treasurer with substitute collateral permitted under § 6-202 of this subtitle.
- (3) Subject to the requirements of this subsection, a financial institution may change its collateral from time to time.
- (c) (1) A custodian shall hold the collateral under this section for the benefit of the State.
- (2) A financial institution may use as a custodian:
 - (i) any banking institution that is approved by the Commissioner of Financial Regulation to conduct commercial banking business in the State;
 - (ii) a federal reserve bank; or
 - (iii) any national banking association that is approved by the Comptroller of the Currency to conduct banking business in the State.
- (3) A financial institution may not be approved as custodian for the collateral of a depository unless the assets of the financial institution equal or exceed 200% of the value of the collateral to be held for the depository

EXHIBIT 4

State Finance and Procurement Article

§6-222.

(a) The Treasurer may invest or reinvest unexpended or surplus money over which the Treasurer has custody in:

(1) an obligation for which the United States has pledged its faith and credit for the payment of the principal and interest;

(2) an obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress;

(3) a repurchase agreement collateralized in an amount not less than 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities, provided the collateral is held by a custodian other than the seller designated by the buyer;

(4) bankers' acceptances guaranteed by a financial institution with a short-term debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by either the United States Securities and Exchange Commission or the Treasurer;

(5) with respect to amounts treated by the Internal Revenue Service as bond sale proceeds only, bonds, notes, or other obligations of investment grade in the highest quality letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the United States Securities and Exchange Commission issued by or on behalf of this or any other state or any agency, department, county, municipal or public corporation, special district, authority, or political subdivision thereof, or in any fund or trust that invests only in securities of the type described in this item;

(6) commercial paper that has received the highest letter and numerical rating by at least two nationally recognized statistical rating organizations as designated by the United States Securities and Exchange Commission, provided that such commercial paper may not exceed 10% of the total investments made by the Treasurer under this subsection;

(7) money market mutual funds that:

(i) are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., as amended;

(ii) are operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended; and

(iii) have received the highest possible rating from at least one nationally recognized statistical rating organization as designated by the United States Securities and Exchange Commission; and

(8) any investment portfolio created under the Maryland Local Government Investment Pool defined under §§ 17-301 through 17-309 of the Local Government Article of the Code that is administered by the Office of the State Treasurer.

(b) The Treasurer may sell, redeem, or exchange an investment or reinvestment made under this section in accordance with the limitations of this section.

(c) Subject to § 2-1246 of the State Government Article, the Treasurer shall report by January 3 of each year to the General Assembly on investment activities for unexpended or surplus money over which the Treasurer has custody which have been conducted during the previous fiscal year. At a minimum, the report shall specify for General Fund investments and all other investments:

(1) the inventory of investments with maturity dates and the book and market value as of June 30;

(2) the net income earned;

- (3) the percentage share of each category of investment in the portfolio; and
- (4) any sale of investments prior to the maturity date.

(d) An investment made pursuant to this section shall be made:

(1) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(2) in a manner designed to reasonably match the anticipated cash flow of the State so that sufficient funds are available to pay obligations upon proper presentation for payment;

(3) so that a reasonable amount of cash or cash equivalents is available for unanticipated cash needs;

(4) with due regard for minimizing risk while maximizing return;

(5) using competitive purchasing practices except when impractical;

(6) in accordance with a written investment policy;

(7) so that the securities and collateral may continue to be priced on a market to market basis; and

(8) to avoid the enhancement of the personal financial position of the Treasurer or any employee of the Treasurer who has responsibilities for such investments.

(e) (1) (i) Consistent with minority business purchasing standards applicable to units of State government under this article and consistent with the fiduciary duties of the Treasurer, the Treasurer shall attempt to use to the greatest extent feasible minority business enterprises for brokerage and investment management services under this section.

(ii) For purposes of this subsection, brokerage and investment management services shall include services relating to all allocated asset classes as described in subsection (a) of this section.

(2) (i) To assist the Treasurer in achieving the goal described under paragraph (1) of this subsection, the Treasurer shall undertake measures to remove any barriers that limit full participation by minority business enterprises in brokerage and investment management services opportunities afforded under this section.

(ii) The measures undertaken by the Treasurer shall include the use of a wide variety of media, including the Treasurer's Web site, to provide notice to a broad and varied range of potential providers about the brokerage and investment management services opportunities afforded by the Treasurer.

(3) In conjunction with the Governor's Office of Minority Affairs, the Treasurer shall develop guidelines to assist in identifying and evaluating qualified minority business enterprises in order to help the Treasurer achieve the objective for greater use of minority business enterprises for brokerage and investment management services under this section.

(4) On or before September 1 each year, the Treasurer shall submit a report to the Governor's Office of Minority Affairs and, subject to § 2-1246 of the State Government Article, the General Assembly on:

(i) the identity of the minority business enterprise brokerage and investment management services firms used by the Treasurer in the immediately preceding fiscal year;

(ii) the percentage and dollar value of the assets under the custody of the Treasurer that are under the investment control of minority business enterprise brokerage and investment management services firms for each allocated asset class; and

(iii) the measures the Treasurer undertook in the immediately preceding fiscal year in accordance with paragraph (2)(ii) of this subsection.

EXHIBIT 5

State Finance and Procurement Article

§6-203.

(a) The Treasurer shall give 15% of the weight of the decision to the standards established in this section in deciding whether to:

(1) designate a financial institution as a depository for State money under § 6-205 of this subtitle; and

(2) make an agreement with a financial institution for a banking service under § 6-229 of this subtitle.

(b) (1) The Treasurer shall consider whether the financial institution received a rating of “needs improvement” or “substantial noncompliance” in its most recent examination under the federal Community Reinvestment Act of 1977, P.L. Number 95-128.

(2) If a financial institution operates in a state other than Maryland, the Treasurer shall consider Maryland-specific information that is provided within the assessment area section of the Community Reinvestment Act report.

(c) (1) The Treasurer shall consider whether, during the previous 5 years, a court in Maryland has found, in a final adjudication, that a financial institution has violated any antidiscrimination statute or regulation.

(2) The Treasurer may consider whether, during the previous 5 years, a court outside Maryland has found, in a final adjudication, that a financial institution has violated any antidiscrimination statute or regulation.

(3) The Treasurer may determine how to assess a violation under paragraph (1) or (2) of this subsection if the violation was committed by:

(i) an affiliate of the financial institution; or

(ii) an entity acquired by the financial institution.

(d) The Treasurer shall consider whether the financial institution has demonstrated that during the previous 5 years, the financial institution has:

(1) successfully made loans in Maryland through State or federal lending programs designed to assist small and minority-owned businesses;

(2) had an active outreach program to assist small and minority-owned businesses through which the financial institution has made efforts in Maryland; and

(3) established strategic partnerships in Maryland with entities whose mission is to provide technical assistance to small and minority-owned businesses.