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Chief Deputy Treasurer

MARYLAND STATE TREASURER'S OFFICE

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

**REQUEST FOR PROPOSALS
FOR
LOCKBOX BANKING SERVICES**

RFP #LB-11212016

DUE DATE: JANUARY 11, 2017

Issued: November 21, 2016

KEY INFORMATION SUMMARY SHEET

**Maryland State Treasurer's Office
Request for Proposals
For
Lockbox Banking Services**

RFP # LB-11212016

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 21, 2016

Deadline for Receipt of Questions: December 8, 2016 by 2:00 PM Local Time

Proposal Due Date and Time: January 11, 2017 by 2:00 PM Local Time

Oral Presentations: January 31 - February 1, 2017

Tentative Contract Award: February 17, 2017

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

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SECTION I. PROCUREMENT INFORMATION

1.01 Summary Statement

The Maryland State Treasurer's Office (the "Office") is responsible for the deposit, investment, and disbursement of all funds into or out of the State Treasury. The purpose of this procurement is to select a financial institution to provide lockbox services associated with the receipt and deposit of payments made to the State of Maryland.

1.02 Procurement Method

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

1.03 Issuing Office and Procurement Officer

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

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

The sole point of contact for purposes of this procurement is the Procurement Officer. The Procurement Officer may designate others to act on her behalf. The 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 Contract 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/bso>) is a free electronic commerce system administered by the Maryland Department of General Services. The RFP, associated materials, and all other solicitation-related material will be provided via eMaryland Marketplace.

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

1.06 Schedule of Events

| <u>Event</u> | <u>Date</u> |
|-----------------------------------|--|
| Solicitation Issue Date | November 21, 2016 |
| Deadline for Receipt of Questions | December 8, 2016 by 2:00 PM Local Time |
| Proposal Due Date | January 11, 2017 by 2:00 PM Local Time |
| Oral Presentations | January 31 – February 1, 2017 |
| Tentative Date of Contract Award | February 17, 2017 |

1.07 Questions and Inquiries

All Offerors should direct their questions and inquiries to the Procurement Officer identified in Section I., 1.03 above. **Questions must be submitted in writing by mail or via email and received by the Issuing Office no later than 2:00 p.m. local time on Thursday, December 8, 2016.** Oral questions will not be permitted. If the questions or inquiries pertain to a specific section of the RFP, Offerors must reference the relevant page and section number(s).

1.08 Pre-proposal Conference

A pre-proposal conference will not be held.

1.09 Submission Requirements and Deadline

To be considered for award, Offerors must submit to the Procurement Officer a package containing one (1) written original, and five (5) copies (total of 6) of the Technical Proposal and the Price Proposal, each in separate sealed envelopes. All submissions shall indicate the RFP Title and number and the Offeror's name and address. **Proposals must be received by the Procurement Officer at the Issuing Office no later than 2:00 p.m. local time on Wednesday, January 11, 2017.** Additionally each Offeror must provide to the Procurement Officer on compact disks one electronic copy of the Technical and Price

Proposals submitted. As with the written submission, the electronic copy submission of the Technical Proposal and the Price Proposal must be provided in separate sealed envelopes. Refer to Section IV. Proposal Format for Two-Volume Submission requirements.

The 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 institutions known to be interested in receiving RFPs. Potential Offerors wishing to receive copies of the written document should contact the Procurement Officer identified in Section I, 1.03, above.

2.02 Revisions to the RFP

The 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 Lockbox Banking Services"), and through eMaryland Marketplace at: <https://emaryland.buyspeed.com/bs0>. 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.

2.09 Access to Public Records Act Notice

An Offeror should give specific attention to the identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, General Provisions Article, Title 4, Annotated Code of Maryland. The 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 \$13.59 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$10.21 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. If the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

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

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

2.14 Contract Affidavit

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

2.15 Representations

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

2.16 Minority Business Enterprises

The 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.maryla.gov/newMDOT/MBE/Index.html. Select the “Directory of Certified Firms” label.

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.

SECTION III. SCOPE OF SERVICES AND REQUIREMENTS

3.01 Background

Brief Description of Lockbox Services

| | |
|---------------------------------|---|
| Current lockbox provider | Citibank, N.A. |
| Current number of lockboxes | 35 lockbox accounts |
| Current number of P. O. Boxes | 48 |
| Current number of lockbox sites | 1 |
| Monthly lockbox volumes | See Price Proposal Worksheets (Appendix A) |

Though Bank of America, N.A. is the State's main depository bank, the State has secured a separate contract for lockbox depository services with Citibank, NA ("Citibank"). Daily, each lockbox account's collected balances are transferred electronically to the respective agency's Bank of America, N.A. depository account. The State has forty-eight (48) lockbox accounts operating under this single contract. The largest of these boxes is utilized by the Comptroller to collect withholding, corporate estimated tax payments, and sales and use tax payments. The second largest box is utilized by the Department of Labor, Licensing and Regulation to collect unemployment taxes from employers. The majority of the volume is predominantly driven by standard calendar monthly and quarterly reporting dates.

The following is a list of agency lockbox relationships. Some relationships may utilize more than one lockbox account and some locations have multiple P.O. Boxes processed in one lockbox account:

Wholesale Lockboxes:

- Central Collections Unit
- Department of Assessments & Taxation
- Department of Environment
- Department of Juvenile Justice
- Department of Labor, Licensing & Regulation, Contributions Division
- Department of Labor, Licensing & Regulation, Office of Professional Licensing
- Department of Budget and Management, Employee Benefits Division
- Maryland Aviation Administration
- Maryland Public Television
- Morgan State University
- Office of Public Defender – Administrative Fees
- Office of Public Defender – Court Fees
- Office of the Comptroller, Revenue Administration Division
- University of Maryland Baltimore – Sponsored Projects – Accounting and Compliance

University of Maryland Baltimore – Central Billing
University of Maryland Baltimore – Student Accounts Receivable
Baltimore City Community College - WBJC – FM
Maryland Department of Commerce, General Acct
Maryland Department of Commerce, MSBDFA
Department of Public Safety & Correctional Services, Division of Parole & Probation
Department of Health and Mental Hygiene
Office of the Comptroller, Unclaimed Property Unit
Department of Public Safety & Correctional Services, Division of Correction
Department of Agriculture
Maryland Institute for Emergency Medical Services Systems (MIEMSS)
University of Maryland Baltimore - School of Dentistry
Maryland Board of Physicians – Renewals
Maryland Board of Physicians – All except Renewals
Department of Health and Mental Hygiene - Drug Rebates
Maryland Board of Pharmacy – Pharmacist & Intern
Maryland Board of Pharmacy – Pharmacy Technician
Maryland Board of Pharmacy – Pharmacy & Distributor
Maryland Board of Pharmacy – Miscellaneous

Retail Lockboxes:

Department of Health and Mental Hygiene - Premiums – Effective 9/1/2016

Each of the agencies listed above receives separate, detailed lockbox reporting from Citibank to update their accounts receivables systems. Most agencies employ wholesale lockbox services, while one agency uses retail lockbox services. The Office currently receives daily detailed reporting on lockbox activity by using online capabilities and receives monthly summary reports which are online. The Office will need to receive a monthly consolidated analysis statement for information purposes.

The State’s objectives to improve its current lockbox services include:

1. Increase the use of web and image technology where possible.
2. Maximize efficiencies in the lockbox collection process.

3.02 Mandatory Requirements

In its proposal, each Offeror shall specifically and clearly state 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 Section 6-201(e) of the State Finance and Procurement Article of the Annotated Code of Maryland. (See Exhibit 1).

2. The Offeror must be certified by or a member with the Federal Deposit Insurance Corporation ("FDIC").
3. The Offeror must have a Kroll Bond Rating Agency (KBRA) Rating, or a similar financial strength rating, from a nationally recognized statistical rating organization of at least a "C".
4. The Offeror must be a member of, or have the ability to clear transactions through, all major book entry or electronic securities depositories, such as the DTC/ID system and the Federal Reserve System.
5. The Offeror must have a plan for business continuity and recovery as a result of disaster.
6. The Offeror must be able and ready to provide collateral for accounts in accordance with the requirements set forth in Sections 6-202, 6-209, and 6-222 of the State Finance and Procurement Article. (See Exhibits 2, 3, 4).
7. The Offeror's financial statements must be audited annually by an independent certified public accounting firm and receive an unqualified opinion of the auditor in connection with the audit.

3.03 General Requirements:

In its proposal, each Offeror shall acknowledge and agree to comply with the following for the term of the Contract:

1. The Offeror shall maintain its KBRA Rating or similar financial strength rating from a nationally recognized statistical rating organization, such as Kroll Bond Rating Agency, Inc., of at least a "C" for the term of the Contract. Should the Offeror's rating drop below "C", the Maryland State Treasurer (the "Treasurer"), at her discretion, may dismiss the Offeror, require additional collateral of the Offeror, or take other actions as she deems necessary under the circumstances to protect the interests of the State of Maryland.
2. The Offeror shall provide collateral for accounts in accordance with the requirements set forth in Sections 6-202, 6-209, and 6-222 of the State Finance and Procurement Article. The collateral shall be on deposit in the name of the Treasurer, State of Maryland, either, (a) with the Federal Reserve Bank of Richmond, (b) with the Federal Reserve Bank of Boston, or (c) at the sole discretion of the Treasurer, on deposit with an independent financial institution acceptable to the Treasurer.

3.04 Lockbox Services Requirements

In its proposal, each Offeror shall indicate their compliance with the following requirements. Indicate compliance with a “**yes**” if you meet the requirement or “**no**” if you do not meet the requirement. You may also supply brief supporting statements.

| REQUIREMENT | INDICATE COMPLIANCE |
|---|---------------------|
| 1. The Offeror must have at least one branch in Maryland and currently be operating lockbox services for clients from the Baltimore Post Offices. This lockbox function must include a separate department of the Offeror or, the Offeror must show a substantial commitment of continuation of operations in this area. | |
| 2. The Offeror must agree to provide, without a specific charge, analytical services to any State agency or entity directed to the Offeror by the Office. At a minimum, these analytical services shall consist of: | |
| | |
| (i) guidelines for a financial review of the benefits of conversion of a manual deposit system to a lockbox system; | |
| (ii) an analysis of the float, interest income, and costs associated with the conversion of the manual deposit system to a lockbox system; | |
| (iii) a review of the current deposit documents and assistance with redesign to facilitate lockbox applicability; | |
| (iv) a personal visit to the site to discuss the benefits and drawbacks of lockbox processing; and | |
| (v) any other information or marketing the Offeror may suggest. | |
| 3. The Offeror must agree not to establish any lockbox relationship under the Contract resulting from this procurement without written approval by the Office. | |
| 4. The Offeror must provide assistance with the procurement of lockbox or caller services from the Baltimore or Washington main Post Office facilities, or any other postal facility which may improve deposit and funds availability. In all cases the agency shall be the owner of the box and no boxes shall be created with a bank unique zip code. | |

| REQUIREMENT | INDICATE COMPLIANCE |
|--|---------------------|
| <i>WHOLESALE LOCKBOX SERVICES</i> | |
| 1. The Offeror must deposit funds, at a minimum, once a day to a single concentration account and provide the Office with next day availability on all items deposited. | |
| 2. All items received must be deposited on the same business day they are received. | |
| 3. All collected balances are to be transferred daily by ACH (prior day's balance) or FedWire credit transaction to an account designated by the Office. The proceeds of each box shall be transmitted separately to the account designated and shall include sufficient information to specifically identify each box. The Office must approve any exception to the daily transfer and reserves the right to use other funds transmission methods whenever it deems them appropriate. | |
| 4. Offeror must: | |
| (i) verify the payment and invoice amount match or are acceptable, given the guidelines for that box; | |
| (ii) verify the payee is acceptable (based on the agency's set up of different titles with appropriate variations); | |
| (iii) verify the check is not more than 3 days post dated or 6 months stale dated; | |
| (iv) verify the check is signed; | |
| (v) provide photocopy or electronic image of individual processed checks on request (reasonable limit to be specified); and | |
| (vi) send all required documents to the appropriate state agency via U.S. Mail by the end of the day based upon the agency's set up. | |
| <i>RETAIL LOCKBOX SERVICES</i> | |
| 1. The Offeror must deposit funds, at a minimum, once a day to a single concentration account and provide the Office with next day availability on all items deposited. | |
| 2. All items received must be deposited on the same business day they are received. | |

| REQUIREMENT | INDICATE COMPLIANCE |
|---|----------------------------|
| 3. All collected balances are to be transferred daily by ACH (prior day's balance) or FedWire credit transaction to an account designated by the Office. The Office must approve any exception to the daily transfer and reserves the right to use other funds transmission methods whenever it deems them appropriate. | |
| 4. The proceeds of each box shall be transmitted separately to the account designated and shall include sufficient information to specifically identify each box. | |
| 5. Offeror must: | |
| (i) optically scan one line of document which will include the dollar amount and not be greater than 79 character spaces; | |
| (ii) make at least one deposit per day within guidelines established for the box; | |
| (iii) verify that payment and invoice amounts match, or are acceptable given the guidelines for the box; | |
| (iv) verify the payee is acceptable (based on the agency's set up of different titles with appropriate variations); | |
| (v) verify the check is not more than 3 days post dated or 6 months stale dated; | |
| (vi) verify the check is signed; | |
| (vii) provide photocopy of individual processed checks on request (reasonable limit); and | |
| (viii) send all required documents to agency via U.S. Mail or courier by end of the day based on the agency's set up. | |
| <i>DEPOSITORY SERVICES</i> | |
| 1. The Offeror must deposit funds, at a minimum, once a day to a single concentration account and provide the Office with next day availability on all items deposited. | |
| 2. All items received must be deposited on the same business day they are received. | |
| 3. The Offeror must provide an investment vehicle for any collected funds not transferred, subject to the approval of the Office. | |

| REQUIREMENT | INDICATE COMPLIANCE |
|---|----------------------------|
| <p>4. All collected balances are to be transferred by ACH (prior day's balance) or FedWire credit transaction to an account designated by the Office. The proceeds of each box shall be transmitted separately to the account designated and shall include sufficient information to specifically identify each box. The Office must approve any exception to the daily transfer and reserves the right to use other funds transmission methods whenever it deems them appropriate.</p> | |
| <p><i>DAILY REPORTING</i></p> | |
| <p>1. The Offeror <u>must</u> propose to provide to each participating agency one of the following daily depository reporting options:</p> | |
| <p>(i) The Offeror may agree to provide a daily E-Mail by 6 AM to the agency concerning the amount deposited the previous day.</p> | |
| | |
| <p>(ii) The Offeror may agree to provide agency access to an online reporting service through which the agency may determine the amount deposited the previous day.</p> | |
| <p>2. In addition, upon request and with reasonable notice, the Offeror <u>must</u> agree to provide the Office with a daily transmission of all the transactions initiated and executed the previous day detailing, at a minimum, the amount by lockbox account.</p> | |
| <p><i>MONTHLY REPORTING</i></p> | |
| <p>1. The Offeror must propose a monthly report to be provided to each participating agency by the 15th day of the following month summarizing all the previous month's activities. This report, at a minimum, must show the daily deposit, any returned items, and all applicable fees charged.</p> | |
| <p>2. Offerors must propose to provide the Office with a monthly report summarizing the activities and charges provided to the agencies.</p> | |

| REQUIREMENT | INDICATE COMPLIANCE |
|--|---------------------|
| <i>ACCOUNT INSURANCE/COLLATERAL</i> | |
| 1. The Offeror must provide FDIC deposit insurance to the limit available on all account balances. | |
| 2. The Offeror must maintain collateral for State funds on deposit in excess of the amount subject to deposit insurance in accordance with Sections 6-202 and 6-209 of the State Finance and Procurement Article (Exhibits 2 and 3), at no extra costs. | |
| 3. The instruments pledged as collateral must meet the eligibility requirements of Section 6-202 of the State Finance and Procurement Article (Exhibit 2). | |
| 4. The collateral must be on deposit in the name of the State Treasurer either (a) with the Federal Reserve Bank of Richmond, (b) with the Federal Reserve Bank of Boston, or (c) at the sole discretion of the Treasurer, on deposit with an independent financial institution acceptable to the State Treasurer. | |
| 5. The market value of collateral must at least equal 100% of all the collected account balances combined. | |
| <i>RECORD RETENTION</i> | |
| The Offeror shall identify in its proposal a record retention schedule for all items processed through lockboxes created pursuant to this project. In all cases, images or copies of checks processed <u>must</u> be maintained and available for 7 years. For 6 weeks after processing images or photo copies, processed items should be available within 72 hours. The proposed schedule should identify availability periods for items after 6 weeks. | |

3.05 **Lockbox Services Questions**

1.
 - a. Describe your current wholesale lockbox service. Include information on mail and availability times and how your mail pick-ups, processing schedules and timing of deposits interface to provide optimum availability for your lockbox customers.
 - b. Describe your current retail lockbox service. Include information on mail and availability times and how your mail pick-ups, processing schedules and timing of deposits interface to provide optimum availability for your lockbox customers.

2. Does your standard service include continuous processing/multiple deposits per day or is this considered a premium priced service?
3. Please provide a copy of your current funds availability schedule.
4.
 - a. What kinds of lockbox image applications do you offer today? Please describe your capabilities.
 - b. How long have they been available and how many customers are using them?
5. Are any changes planned for either the retail or wholesale lockbox during the next year? Please include changes with respect to:
 - processing locations
 - hardware
 - software
 - processing and maintenance schedules
 - personnel levels
 - processing procedures
 - check image processing
6.
 - a. What advances in lockbox (processing and technology, product features, receivables management, etc.) are you considering?
 - b. To which of these have you made budgetary commitments?
 - c. Are they available now and, if not, when will they be available?
7. What do you currently consider the most competitive features of your lockbox product?
8.
 - a. How do you measure quality in both wholesale and retail lockbox?
 - b. What quality standards do you measure and how has your performance been relative to standard for the past year?
9.
 - a. How do you provide customer service for lockbox?
 - b. What service standards are in place and how do you perform against them?
10.
 - a. What process do you use for receiving EDI remittances?
 - b. Can they be deposited into the lockbox account?
 - c. What reports are available for these remittances and in what formats are they available?
11.
 - a. Please describe your data transmission capabilities.
 - b. Can wire and ACH credit detail be included with the check detail in a single transmission?
 - c. Can you send data transmission that includes captured images?

12. Please include descriptive materials describing direct interface capabilities with other financial systems.
13.
 - a. What is your process for handling incoming items that are express mailed to the lockbox?
 - b. Does the lockbox have its own express mail window or is there a central receipt location for the entire bank?
 - c. How soon after receipt of express mail is it delivered to the lockbox for processing?
 - d. Is there any circumstance that would delay the handling of incoming express mail?
14.
 - a. Is your balance reporting system a web-based product?
 - b. If not, do you have plans to provide such a product and when will this product be available?
 - c. Do you offer a PC-based balance reporting system?
15.
 - a. What current day lockbox reports are offered via balance reporting?
 - b. What level of detail is available in these reports?
 - c. What capabilities do you have for periodically flagging certain items for notification to the company when they are received in the lockbox?
16.
 - a. Describe your bank's capabilities and timing to allow customers to view information for lockbox receipts and wire transfers.
 - b. How soon after processing lockbox items or wires is the information available? How often is the information updated?
17. What is your bank's contingency plan for lockbox processing in the event of an outage or disaster?
18. Describe your bank's investment options for any collected balances not transferred to the State's depository accounts.
19. How, specifically, will your bank assist the State of Maryland in the lockbox/system conversion if you are awarded the Contract to provide lockbox banking services? Describe your transition process and timeline of events.
20. If any of the lockbox services are to be outsourced please provide information about which services are to be performed by a third party, including information about the third party that is sufficient to answer all related questions in this RFP.

3.06 Transition

The Office expects that the transition from the current contractor to the new contractor shall be completed in approximately 9 months.

3.07 Term

The initial term of the Contract shall be for a period beginning April 1, 2017 and ending March 31, 2022. The Contract will also contain an option to renew, upon the same terms and conditions, for two additional one-year periods. Exercise of the renewal option will be solely at the discretion of the Treasurer or the Treasurer's designee.

3.08 Compensation

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

By submitting a response to this solicitation, the Offeror will invoice the office for all fees and services. The Office account(s) shall at no time be debited for service fees.

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SECTION IV. PROPOSAL FORMAT

4.01 Transmittal Letter

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

4.02 Two-Volume Submission

The selection procedure for this procurement requires that the initial technical evaluation of each proposal be completed before consideration of an Offeror's pricing 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 - Lockbox Banking Services - Technical." The technical proposal shall contain the transmittal letter (Section IV., 4.01) and the completed Bid/Proposal Affidavit (Appendix B) and the Affidavit of Agreement Maryland Living Wage Requirements-Service Contracts (Appendix D).

The Technical Proposal should be prepared in a clear and concise manner and address all requirements and services set forth in this solicitation.

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

1. Request for General Information
 - A. Name of Offeror;
 - B. Mailing address of the 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, email address and facsimile numbers of the individual identified in C above.

2. Offeror's Qualifications

- A. Each Offeror shall specifically and clearly state in its proposal that it meets each mandatory requirement in Section 3.02 Mandatory Requirements, of this RFP and comply with the general requirements of Section 3.03 General Requirements, of this RFP.
- B. The Offeror shall provide evidence of certification and/or membership and compliance with Federal Deposit Insurance Corporation ("FDIC").
- C. The Offeror shall include one and only one copy of the Offeror's most recent audited financial statements with all attachments, including the unqualified audit opinion, in the original volume of its Technical Proposal.
- D. The Offeror shall include a brief description of its plan for business continuity and recovery as a result of disaster.

3. Offeror's Capabilities

- A. Indicate your compliance with the requirements listed in Section 3.04 Lockbox Services Requirements, of this RFP. You may also provide brief supporting statements.
- B. Provide responses to the questions in Section 3.05 Lockbox Services Questions, of this RFP.

4. Personnel

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

5. References

Identify a minimum of three current references that you provide services similar to those required under this RFP. References shall include name of each organization, the mailing address, point of contact and telephone number. Include a brief description of the services rendered for each reference.

6. Standard Operating Agreements

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

7. Community Benefits

- A. The Offeror shall provide its rating on its most recent examination under the Federal Community Reinvestment Act of 1977, P. L. Number 95-128, as required under Section 6-203(b) of the State Finance and Procurement Article of the Maryland Annotated Code. 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. (See Exhibit 5).
- B. The Offeror shall state 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 affiliate or an entity acquired by the Offeror has violated any antidiscrimination statute or regulation.
- C. Pursuant to Section 6-203(d) of the State Finance and Procurement Article of the Annotated Code of Maryland, the Offeror shall provide information to demonstrate whether during the past 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 Offeror 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.

8. Economic Benefits to the State of Maryland

Each proposal submitted in response to this solicitation must 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 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.

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 within the past five years.

4.05 Volume II - Price Proposal

This volume shall be labeled "Volume II- Lockbox Banking Services - Price," and sealed separately. The volume must consist of a completed and signed Price Proposal Worksheet, included as Appendix A to this RFP. Appendix A must be signed by an individual authorized to bind the selected Offeror to all statements and fees contained in the proposal.

If your firm has any additional items for which the Offeror proposes a charge, you must submit this information on a separate sheet.

In addition to the paper form of the Price Proposal Worksheet (Appendix A), the Offeror must include an electronic copy of this file.

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

SECTION V. EVALUATION AND SELECTION PROCEDURES

5.01 Qualifying Proposals

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

5.02 Evaluation Committee and Evaluation Criteria

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

5.03 Technical Evaluation

After the Procurement Officer identifies the qualifying proposals, 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 – Lockbox Banking Services - Technical Proposal above. The Evaluation Committee's final technical evaluation may include information obtained during oral presentations, if any.

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

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

5.04 Evaluation of Costs/Fees

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

5.05 Best and Final Offer

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

5.06 Final Evaluation and Recommendation for Award

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

5.07 Debriefing of Unsuccessful Offerors

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

5.08 Responsibility

1. General

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

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

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

2. Discussions

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

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APPENDIX A
PRICE PROPOSAL INSTRUCTIONS

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

**APPENDIX A
PRICE PROPOSAL WORKSHEET**

**REQUEST FOR PROPOSALS FOR LOCKBOX BANKING SERVICES
RFP #LB-11212016**

FIRM NAMES: _____

ADDRESS: _____

The Price Proposal must contain a completed "Pricing Proposal Worksheet" in paper form as provided below. If your firm has any additional items for which the Offeror proposes a charge, you must submit this information on a separate sheet. Please see Section 4.05 regarding electronic copies of this document.

| AFP/TMA Code | Services | Charge Code Detail | Average Monthly Volumes | Unit Price | Total |
|---------------------|----------------------------------|---|--------------------------------|-------------------|--------------|
| | Domestic Funds Transfer | | | | |
| 35-05-1-0 | Bal and Time Triggered Pymt | Fee for set-up and maintenance of a standing wire instruction. | 92 | | |
| 35-05-5-1 | Wire/ACH Pre-formats | The monthly fee for each pre-format instruction set-up by a customer. Volume count includes wire transfer and ACH globally. | 10 | | |
| 35-01-0-0 | Chips/Fed Wire Transfer | The per-transaction charge for a Chips or Fedwire transfer (outgoing funds transfer) | 125 | | |
| 35-03-0-0 | Incoming Wire Transfer | The per-transaction fee for an incoming Chip, Fedwire or book transfer (incoming funds transfer) | 5 | | |
| | Disbursements | | | | |
| 15-13-4-1 | Photo Lookup-Cust Req | The fee to photocopy a check or draft paid, made at a customer's request. | 2 | | |
| | ACH Services | | | | |
| 25-07-0-2 | ACH Confirmation - Transmit File | Fee for file transmission sent from bank to Customer confirming ACH payments. | 129 | | |
| 25-07-0-3 | ACH Confirmation-Addenda Recd | Per item fee addenda records delivered from bank to Customer in the ACH Confirmation file. | 35,674 | | |
| 25-07-0-3 | ACH Confirmation-Transaction | Per item fee for payments delivered from bank to customer in the ACH Confirmation file. | 36,921 | | |
| 25-02-0-2 | ACH Item Received | Fee for an incoming ACH item originated by another bank and posted to an account. | 12,306 | | |

| AFP/TMA Code | Services | Charge Code Detail | Average Monthly Volumes | Unit Price | Total |
|---------------------|----------------------------|--|--------------------------------|-------------------|--------------|
| 25-10-5-0 | Debit Block Maintenance | Fee to maintain an account in a debit block status, rejecting all ACH incoming debit postings. | 6 | | |
| 25-10-5-0 | Standing Order Maintenance | Fee to maintain a specific override on an account (debit filter) that has a generic debit block | 62 | | |
| | Deposit Services | | | | |
| 10-02-2-8 | Deposit Items | The processing fee to encode an item deposited in a customer's account. | 98 | | |
| 10-02-0-0 | Deposit Tickets | The per-transaction charge for deposits to a customer's account. | 201 | | |
| | Lockbox | | | | |
| 05-03-1-0 | Online-Rec Solution Pkg | The monthly fee to connect to and provide lockbox imaging services via Online services (image of check and remittance documents and interim notification) | 6 | | |
| 10-04-2-0 | LBX Return Item Email | The fee related to debit alert via email notification. Each email contains images of the front and back of each return check's along with sequence number, deposit date, deposit reference number, check number and deposit amount. | 202 | | |
| 10-04-0-2 | Lbx Return/Reclear Item | The fee to process deposited checks returned to bank by the bank on which it is drawn for insufficient funds, a closed account, or other reasons. | 66 | | |
| | Lockbox Wholesale | | | | |
| 32-99-9-9 | CDM Monthly Maint | Monthly Maintenance for Client Decisioning Module (CDM) application. If client is a multiple site client and there isn't a multiple site setup, then the monthly maintenance cost will be divided by the number of sites. Monthly fee for maintaining the exception workflow. A single day's processing will result in a full month's charge and is billed monthly. Charges only apply to customers using the CDM. | 22 | | |

| AFP/TMA Code | Services | Charge Code Detail | Average Monthly Volumes | Unit Price | Total |
|---------------------|------------------------|--|--------------------------------|-------------------|--------------|
| 32-99-9-9 | CDM Multi Day Item | Per check per day charge for items decisioned within the Client Decisioning Module (CDM) application Standard Image Archive Correspondence fee also applies if correspondence items are viewed within the CDM service. Based upon customer requirements certain exception items are placed in a file for consideration by the customer. Charges are applied based upon disposition of the item at the end of processing each day. Charges only apply to customers using the CDM. | 10,255 | | |
| 32-99-9-9 | CDM Reject Item | Per item charge for the rejection of any exceptions via our Client Decisioning Module (CDM) offering. Standard Image Archive Correspondence fee also applies if correspondence items are viewed within the CDM service. Charges only apply to customers using the CDM. | 2,129 | | |
| 32-99-9-9 | Cash Processing | Charge for processing remittances received with cash payments. Cash will be replaced by a check equal to the total amount of the cash and processed. | 5 | | |
| 32-99-9-9 | Checks Cleared | Charge for processing deposited checks drawn on the bank of deposit. The checks have been MICR encoded for the dollar amount by the customer. | 17,211 | | |
| 50-12-5-0 | Data - Entry Numeric | Fee charged for numeric keystrokes for a client setup. All data entry for client must be numeric for client to receive charge. Mix of Alpha and Numeric will be billed under Alpha data entry. Fee is per character. | 476,236 | | |
| 05-01-2-4 | Data Collect - Auto | The per check fee associate with automated collection of check MICR line information. | 23,673 | | |
| 32-99-9-9 | Data Entry - Alpha/Num | Fee charged for alpha numeric data entry for a client setup where a client has a mix of alpha and numeric fields that require keying. Fee is per character | 748,184 | | |

| AFP/TMA Code | Services | Charge Code Detail | Average Monthly Volumes | Unit Price | Total |
|---------------------|-------------------------------|--|--------------------------------|-------------------|--------------|
| 05-04-0-1 | Data Trans - Weekday | Fee for sending data transmission charged per data file for weekdays. | 267 | | |
| 32-99-9-9 | Data Trans Per Item | Fee for sending data transmission charged per item exported in data file. | 24,087 | | |
| | | Deposits Processed | 17 | | |
| 32-99-9-9 | Dedicated Messenger | The special handling charge to deliver a customer's lockbox work via dedicated courier or messenger. Charge is by site by customer address. | 21 | | |
| 05-00-0-5 | Digitized Img - Wholesale Doc | Represents the per item charge for each document scanned. This charge is applied to each document type, including (but not limited to) checks, invoices, correspondences, etc. | 77,063 | | |
| 32-99-9-9 | Email | Fee per email communication sent to the client. Applies for all outbound or inbound files. | 94 | | |
| 32-99-9-9 | Exception Letter Processing | The charge for letter generation related to returning unprocessable checks to client's customer. Charges only apply to customers who have been set up for Exception Letter processing via the online Image Archive system. | 512 | | |
| 32-99-9-9 | Exception Que Maint | Maintenance for each Exception Queue on the Image Archive. | 12 | | |
| 32-99-9-9 | Envelope Return - Reassoc | The fee to return lockbox envelopes to customers with reassociation. | 20,218 | | |
| 32-99-9-9 | ICL Check Conversion | ICL Processing - charge for processing lockbox transactions that are truncated from paper check deposits to an ICL file under Check 21 rules. Fee is a surcharge on top of all per payment fees. Includes: IQA/IUA review and sort, automated MICR line capture and export, MICR line parsing; exclusion and conversion edits, dual workflow management, ANSI x9.37 file formatting and check storage. | 17,211 | | |
| 32-99-9-9 | ICL Daily Trans (Weekday) | Per weekday ICL Transmission. | 147 | | |
| | ICL Image Reject | Manual process and charges are levied per check that is pulled for paper deposit. | 3 | | |
| 32-99-9-9 | Image Archive (Seven Year) | Fee for providing seven year storage and access to front images of checks and coupons. Rear images can be archived based upon client requirements. | 71,918 | | |
| AFP/TMA | Services | Charge Code Detail | Average | | |

| Code | | | Monthly Volumes | Unit Price | Total |
|-------------|-----------------------------------|---|------------------------|-------------------|--------------|
| 32-99-9-9 | Image Archive - Corres | Charge for capturing and exporting correspondence to the archive. | 2,691 | | |
| | Internal LBX Programming-Per Hour | | 20 | | |
| 32-99-9-9 | Image Archive Maintenance | Fixed monthly cost associated with the maintenance of a client's Image Archive. | 10 | | |
| 32-99-9-9 | Image Transmission | Per image charge for any images exported and transmitted to a client. It should be noted that a typical transaction (e.g. per payment or unmatched) consists of two images, one for the check and one for the coupon. | 39,687 | | |
| 05-01-0-0 | Item Process (No Photocopy) | The per item charge to process checks deposited in a wholesale lockbox. For items which do not require a photocopy of the check to be returned to the customer. | 17,126 | | |
| 32-99-9-9 | Item Process (W/ Photocopy) | The per item charge to process checks deposited in a wholesale lockbox. For items which require a photocopy of the check to be returned to the customer. | 16,687 | | |
| 05-01-1-M | Mail/Corres | The per-item fee to cover the receipt, coordination and control of correspondence mailed to the lockbox without a payment and is returned to the customer via dispatch package. | 1,878 | | |
| 05-00-0-0 | Monthly Maint | Fixed monthly cost associated with the maintenance of a client's lockbox account. Includes site's regularly scheduled P.O. Box pickups, maintenance of client-specific procedures, database maintenance, and regularly scheduled deposit delivery trips to the bank. If a client requests multiple applications within one box number (e.g. exception processing on a different platform), each application will be charged a separate "Monthly Maintenance" fee. | 8 | | |
| 50-41-3-0 | Outbound Courier | The pass through cost represents customer shipping expenses associated with any materials dispatch to them via any courier (US Mail, UPS, FedEx, DHL, etc.) | 6 | | |

| AFP/TMA Code | Services | Charge Code Detail | Average Monthly Volumes | Unit Price | Total |
|---------------------|--------------------------------|---|--------------------------------|-------------------|--------------|
| 32-99-9-9 | Outgoing Exp Mail Coord | The handling charge for the coordination and control required per site and per customer address to deliver lockbox work via express mail. Typically referred to as Dispatch Package. | 8 | | |
| | Programming | Customized programming to support customer's application. | 42 | | |
| 32-99-9-9 | Payee Match - Prem | Payee verification per item for up to ten additional payees beyond standard product. (Standard is 10 payees.) MORE THAN 10 REQUIRES PRODUCT MANAGEMENT APPROVAL. | 6,388 | | |
| | | Photocopies | 2,366 | | |
| 32-99-9-9 | Rec Image Trans Maint | Monthly Maintenance for export of images to clients' own image archive system. Transmission fees and setup costs are also applicable. | 11 | | |
| 32-99-9-9 | Reassociation | Charge for reassociation of transaction. This charge applies to any item that is reassociated (Ex: envelopes, invoices, etc.) | 18,386 | | |
| 32-99-9-9 | Sensitive Doc Destruct ARC&ICL | Checks shredded for ARC and ICL processing are assessed this surcharge. Checks are maintained for two days prior to destruction. | 17,211 | | |
| 32-99-9-9 | Sensitive Doc Destruction | For shredding client coupons (required). | 32,659 | | |
| 50-11-7-0 | Stapling | Fee for stapling items with option of right or left. | 23,551 | | |
| 32-99-9-9 | Sorts (1-4) | Charge for any sort type: alpha, numeric, alphanumeric or postmark. Charge will be added on top of other payment processing charges (e.g. payment, unmatched, multiple, check only, etc). | 20,398 | | |
| 32-99-9-9 | Sorts (5-8) | Charge for any sort type: alpha, numeric, alphanumeric or postmark. Charge will be added on top of other payment processing charges (e.g. payment, unmatched, multiple, check only, etc). Any sorts over 8 would require special handling | 61,975 | | |
| | Unprocessable | Applies for items that are rejected as unprocessable systemically or per client's instructions. This charge is applied instead of the normal processing charge. | 848 | | |
| AFP/TMA Code | Services | Charge Code Detail | Average Monthly | Unit | |

| | | | Volumes | Price | Total |
|-----------|---|--|----------------|--------------|--------------|
| | Electronic Check Deposits | | | | |
| 10-13-1-0 | ECD Deposit Items | The charge to receive, review, and process a check image received in an ECD or image cash letter file and post into a customer's account. | 10,322 | | |
| 10-02-4-0 | ECD Clearing | The per-check charge to clear a check processed through ECD. | 10,322 | | |
| 10-13-2-3 | ECD Deposits | The charge per deposit to a customer's account for an image cash letter file. | 125 | | |
| 10-13-0-0 | ECD Maintenance | The monthly software maintenance and licensing charge per unit. | 6 | | |
| 10-04-0-0 | ECD Return Items IRD | The fee for processing a returned check deposited through ECD. | 51 | | |
| 10-02-4-0 | ECD Customization | The charge to customize the standard offering to specific customer needs (based on client's request). | | | |
| | Online Services | | | | |
| 40-99-9-9 | Online Services-Monthly Acct Maint | Per definition per account (charge for accessing account information via Online Services | 7 | | |
| 40-02-1-0 | Online Services-Monthly Rpts/Inq | Charge per billable report/inquiry menu selection accessed on Online Services (Including Balances, Payments, Liquidity, Disbursements). | 183 | | |
| 40-06-1-0 | Online Services-Number of Users | Per Definition monthly fee per user to access Online Services system. | 68 | | |
| 40-06-2-Z | Online Services Audit Report | Online Services Audit Report Fee. | | | |
| 40-06-2-Z | US Bank Statements | Electronic North American account statements | | | |
| | Channel Services | | | | |
| 40-04-1-2 | File Exchange/Message Process - Monthly Maintenance | Monthly charge for general file exchange and messaging process services including maintaining regional and global client file profiles and connections. The charge is applied per client profile (CUID). | 6 | | |
| 40-06-3-X | File Exchange Outbound File | The fee for processing an outgoing file. | 510 | | |

| AFP/TMA Code | Services | Charge Code Detail | Average Monthly Volumes | Unit Price | Total |
|---------------------|---|--|--------------------------------|-------------------|--------------|
| | Account Services | | | | |
| 01-00-0-0 | Account Maintenance | Monthly maintenance fee for demand deposit account. | 6 | | |
| 01-06-2-0 | Investigation | Fee for client initiated investigation. | 2 | | |
| 01-06-0-0 | Account Inquiry | Fee for account inquiry such as balance inquiry, check status, or transaction inquiry based on client request. | 2 | | |
| 01-01-0-0 | Other Debit/Credit | Per item charge for each non-check transaction on demand deposit account. | 1,233 | | |
| | Liquidity Fees | | | | |
| 00-02-3-0 | Deposit Assessment | | | | |
| | Transaction Account Guarantee Program (TAGP) Assessment | | | | |
| 00-02-0-0 | Overdraft Interest Charges | | | | |
| 00-02-1-2 | Overdraft Occurrence Admin Fee | Fee assessed for each business day the account is in overdraft position based on end of day balances. | 2 | | |

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 Lockbox Banking Services Fees.

Authorized Official: _____

Typed Name: _____

Title: _____

Date: _____

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

A. Authority

I HEREBY AFFIRM THAT:

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

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

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

B-1. Certification Regarding Minority Business Enterprises.

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

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority proposal;

(2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the bid or proposal;

(3) Fail to use the certified minority business enterprise in the performance of the contract;
or

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

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

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

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

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

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

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

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

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

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

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

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

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

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

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

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

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

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the

Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

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

(ii) Not overturned on judicial review;

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

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

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

(ii) Not overturned on judicial review;

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

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

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

(ii) Not overturned on judicial review; or

(15) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C and subsections D(1)—(14) of this regulation, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court,

official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

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

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

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

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

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

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

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

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

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

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

I. CERTIFICATION OF TAX PAYMENT

I FURTHER AFFIRM THAT: Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

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

K. CERTIFICATION REGARDING INVESTMENTS IN IRAN

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

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

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

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

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

I FURTHER AFFIRM THAT:

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

M. I FURTHER AFFIRM THAT:

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

N. ACKNOWLEDGEMENT

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

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

Date: _____

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

_____ (signature of Authorized Representative and Affiant)

APPENDIX C
Living Wage Requirements for Service Contracts

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

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

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

Contract No. LB-11212016

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
LOCKBOX BANKING SERVICES**

BETWEEN

MARYLAND STATE TREASURER'S OFFICE

AND

CONTRACT

THIS CONTRACT (the "Contract") is made as of the ___ day of _____, 20__, 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 lockbox banking services as described in this Contract, which includes the following exhibits:

| | |
|---------|--|
| Exhibit | The Office's Request for Proposals ("RFP") for Lockbox Banking Services, RFP #LB-11212016 dated November 21, 2016; |
| Exhibit | Contractor's Technical Proposal dated ____; |
| Exhibit | Contractor's Price Proposal dated ____; |
| Exhibit | Contractor's Presentation dated ____; |
| Exhibit | Collateral Security Agreement dated ____; |
| Exhibit | Designation of Depository dated ____; |
| Exhibit | Bid/Proposal Affidavit, Living Wage Affidavit, Contract Affidavit as dated; 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 unilaterally may, at any time, make changes in the work within the general scope of the Contract by written order designated or indicated to be a change order. No other order, statement or conduct of the Procurement Officer or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Contract, if any change under this section causes an increase or decrease in the Contractor's cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Contract price shall be made and the Contract modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Contract. Failure to agree to an adjustment under this section shall be a dispute under Section

4.5. Disputes. Nothing in this section shall excuse the Contractor from proceeding with the Contract as changed.

ARTICLE II - TERM

- 2.1. The initial term of this Contract shall be for the period beginning April 1, 2017 and ending March 31, 2022.
- 2.2. In addition there shall be two additional one-year renewal options, which may be exercised at the sole discretion of the Treasurer or the Treasurer's designee.
- 2.3. After the end of the Contract term, should a new contract be awarded to a contractor other than the incumbent, the Contract shall be deemed to be extended, Contractor shall continue to perform Contract services, and Contractor shall continue to receive the compensation specified in the Contract for such services, until such time as the transition to the new contractor is complete. Contractor shall cooperate and the Office during any transition period to a new contractor and provide all necessary information and data to any subsequent contractor.
- 2.4. The provisions of Sections 4.1 (Liability), 4.5 (Disputes), 4.6 (Maryland Law Prevails), 4.21 (Retention of Records/Audit), 4.25 (Ownership of Documents and Materials), and 4.26 (Patents, Copyrights and Trade Secrets) of this Contract shall survive termination of this Contract for any reason.

ARTICLE III - CONSIDERATION, PAYMENT AND PERFORMANCE

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

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

3.3.2. Invoices must be submitted either:

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

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

ARTICLE IV – GENERAL CONDITIONS

4.1. Liability

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

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

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

4.2. Tax Exemption

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

4.3. Subcontracting; Assignment

The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State, nor may the Contractor sell, transfer, or otherwise assign its obligations under this Contract, or any portion thereof, or any of its rights or obligations hereunder, without the prior written approval of the State; provided, however, that the Contractor may subcontract services under or make an

assignment of this Contract to an affiliate of the Contractor that is fully capable of performing such services if the Contractor retains full responsibility for the Contract. Any such subcontract or assignment shall be subject to any terms and conditions that the Office deems necessary to protect the interest of the State. The Office shall not be responsible for the fulfillment of the Contractor's obligations to subcontractors.

4.4. Non-Hiring of Officials and Employees

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

4.5. Disputes

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

4.6. Maryland Law Prevails

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

4.7. Amendments

This Contract, including the exhibits hereto, constitutes the entire agreement between the parties and all other communications prior to its execution, whether written or oral, with reference to the subject matter of this Contract are superseded by this Contract. Any amendment to this Contract must first be approved in writing by the Procurement Officer, subject to any additional approvals required by State law. No amendment to this Contract shall be binding unless so approved and unless it is in writing and signed by the party to be charged.

4.8. Nondiscrimination in Employment

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

4.9. Commercial Nondiscrimination Clause

- 4.9.1. As a condition of entering into this Contract, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Contract and may result in termination of this Contract, disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.
- 4.9.2. As a condition of entering into this Contract, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the State of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. Contractor understands that violation of this clause is a material breach of this Contract and may result in Contract termination, disqualification by the State from participating in State contracts, and other sanctions.

4.10. Contingent Fee Prohibition

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

4.11. Living Wage Requirements

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

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

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

4.12. Multi-Year Contracts Contingent upon Appropriations

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

4.13. Termination for Default

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

after termination and the State can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

4.14. Termination for Convenience

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

4.15. Delays and Extensions of Time

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

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

4.16. Variations in Estimated Quantities

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

4.17. Suspension of Work

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

4.18. Pre-Existing Regulations

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

4.19. Financial Disclosure

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

4.20. Political Contribution Disclosure

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

4.21. Retention of Records/Audit

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

4.22. Compliance with Laws

The Contractor hereby represents and warrants that:

- 4.22.1. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time, hereafter may be necessary to remain so qualified;
- 4.22.2. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- 4.22.3. It shall comply with all federal, State and local laws, regulations and ordinances applicable to its activities and obligations under this Contract; and
- 4.22.4. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

4.23. Liability for Loss of Data

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

4.24. Cost and Price Certification

- 4.24.1. The Contractor by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:
 - (1) A negotiated contract, if the total contract price is expected to exceed \$100,000, or a smaller amount set by the procurement officer; or
 - (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the procurement officer.
- 4.24.2. The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

4.25. Ownership of Documents and Materials

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

4.26. Patents, Copyrights and Trade Secrets

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

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

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

4.27. Confidentiality

To the extent permitted by Maryland law, including the Maryland Public Information Act and any other applicable laws, 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: [Name and Address]

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

ARTICLE VI - ADMINISTRATION

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

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ARTICLE VII - REPRESENTATIONS

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

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

ATTEST:

[CONTRACTOR'S LEGAL NAME]

By: _____
[Signatory]
[Title]

WITNESS:

**MARYLAND STATE TREASURER'S
OFFICE**

By: _____
Nancy K. Kopp
State Treasurer

WITNESS:

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

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

David P. Chaisson
Assistant Attorney General

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

A. AUTHORITY

I HEREBY AFFIRM THAT:

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

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

I FURTHER AFFIRM THAT:

The business named above is a (check applicable 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 _____, 20___, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

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

Date: _____

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

_____ (signature of Authorized Representative and Affiant)

APPENDIX G

COLLATERAL SECURITY AGREEMENT

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

Background

The Depositor, in accordance with Maryland State law, has designated the Bank as a depository for public funds of the Depositor under the Lockbox Banking Services Contract dated _____, 20___. During the term of this Agreement, the Depositor will designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the Depositor in any and all matters of every kind arising under this Agreement. This Agreement incorporates the terms of the Contract by reference for all purposes; however, to the extent that any provision in the Contract conflicts with any provision in this Agreement, this Agreement will control. All funds on deposit with the Bank to the credit of the Depositor are required to be secured by collateral of the kind and character permitted by §6-202 of the State Finance and Procurement Article of the Annotated Code of Maryland, as may be amended from time to time (“SFP §6-202”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[Signatures Appear on the Following Page]

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

ATTEST

[BANK NAME]

By: _____
[Signatory]
[Title]

WITNESS:

**MARYLAND STATE TREASURER'S
OFFICE**

By: _____
Nancy K. Kopp
Sate Treasurer

WITNESS:

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

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

David P. Chaisson
Assistant Attorney General

**APPENDIX I
DESIGNATION OF DEPOSITORY**

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

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

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

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

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

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

IN WITNESS WHEREOF, I have executed this Designation as of this ____ day of _____, 2017.

STATE OF MARYLAND

By: _____
Nancy K. Kopp
Treasurer

EXHIBIT 1

State Finance and Procurement Article

§6-201.

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

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

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

(d) "Deposit insurance" means insurance by:

(1) the Federal Deposit Insurance Corporation; or

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

(e) "Financial institution" means:

(1) any banking institution;

(2) any national banking association;

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

and

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

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

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

EXHIBIT 2

State Finance and Procurement Article

§6-202.

Collateral that may be used under this subtitle shall be:

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

EXHIBIT 3

State Finance and Procurement Article

§6-209.

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

EXHIBIT 4

State Finance and Procurement Article

§6-222.

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

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

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

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

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

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

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

(7) money market mutual funds that:

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

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

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

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

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

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

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

(2) the net income earned;

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

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

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

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

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

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

(5) using competitive purchasing practices except when impractical;

(6) in accordance with a written investment policy;

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT 5

State Finance and Procurement Article

§6-203.

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

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

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

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

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

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

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

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

(i) an affiliate of the financial institution; or

(ii) an entity acquired by the financial institution.

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

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

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

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