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Nancy K. Kopp
State Treasurer

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Chief Deputy Treasurer

MARYLAND STATE TREASURER'S OFFICE

REQUEST FOR PROPOSALS

FOR

MARYLAND LOCAL GOVERNMENT INVESTMENT POOL

RFP #MLGIP-11072013

DUE DATE: DECEMBER 3, 2013

Issued: November 7, 2013

KEY INFORMATION SUMMARY SHEET

**Maryland State Treasurer's Office
Request for Proposals For
Maryland Local Government Investment Pool
RFP #MLGIP-11072013**

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: November, 7, 2013

Deadline for Receipt of Questions: November 18, 2013 by 11:00 a.m. Local Time

Proposal Due Date and Time: December 3, 2013 by 3:00 p.m. Local Time

Oral Presentations: December 16-17, 2013

Tentative Contract Award: December 27, 2013

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 solicitation 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 "Office") is soliciting proposals for a financial institution with a strong branch presence in Maryland to provide investment and administrative services for the MLGIP. The Maryland Local Government Investment Pool ("MLGIP") created by Article 95, Section 22G of the Annotated Code of Maryland, repealed and replaced by Sections 17-201 *et seq* and 17-301 *et seq* of the Local Government Article, Annotated Code of Maryland (Exhibit 1), consists of the aggregate of funds from local governments and any funds of the State, or approved State unit or State created entity that are placed in the pool for investment and reinvestment. The MLGIP is under the administrative control of the Maryland State Treasurer and currently has 301 participants, approximately 2000 individual accounts, and an average daily aggregate balance of \$3.1 billion.

1.02 Procurement Method

The Office will award the contract arising out of this RFP (the "Contract") in accordance with the competitive sealed proposals process under COMAR 21.05.03.

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 Office 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 Contractor and provides technical guidance to the Contractor. The State Contract Officer is:

Mary Christine Jackman
Director of Treasury Management
Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401
Tel: (410)260-7129 - Email: mcjackman@treasurer.state.md.us

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. In order to receive a contract award, a vendor must be registered on eMaryland Marketplace.

1.06 Schedule of Events

<u>Event</u>	<u>Date</u>
Solicitation Issue Date	November 7, 2013
Deadline for Receipt of Questions	November 18, 2013 by 11:00 a.m. Local Time
Proposal Due Date	December 3, 2013 by 3:00 p.m. Local Time
Oral Presentations, if any	December 16-17, 2013
Tentative Date of Contract Award	December 27, 2013

1.07 Pre-proposal Conference

A Pre-Proposal Conference will not be held.

1.08 Questions and Inquiries

All Offerors should direct their questions and inquiries to the Procurement Officer identified in Section I., 1.02 above. **Questions must be submitted in writing by mail or via email and received by the Issuing Office no later than 11:00 a.m. local time on Monday, November 18, 2013.** 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 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 the Price Proposal, each in separate sealed envelopes. All submissions shall include 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 3:00 p.m. local time on Tuesday, December 3, 2013.** Additionally, each Offeror must provide to the Procurement Officer on compact disk one electronic copy of the Technical and Price Proposals. 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.

The Office 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 Office 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 Office 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 Office, and emailed to financial firms 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, 1.02, above.

2.02 Revisions to the RFP

The Office 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 Office 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 Office will post amendments to the RFP on the Office's Web Page at www.treasurer.state.md.us, (select "Procurement" and then "RFP for Maryland Local Government Investment Pool"), and through eMaryland Marketplace at: <https://emaryland.buyspeed.com/bso>. The Office 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 Office 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 Office 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 Office 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 Office 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 Office will not accept oral, telegraphic, facsimile, mailgram, or electronically transmitted proposals.

2.08 Multiple Proposals

The Office will not accept multiple or alternative proposals from a single Offeror. In the event an Offeror fails to comply with this requirement, the Office may, in its sole discretion, choose not to consider any portion or all of the Offeror's proposal(s).

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, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. The Office may charge a fee for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The Office 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 (see 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 \$13.19 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 \$9.91 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 Office 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.maryland.gov. Select the "Minority/Disadvantaged Business Enterprise" link .

2.17 Veteran-Owned Small Business Enterprise

The Office 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 Office will not accept any modifications to the order of precedence provision of this solicitation. If the Offeror proposes any terms and conditions inconsistent with the requirements of the solicitation, the Offeror must clearly state those terms and conditions in its proposal.

SECTION III. SCOPE OF SERVICES AND REQUIREMENTS

3.01 Background

Article 95 Section 22G, repealed and replaced by Sections 17-201 *et seq* and 17-301 *et seq*, of the Local Government Article, Annotated Code of Maryland establishes the Maryland Local Government Investment Pool. The MLGIP, under the administrative control of the State Treasurer, is designed to provide any local governmental unit of the State an investment vehicle for the short term investment of funds. The State Treasurer may choose to invest State funds in the MLGIP. On approval of the State Treasurer, a unit of State government or an entity created by the State, if the funds of that unit or entity are not State money over which the Treasurer has investment authority, may also invest in the MLGIP.

Since the inception of the program in 1982, a financial institution with a strong branch presence has operated the MLGIP on behalf and under contract with the State Treasurer. As of June 30, 2013, there were 301 participants with approximately 2,000 accounts and over \$2,847,048,217 on deposit in the MLGIP. The average balance in the MLGIP for the year ended June 30, 2013, was slightly more than \$3.1 billion. See Exhibit 2, MLGIP Fund Balance, for historical balance information.

The general objectives of the MLGIP are:

1. To preserve the capital value of the dollars invested.
2. To provide a competitive rate of return.
3. To provide a **daily**, readily available source of liquidity.

While the MLGIP is not an SEC-registered money market rated fund, it is managed in a manner consistent with the SEC's Rule 2(a)-7 investment guidelines. The MLGIP maintains an AAAM rating from Standard and Poor's, the highest rating for local government investment pools. The MLGIP is a stable net asset value fund managed in a conservative manner, emphasizing the highest credit standards and vigilant risk management.

3.02 Minimum Qualifications

As part of 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 Article, Annotated Code of Maryland (Exhibit 3).
2. The Offeror must have a Kroll Bond Rating Agency, Inc. (KBRA) rating or similar financial strength rating from a nationally recognized statistical rating organization of at least a "C".
3. The Offeror must have a full service branch presence in the State of Maryland and must provide a list of all branches in the State.

4. Every Offeror submitting a proposal in connection with this RFP must agree not to open or maintain any bank accounts for any entity representing itself as an agency or entity of the State of Maryland or using FID number 52-6002033 without the express written permission of the State Treasurer or her designee.
5. The Offeror must have a plan for business continuity and recovery as a result of disaster.

3.03 Required Services

1. Investments

The purpose of the Pool is to provide an investment medium in which the participants may temporarily invest their idle balances. To achieve this purpose, the investments of the Pool must maintain principal value, limit exposure to loss, and be readily liquid. The Contractor shall manage the investments of the Pool in order to maintain a Stable Net Asset Value and money market fund rating of AAAM by Standard & Poor's denoting excellent safety and superior capacity to maintain principal value and limit exposure to loss.

The MLGIP may invest in any instrument in which the State Treasurer may invest. The permissible instruments for investments are established by Section 6-222 of the State Finance and Procurement Article, Annotated Code of Maryland (Exhibit 4). The types of the investments may, during the course of the Contract, be altered by the General Assembly. The maximum maturity of any single investment in the MLGIP will be 13 months and the maximum weighted average life of the MLGIP will not be more than 60 days. There will be no formal minimum liquidity position for the MLGIP but there will be sufficient liquidity to satisfy participants' daily cash needs. Securities in the MLGIP may be sold at the discretion of the Contractor.

The MLGIP is currently rated AAAM by Standard & Poors and it is expected that the selected Offeror will ensure this rating shall be maintained. The MLGIP shall have an average daily NAV equal to \$1.

The MLGIP may not lend securities nor may any of the assets of the MLGIP be pledged as collateral.

2. Banking

Each MLGIP participant must be allowed to create at least one master account and an unlimited number of subaccounts.

Deposits must be credited the same day if received in "good funds" before 3:00 p.m. E.T. and available the next business day in all other circumstances. Deposits may be made by cash, check, ACH, wire transfer, or any other generally acceptable method. All deposits received by 3:00 p.m. E.T. will qualify for interest on the day the deposit is made.

Withdrawal requests received before 2:00 p.m. E.T. shall be granted with the same day availability, and those received after 2:00 p.m. E.T. shall receive next day availability.

Withdrawals shall be by cashier check, direct deposit, ACH, or wire transfer.

The Contractor must have available toll-free telephone lines and electronic transaction capabilities.

3. **Advisory Committee**

The Treasurer has appointed an MLGIP Advisory Committee whose functions are to review the investment performance of the MLGIP, monitor the account relationships, and review the marketing and product development activities of the MLGIP administrator. The Contractor selected to provide MLGIP administration services under this solicitation should anticipate providing performance reports to the committee and attending all committee meetings, currently held twice a year.

4. **Earnings**

Interest earnings shall be calculated and compounded daily, paid monthly.

5. **Audit**

Contractor shall be responsible for having an annual fiscal year audit performed on the financial statements and assets of the MLGIP by a nationally recognized independent auditor. The auditor and the scope of services must be approved by the Treasurer. Printed copies of the annual audit report shall be provided to the Office, the MLGIP Advisory Committee, and upon request, to all MLGIP participants.

To that end, the Contractor shall manage the MLGIP in accordance with all applicable federal and State laws and regulations, and shall maintain the books and records of the MLGIP in accordance with the requirements and guidance of the Internal Revenue Code, the Securities and Exchange Commission, the Government Accounting Standards Board and the American Institute of Certified Public Accountants.

6. **Reports**

A. Daily transaction reporting is required to MLGIP account holders for whom transactions were executed. These reports should identify at a minimum the transaction conducted, the name of the subaccount holder, the account title and number, the amount of the transaction and the resulting balance in the subaccount. These daily reports are to be sent to the MLGIP account holders no later than the following business day. These reports shall be available electronically as well.

B. Monthly statements are required for MLGIP account holders detailing the daily transactions, the daily balances, the daily interest rates, fees incurred, interest credited, and final balances by subaccount. These reports should be available electronically as well.

C. Monthly reports are to be sent to the State Treasurer. These reports must at a minimum detail each investment purchase and sale transaction, the total fund balance, an updated list of participants, administrative fees charged, and gross income earnings. A list of all securities held at month end must be included. In

addition, the Treasurer may select a number of dates at random each month and request the report from the Federal Reserve showing the collateral held by the Federal Reserve on behalf of the MLGIP for the repurchase agreements executed on those selected dates.

- D. An Investment Inventory must be provided daily as of close of business to the State Treasurer, or Treasurer's designee in electronic format. This report should identify at a minimum the CUSIP, Security short name, maturity date, purchase date, issue date, coupon rate, next coupon date, trade face value, trade original cost, market value, variance between face value and market value, and daily NAV. The report must have sub totals for investment types in addition to portfolio totals.
- E. An Annual Report shall be prepared and distributed to the Office, the MLGIP Advisory Committee, and all MLGIP participants, including information on the MLGIP, its participants and activities, administrative information, audited financial statements and credit rating. The report must include the complete listing of all investments held June 30 with credit ratings, book value and market value. The report shall be posted on the Contractor's maintained website. The printing quality of the Annual Report must meet or exceed the current standards of the MLGIP Annual Report.

7. **Website**

The Contractor shall maintain a website that at a minimum displays information about the history, MLGIP Advisory Committee, MLGIP net rates, monthly portfolio holdings, annual report, all necessary MLGIP forms, and contact information. The website must also allow account access and secure transaction capabilities. The site should permit quick updates to advise about market turmoil, provide monthly market insights, hold the monthly recap of all rates, and maintain historical record of all rates paid. Rate sheets should show the daily rate, the average daily rate for the month, the effective annual yield, and the actual rolling yield for the previous 12 months. The current website can be found at: www.MLGIP.com.

8. **Marketing Plan**

The Contractor shall conduct an ongoing marketing effort to attract new members to the MLGIP. This effort, at a minimum, shall consist of a quarterly newsletter to all members concerning recent developments, distribution of literature explaining the features of the MLGIP, graphs and charts showing the historical growth in members and funds in the MLGIP, attendance at meetings of county and municipal financial and executive personnel such as Maryland Government Finance Officers Association, Maryland Municipal League, and Maryland Association of Counties, and provide a statewide coordinator for contact with the members.

3.04 Compliance with Applicable Rules and Regulations

During the term of the Contract, the selected Offeror shall comply with all applicable regulatory agency rules, including but not limited to:

Internal Revenue Service;
Securities Exchange Commission, and in particular, the SEC Rule 2A-7 of the Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended.

Failure to comply with such rules may result in termination of the Contract.

3.05 Transition

Describe how you would transition the 301 primary and approximately 2000 subaccounts, as well as corresponding investments, from the current Contractor, if selected. Provide a comprehensive 90 day transition plan that includes a detailed timeline.

3.06 Other Services for Consideration

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

3.07 Term

The Office expects the Contract to be awarded pursuant to this RFP to begin January 1, 2014 and continue for a period of three years to December 31, 2017 with two one-year renewal options exercisable at the sole discretion of the Office.

3.08 Compensation

Compensation will be determined by your firm's proposed investment fee schedule. There will be no price adjustment for either inflation or workload. Investment fees should be expressed as a percent of earnings and deducted from the interest income generated on a monthly basis. Travel expenses, express mail, reporting expenses, or other administrative expenses will not be paid. All fees associated with the operations of the MLGIP are the responsibility of the individual participants.

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 contained within the proposal. This transmittal letter should also indicate that, if selected, the Offeror will execute a contract materially the same of the form of Contract included as Appendix E.

4.02 Two-Volume Submission

The selection procedure for this procurement requires that the initial technical evaluation of each 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 Technical Proposal – Maryland State Treasurer's Office RFP for Maryland Local Government Investment Pool, RFP #MLGIP-11072013."

The technical proposal shall contain the transmittal letter (Section 4.01 above), 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. 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 in its proposal information demonstrating that it meets the requirements described in Section 3.02 Minimum Qualifications.
- B. The Offeror shall include 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. In lieu of a hard copy, Offeror's may elect to provide financial statements and related documents on compact disk as part of the electronic copy of the Technical Proposal, as specified in Section 1.09. Please indicate your election to do so in response to this Item.

3. Offeror's Capabilities

- A. Each Offeror shall specifically and clearly provide in its proposal how they intend to implement the investment and banking programs and address items 1-7 of the requirements in Section 3.03 Required Services.
- B. Each Offeror shall provide in its proposal a proposed marketing program for the MLGIP and its target penetration rate that should include any illustrative material that the Offeror deems necessary to describe the marketing plan. See item 8 Marketing Plan in Section 3.03 Required Services.
- C. Each Offeror shall acknowledge their compliance with Section 3.04 Compliance with Applicable Rules and Regulations. Any refusal or inability to accept all the terms and conditions of this RFP, and to meet each requirement must be clearly noted and explained.
- D. Each Offeror shall provide a discussion of its plan to transition from the current Contractor, if selected for award as stated in Section 3.05 Transition.
- E. Include a brief discussion of any other services Offeror believes could offer additional benefits as indicated in Section 3.06 Other Services for Consideration.

4. Prior Experience:

In a chart format, Offerors should summarize prior engagements involving services similar to the Pool that the Offeror successfully performed for other organizations within the last five years. Within the chart, the summary should include the following information for each engagement:

- the structure,
- investment policy,
- investment performance,
- managing program,
- name of the organization, their address, contact name and telephone number.

5. Proposed Personnel/Project Team

A. Indicate the manner in which you would organize your resources to provide the services required by including responses to the following:

- 1) The name and qualifications of the individual who will coordinate the implementation of activities associated with this Contract and/or the name and qualifications of the overall relationship manager;
- 2) The names and qualifications of the individuals who will manage the investments during the term of the contact;
- 3) The names and qualifications of the individuals who will manage the account relationships; and
- 4) The names and qualifications of the IT staff that will implement and service all accounts during transition as well as during the term of the Contract.

B. In a chart format, quantify the designated personnel/project team availability to work on this Contract, their roles and responsibilities, and their expertise.

C. Provide brief individual resumes of the personnel who are to be assigned to this Contract as an appendix to the proposal.

The Office expects that personnel will be assigned to the Contract as described above. If one or more of the proposed personnel listed above becomes unavailable for continuation of the work assignment, the Contractor shall replace said individual(s) with personnel of substantially equal ability and qualifications. However, any changes to designated personnel will require the prior written approval of the Office. If accepted by the Office, the changes shall be effected without additional cost to the Office and without formal modification of the Contract.

6. References

- A. Identify a minimum of three current references that you have provided services similar to what is expected for this Contract, including name of each organization, the mailing address, point of contact, email and telephone number.
- B. For each reference, include a brief description of the services rendered and indicate the proposed personnel identified in Section IV., 4.03.5 above that played a lead role for similar services.

The Procurement Officer and/or the Evaluation Committee Chair may contact other references of their choosing.

7. Community Benefits

Provide information about the Offeror 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.

8. Economic Benefit 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

9. 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. Include all documents that are required to open an account. Be sure to include documents that are referenced within other documents. The State reserves the right to refuse to incorporate any document not included in an Offeror's proposal.

10. Additional Information (Optional)

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

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

Disclose 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

This volume shall be labeled "Volume II Price Proposal – Maryland State Treasurer's Office RFP for Maryland Local Government Investment Pool, RFP #MLGIP-11072013." The Offeror's price proposal must be in a separate sealed envelope from the corresponding technical proposal. The Price Proposal must consist of a completed and signed Price Proposal which fees as both a percentage and basis points as the amounts increase. This Price Proposal form is included as Appendix A to this RFP.

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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

All qualifying proposals (those proposals that are reasonably susceptible to selection for Contract award) received by the submission deadline will be evaluated by an Evaluation Committee appointed by the Treasurer or the Chief Deputy Treasurer. The Evaluation Committee will rank the proposals and make a recommendation for award based on (1) technical merit (see Section 5.03), 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.

5.03 Technical Evaluation

After the Procurement Officer selects the qualifying proposals (those proposals that are reasonably susceptible to selection for Contract award) 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. The Evaluation Committee's final technical evaluation may include information obtained during oral presentations, if any.

The Proposals will be evaluated on the basis of the following factors listed in the order of relative importance:

1. Offeror's Qualifications and Capabilities
2. Experience
3. Personnel/Project Team
4. References
5. Community Benefits
6. Economic Benefits to Maryland

5.04 Evaluation of Fees

Following completion of the initial technical evaluation, the Evaluation Committee will conduct an initial evaluation of the price proposals 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, proposal negotiations, and reference checks, and site visits, 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 whose proposal is determined to be the most advantageous to the State based on the results of the final technical and financial evaluations. Technical merit will be given more weight in determining the Committee's final ranking. Contract award, if any, is subject to the approval of the Treasurer or Chief Deputy Treasurer upon recommendation of the Procurement Officer.

5.07 Debriefing of Unsuccessful Offerors

Unsuccessful Offerors shall be debriefed upon their written request, provided the request is made within a reasonable period of time after receiving notice of a final determination of award from the Procurement Officer. Request for debriefings shall be honored by the Office at the earliest feasible time after the request has been received. 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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APPENDIX A

PRICE PROPOSAL FORM INSTRUCTIONS

1. Offerors must submit their price proposals on the Price Proposal Form, as Appendix A in accordance with these instructions and as specified on the form. Appendix A must be separately sealed as directed in Section 1.09 Submission Deadline and Section 4.05. Volume II - Price Proposal.
2. The price proposal submitted needs to be completed and signed by an individual who is authorized to bind the financial institution to all statements and fees contained in the price proposal.
3. Offerors are required to submit their fees as both a percentage and basis points, as the amounts increase on Appendix A. There will be no other charges or fees allowed. It is expected that the management fee is all inclusive of all costs associated with the MLGIP.
4. Nothing shall be entered on any Price Proposal Form that alters or proposes conditions or contingencies on the fees as both a percentage and basis points.

**APPENDIX A - PRICE PROPOSAL FOR MARYLAND LOCAL
GOVERNMENT INVESTMENT POOL, RFP #MLGIP-11072013**

PROPOSAL:

(Firm Name)

(Address)

(City, State, Zip)

Price will be expressed by the investment fee schedule below for the services required in the form of basis points and shall be scaled to total asset values from \$0 to \$5 billion and up.

Scale of Investment Fees - Basis Points

Up to \$500,000,000.00	_____ % (___ basis points)
\$500,000,000.01 - \$1,000,000,000.00	_____ % (___ basis points)
\$1,000,000,000.01- \$2,000,000,000.00	_____ % (___ basis points)
\$2,000,000,000.01- \$3,000,000,000.00	_____ % (___ basis points)
\$3,000,000,000.01- \$4,000,000,000.00	_____ % (___ basis points)
\$4,000,000,000.01- \$5,000,000,000.00 and up	_____ % (___ basis points)

All fees associated with the operations of the MLGIP are the responsibility of the individual participants. All fees should be expressed as a percent of earnings and deducted from the interest income generated on a monthly basis. There are no additional fees for the State or the participants.

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 Price Proposal as Appendix A.

Firm Name: _____

Authorized Official: _____

(Signature)

Typed Name: _____

Title: _____

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; or

(9) 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)—(8) above, 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. 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 at: <http://www.dllr.maryland.gov/prev/livingwage.com>.

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

Contract No. _____

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
MARYLAND LOCAL GOVERNMENT INVESTMENT POOL
BETWEEN
MARYLAND STATE TREASURER'S OFFICE
AND**

CONTRACT

THIS CONTRACT (the "Contract") is made as of the ___ day of _____, 2013, by and between [NAME AND ADDRESS] (the "Contractor"), and the **MARYLAND STATE TREASURER'S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the "Office"), 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 services as described in this Contract, which includes the following exhibits:

Exhibit	The Office's Request for Proposals for Maryland Local Government Investment Pool, RFP #MLGIP-11072013;
Exhibit	Contractor's Proposal dated ____;
Exhibit	Contractor's Price Proposal dated ____;
Exhibit	Contractor's Presentation dated ____;
Exhibit	Bid/Proposal Affidavit, Living Wage Affidavit, and Contract Affidavit; and
Exhibit	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 may, at any time, by written order, make changes in the work within the general scope of the Contract. 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 January 1, 2014 and ending December 31, 2017.
- 2.2. In addition there shall be two additional one-year renewal options, which may be exercised at the sole discretion of the Office.
- 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 also assist 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 Sections 4.1 (Indemnification), 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. The investment fees (the "Fees") for the operation of the MLGIP are based on total value of the MLGIP and are set forth in the attached Contractor's Price Proposal as Exhibit __. The Fees (a) shall not be adjusted during the term of the Contract; (b) shall be accrued daily; and (c) shall be deducted directly from the MLGIP on a monthly basis.
- 3.2. The Fees are the responsibility of the participants in the MLGIP. Amounts remaining after the Fees are deducted shall be allocated *pro rata* to the appropriate sub-accounts of MLGIP participants. All administrative services, i.e. reporting, collection, custodial and fund transfers, are included in the Fees. No compensating balances, no minimum deposit requirements, no transaction charges, no wire charges, no distribution fees, no collateral fees or any other fees or charges are allowed.
- 3.3. 3.3.1. On the date that the monthly Fees are deducted from the MLGIP, the Contractor shall send a confirming invoice, which shall set forth the fee calculations, the fees deducted from the MLGIP, and the information required by 3.3.2 below, electronically to:

Mary Christine Jackman
Director of Treasury Management
Maryland State Treasurer's Office
mcjackman@treasurer.state.md.us

3.3.2 Payments to the Contractor pursuant to this Contract shall be made by direct deduction from the MLGIP as described in § 3.2 above. Each confirming invoice for services rendered must reflect the Contractor's federal tax identification number, 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.

3.4. Payments to the Contractor may be withheld, without interest or penalty, when in the sole discretion of the Treasurer of the State, 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.

ARTICLE IV – GENERAL CONDITIONS

4.1. Indemnification

The Contractor hereby agrees to indemnify and hold harmless the State (and its agencies, units or instrumentalities) from and against any and all losses, claims, damages, suits, actions, liabilities and/or expenses, including without limitation, attorneys' fees and disbursements of any character that arise from, are in connection with or are attributable to the performance or nonperformance of the Contractor or its subcontractors under 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 \$13.19 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 \$9.91 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 Contractor: _____

ARTICLE VI - ADMINISTRATION

6.1. The work to be accomplished under this Contract shall be performed under the direction of the Contract Officer, Director of Treasury Management. 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 NAME]

By: _____

WITNESS:

**MARYLAND STATE
TREASURER'S OFFICE**

By: _____
Nancy K. Kopp
State Treasurer

WITNESS:

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

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

Assistant Attorney General

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

A. AUTHORIZED REPRESENTATIVE

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 box):

- (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), above;

(h) Notify its employees in the statement required by §E(2)(b), above, 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), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(2)(h)(ii), above, 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), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), below, 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 _____, 2013, 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)

EXHIBIT 1

Local Government 17-201 *et seq*; 17-301 *et seq*

§17-201.

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

(b) “Financial officer” means the treasurer or other financial officer of a governmental entity who is responsible for the investment of public funds or the issuance and management of debt of the governmental entity.

(c) “Governing authority” means:

- (1) for Baltimore City, the Baltimore City Board of Estimates;
- (2) for a commission county, the county commissioners;
- (3) for a charter county, as provided by local law, the county council or the county executive and the county council;
- (4) for a code county, the county commissioners;
- (5) for a community college, the board of trustees;
- (6) for a municipality, the body provided by the municipal charter;
- (7) for the Washington Suburban Sanitary Commission, the Commission;
- (8) for a public corporation, the board of directors; and
- (9) for an authority, the board of the authority.

(d) (1) Except as provided in paragraph (2) of this subsection, “public money” means any money held by a governmental entity.

(2) “Public money” does not include money held as part of a pension fund, a fund for other postemployment benefits, as defined in § 17-102(a) of this title, or a trust fund account or for self-insurance purposes.

§17-202.

To the extent of any conflict, this subtitle and the local government investment guidelines adopted by the State Treasurer under this subtitle supersede:

- (1) any local law, including a charter provision; and
- (2) any other public general law.

§17-203.

This subtitle applies to the following governmental entities:

- (1) each county;
- (2) each municipality;
- (3) each community college other than the Baltimore City Community College;
- (4) each regional community college established under Title 16, Subtitle 2 of the Education Article;
- (5) the Washington Suburban Sanitary Commission;
- (6) a public corporation authorized to issue debt; and
- (7) an authority of the State authorized to issue debt.

§17-204.

(a) After consulting with the governmental entities, the State Treasurer shall adopt by regulation local government investment guidelines to govern the investment of public money by the entities in a manner that:

- (1) facilitates sound cash management;
- (2) protects the public; and
- (3) ensures that each entity has access to its public money.

- (b) The local government investment guidelines shall:
 - (1) specify the types of investments in which public money may be invested;
 - (2) include guidance for the prudent investment of public money based on cash flow projections, income, liquidity, investment ratings, and risk;
 - (3) require that investments by a county board of education and a county board of library trustees comply with the local investment policy of the county; and
 - (4) prohibit the borrowing of money for the express purpose of investment.

§17-205.

(a) The governing authority of each governmental entity shall adopt by resolution a local investment policy that:

- (1) meets the needs of the governmental entity; and
- (2) is consistent with the local government investment guidelines adopted by the State Treasurer under § 17-204 of this subtitle.

(b) Promptly after the adoption of a local investment policy, the governmental entity shall mail a certified copy to the State Treasurer.

(c) If the State Treasurer determines that the local investment policy is not consistent with the local government investment guidelines adopted by the State Treasurer under § 17-204 of this subtitle:

- (1) the State Treasurer shall notify the governmental entity; and
- (2) the governing authority shall prepare and submit a revised local investment policy that is consistent with the local government investment guidelines.

(d) If the governing authority amends the governmental entity's local investment policy, the governmental entity shall submit the new local investment policy to the State Treasurer in accordance with subsection (b) of this section.

§17-206.

A financial officer may not invest public money of a governmental entity in a manner that is inconsistent with the entity's local investment policy.

§17-207.

(a) (1) Each governmental entity shall adopt by resolution, motion, or ordinance a local debt policy that:

- (i) is consistent with the Maryland Constitution and all applicable State and local laws; and
- (ii) meets the needs of the governmental entity.

(2) Promptly after the adoption of a local debt policy, the governmental entity shall mail a certified copy to the State Treasurer.

(3) If the State Treasurer determines that the local debt policy is not consistent with the Maryland Constitution or any applicable State or local law:

- (i) the State Treasurer shall notify the governmental entity; and
- (ii) the governmental entity shall prepare and submit a revised local debt policy.

(b) If the governmental entity amends its local debt policy, the governmental entity shall submit its revised policy to the State Treasurer in accordance with subsection (a) of this section.

§17-208.

(a) The State Treasurer shall contact the governmental entity to seek compliance if a governmental entity does not maintain a local investment policy or local debt policy as required by this subtitle.

(b) On request of the State Treasurer, a financial officer shall provide to the State Treasurer, in the format and time frame requested:

(1) a report of the investment portfolio of the governmental entity; or

(2) a report of the debt portfolio of the governmental entity in the format required under § 16-103 of this article.

(c) If, after being contacted by the State Treasurer, a governmental entity does not comply with this section, the State Treasurer shall notify the Joint Committee on the Management of Public Funds in writing.

(d) The Joint Committee on the Management of Public Funds may request the Attorney General to seek judicial enforcement of this subtitle against the governmental entity.

§17-301.

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

(b) "Authorized participant" means:

(1) the governing body of each county or municipality;

(2) a county board of education;

(3) the governing body of each road, drainage, improvement, construction, or soil conservation district or commission in the State;

(4) the Upper Potomac River Commission;

(5) any other political subdivision or body politic and corporate of the State;

(6) a local government insurance pool formed under Title 19, Subtitle 6 of the Insurance Article; or

(7) on approval of the State Treasurer, a unit of State government or an entity created by the State if the funds of the unit or entity are not State money over which the Treasurer has investment authority.

(c) "Pool" means the Local Government Investment Pool.

§17-302.

There is a Local Government Investment Pool.

§17-303.

The Pool consists of:

(1) money of authorized participants that is deposited in the Pool; and

(2) money of the State that is deposited in the Pool by the State Treasurer.

§17-304.

(a) The State Treasurer shall administer the Pool on behalf of:

(1) authorized participants; and

(2) to the extent that State money is included in the Pool, the State.

(b) The State Treasurer shall develop procedures necessary to administer the Pool efficiently, including:

(1) specification of the minimum and maximum amounts that may be deposited by any authorized participant in the Pool and minimum periods of time for which deposits must be retained in the Pool;

(2) payment of administrative expenses from the earnings of the Pool; and

(3) distribution of earnings in excess of expenses or allocation of losses to authorized participants in a manner that equitably reflects the amount and duration of each authorized participant's investments in the Pool.

§17-305.

- (a) The State Treasurer shall establish investment policies for the Pool.
- (b) Subject to the objectives and requirements of this part, the State Treasurer shall establish procedures for:
 - (1) the investment and reinvestment of money in the Pool; and
 - (2) the acquisition, retention, management, and disposition of investments of the Pool.
- (c) (1) The State Treasurer shall invest money in the Pool in accordance with §§ 6-222 and 6-223 of the State Finance and Procurement Article.
 - (2) Notwithstanding any other law, the State Treasurer may:
 - (i) invest and reinvest money in the Pool in bankers' acceptances guaranteed by banks; and
 - (ii) sell, redeem, or exchange an investment or reinvestment made under this paragraph.
- (d) Except as otherwise provided in this part, the State Treasurer shall retain custody of all instruments of title to all investments of the Pool.
- (e) (1) The State Treasurer may deposit with one or more fiscal agents or banks any instruments of title to investments of the Pool that the State Treasurer considers advisable.
 - (2) A fiscal agent or bank shall hold any instruments of title deposited with the agent or bank for collection of:
 - (i) the principal of and interest or other income from the investments; or
 - (ii) the proceeds of sale of the investments.
- (f) The State Treasurer shall collect the principal of and interest or other income from investments of the Pool, the instruments of title to which are in the State Treasurer's custody, when due and payable.

§17-306.

- (a) The State Treasurer may:
 - (1) contract with a qualified Maryland fiscal agent; and
 - (2) compensate the fiscal agent for services rendered.
- (b) The fiscal agent may perform administrative and investment services that the State Treasurer performs under this part.

§17-307.

Except for State money, money deposited in the Pool is not money of the State

§17-308.

- (a) The governing authority of an authorized participant may direct its financial officer to remit to the State Treasurer for investment in the Pool money that:
 - (1) is available for investment; and
 - (2) is not required, by law or a covenant or agreement with bondholders or others, to be segregated and invested in a different manner.
- (b) The governing authority of an authorized participant having money intended for other postemployment benefits that are available for investment, as authorized under § 17-102 of this title, may direct its financial officer to remit that money to the State Treasurer for investment in the Pool.
- (c) (1) If the governing authority of an authorized participant determines that it is in the best interest of the authorized participant to deposit money in the Pool, the governing authority shall:

(i) adopt a resolution or ordinance authorizing the deposit; and
(ii) file a certified copy of the resolution or ordinance with the State Treasurer accompanied by a statement of the approximate cash flow requirements of the authorized participant for the invested money.

(2) The resolution or ordinance shall indicate the official of the authorized participant who is responsible for depositing money in and withdrawing money from the Pool.

(d) Each subsequent deposit of money into the Pool shall be accompanied by a statement of:

- (1) the intended duration of the investment; or
- (2) the anticipated date of withdrawal of the money from the Pool.

§17-309.

(a) The State Treasurer shall maintain a separate account designated by name or number for each authorized participant in the Pool, including the State, to record the individual transactions and totals of all investments of each authorized participant.

(b) At least monthly, the State Treasurer shall credit accumulated income to each authorized participant's account.

(c) (1) The State Treasurer shall provide to each authorized participant a monthly report of the changes in investments made during the preceding month.

(2) On request, the State Treasurer shall provide a detailed report of any transaction relating to an investment of an authorized participant.

(d) On request, the State Treasurer shall pay from the Pool the principal and credited income of an account maintained for an authorized participant if the request conforms to the terms of the deposit.

(e) (1) The State Treasurer may not make a payment from an account of an authorized participant in an amount that exceeds the total amount of money in the account.

- (2) The payee shall refund any excess amount paid.

EXHIBIT 2

Maryland Local Government Investment Pool Fund Balance

Fiscal Year	Fund Balance as of June 30	Number of Participants	Actual Yield Prev. 12 Months	\$ Inc (Dec) Prev. Year
2000	813,759,289	252	5.73%	2.07%
2001	1,141,544,255	270	5.69%	40.28%
2002	1,422,684,869	276	2.53%	24.62%
2003	1,674,169,653	282	1.45%	17.67%
2004	1,797,814,980	285	1.03%	7.38%
2005	1,951,361,257	287	2.15%	8.50%
2006	1,900,127,809	289	4.19%	(2.69%)
2007	2,100,327,613	292	5.30%	10.54%
2008	2,420,372,782	294	4.04%	15.24%
2009	2,759,769,583	298	1.41%	14.02%
2010	2,795,956,544	300	0.21%	1.31%
2011	2,739,057,335	300	0.09%	(2.07%)
2012	2,478,730,050	300	0.10%	(9.50%)
2013	2,847,048,217	301	0.12%	14.86%

EXHIBIT 3

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 moneys in a bank account maintained under the control of an employee or official of the clerk of the court or register of wills.

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 paragraph;

(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 Article 95, § 22G 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 website, 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.