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MARYLAND STATE TREASURER'S OFFICE

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

REQUEST FOR PROPOSALS

ELECTRONIC PAYMENT CARD SERVICES

FOR

DEPARTMENT OF LABOR, LICENSING AND REGULATION

DIVISION OF UNEMPLOYMENT INSURANCE

RFP #DLLR-EPC-01172013

DUE DATE: FEBRUARY 21, 2013

Issued: January 17, 2013

KEY INFORMATION SUMMARY SHEET

**Maryland State Treasurer's Office
Request for Proposals
For
Electronic Payment Card Services for
Department of Labor, Licensing and Regulation
Division of Unemployment Insurance
RFP #-DLLR-EPC-01172013**

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: January 17, 2013

Deadline for Receipt of Questions: January 29, 2013 by 11:00 a.m. Local Time

Pre-Proposal Conference: February 5, 2013 at 10:00 a.m. Local Time

Proposal Due Date and Time: February 21, 2013 at 2:00 p.m. Local Time

Oral Presentations: March 7-8, 2013

Tentative Contract Award: March 26, 2013

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

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The Maryland State Treasurer's Office (the "Office") on behalf of the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance ("DLLR/DUI") is seeking proposals to provide an electronic payment solution, at no cost to DLLR/DUI, for the disbursement of Unemployment Insurance benefit payments using an Electronic Payment Card that is either VISA or MasterCard branded.

SECTION I. PROCUREMENT INFORMATION

1.01 Procurement Method

The Maryland State Treasurer's Office is the issuer of this RFP for Electronic Payment Services for DLLR/DUI. The Office will award the contract arising out of this RFP (the "Contract") in accordance with the competitive sealed proposals process under COMAR 21.05.03.

1.02 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.

1.03 Contract Officer

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

Jim McVicker
Deputy Director, Contributions Division
Maryland Department of Labor, Licensing and Regulation
Office of Unemployment Insurance
1100 North Eutaw Street
Baltimore, Maryland 21201-2201

1.04 Use of eMaryland Marketplace

eMaryland Marketplace (<https://emaryland.buyspeed.com/bsol/login.jsp>) 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.

1.05 Schedule of Events

<u>Event</u>	<u>Date</u>
RFP Release and Notice in "eMaryland Marketplace"	January 17, 2013
Deadline for Receipt of Questions	January 29, 2013 by 11:00 a.m. Local Time
Pre-Proposal Conference	February 5, 2013 at 10:00 a.m. Local Time
Proposal Due Date	February 21, 2013 by 2:00 p.m. Local Time
Oral Presentations	March 7-8, 2013
Tentative Date of Contract Award	March 26, 2013

1.06 Questions and Inquiries

All Offerors should direct their questions and inquiries to the Procurement Officer identified in Section I., 1.02 above. **Questions must be submitted in writing by mail or via email and received by the Issuing Office no later than 11:00 a.m. on Tuesday, January 29, 2013.** Oral questions will not be permitted. If the questions or inquiries pertain to a specific section of the RFP, Offerors must reference the relevant page and section number(s).

1.07 Pre-proposal Conference

A pre-proposal conference will be held on Tuesday, February 5, 2013 at 10:00 a.m. at the, Louis L. Goldstein Treasury Building, Assembly Room, 1st Floor, 80 Calvert Street, Annapolis, Maryland 21401. If you plan to attend the Pre-proposal Conference, please notify the Procurement Officer by email at: procurement@treasurer.state.md.us (identified in Section 1.02 above). Please provide your contact information and the number of individuals expected to attend.

1.08 Submission Deadline

To be considered, Offerors must submit to the Procurement Officer a written original, and 5 copies (total of 6) of the Technical Proposal and the Cardholder Services Cost/Fees Worksheet, each in separate sealed envelopes. All submissions shall include the RFP Title

and number and the Offeror's name and address. **Proposals must be received by the Procurement Officer at the Issuing Office no later than 2:00 p.m. local time on Thursday, February 21, 2013.** Additionally, Offerors must submit to the Procurement Officer on compact disks one electronic copy of the Technical Proposal and one electronic copy of the Price Proposal . 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. 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).

1.09 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.

1.10 Duration of Offer

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

SECTION II. GENERAL INFORMATION

2.01 Electronic Distribution

This RFP is published on *eMaryland Marketplace*, posted on the websites for the National Association of State Treasurers and the Office, and emailed to financial firms known to be interested in receiving RFPs. Potential Offerors wishing to receive copies of the written document should contact the Procurement Officer identified in Section I, 1.02, above.

2.02 Revisions to the RFP

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

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

2.03 Cancellation of the RFP; Rejection of All Proposals

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

2.04 Proposal Acceptance; Discussions

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

2.05 Oral Presentation

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

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

2.06 Incurred Expenses

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

2.07 Proposal Form

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

2.08 Multiple Proposals

The Office will not accept multiple or alternative proposals from a single Offeror.

2.09 Access to Public Records Act Notice

An Offeror should give specific attention to the identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. The Office may charge a fee for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The Office may require payment of such fees before releasing the requested information.

2.10 Protests

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

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

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

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

2.11 Proposal Opening

Proposals will not be opened publicly.

2.12 Bid/Proposal Affidavit

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

2.13 Living Wage Requirements

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

Contractors and subcontractors subject to the Living Wage Law shall pay each covered employee at least \$12.28 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$9.23 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 Investment Activities in Iran Act

All proposals submitted by an Offeror must be accompanied by a completed Investment Activities in Iran certification. A copy of this certification is included as Appendix E to this RFP.

Effective January 1, 2013, the Investment Activities in Iran Act (State Finance and Procurement Article, §§17-701 through 17-707, the "IAI Act") attached as Exhibit 5

requires all companies that seek to do business with the State to certify at the time of bid submission that:

1. They are not identified on a list created by the Maryland Board of Public Works as a person engaging in investment activities in Iran; and
2. They are not engaging in investment activities in Iran, as defined in the IAI Act.

The current IAI Act list maintained by the Board of Public Works can be found at www.bpw.state.md.us.

2.15 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 G to this RFP. This Affidavit need not be submitted with an Offeror's proposal.

2.16 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.

2.17 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, P.O. Box 8755, B.W.I. Airport, Maryland 21240-0755. The phone number is 410-865-1244. The directory is available online at www.mdot.state.md.us. Select the "Minority/Disadvantaged Business Enterprise" label.

2.18 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>.

2.19 No Guarantee of Work

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

2.20 Order of Precedence

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

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

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

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SECTION III. SCOPE OF SERVICES AND REQUIREMENTS

3.01 Objectives

The Office, on behalf of DLLR/DUI, is seeking an electronic payment solution for the disbursement of UI benefit payments in order to:

1. Ensure cardholders receive the UI benefits to which they are entitled, efficiently, timely, accurately and securely;
2. Eliminate the issuance of paper benefit payment checks;
3. Reduce costs;
4. Create efficiencies; and
5. Maintain or increase the flexibility of accessing payments for recipients.

3.02 Program Description

After an unemployed individual has filed a new application for UI benefits, a determination as to eligibility and benefit amount to be received is rendered. DLLR/DUI authorizes a payment to the recipient on a biweekly basis. DLLR/DUI expects to change to a weekly payment during calendar year 2013. Payments are made for weeks of unemployment or reduced employment for which eligibility requirements are met. These payments continue until: the recipient is again fully employed; the maximum amount of benefits is exhausted; or the benefit year ends. All claims for unemployment benefits are in effect for a 52-week period, called a benefit year. Full benefits are currently paid for a maximum of 26 times the weekly benefit rate. The claimant may file for partial weeks of unemployment benefits, which would extend the number of weeks beyond 26. If the maximum amount of benefits is paid before the expiration of the benefit year, the recipient is not eligible to file a new claim until that benefit year ends. During periods of high unemployment there may be federal extension programs that would add additional benefits and payment weeks to the debit card.

DLLR/DUI currently issues UI payments five (5) days a week with the exception of State holidays. DLLR/DUI's intention is to continue to issue UI payments via EPCs, except in rare cases constituting "hardships" or emergencies when checks will be issued.. Full or partial deposits of UI payments into claimants' bank accounts will also be made through EPCs.

In an effort to assist Offerors with their proposals, DLLR/DUI has provided data in the table below entitled "UI Activity" to provide program activity for the last four years of the current EPC program. DLLR/DUI does not guarantee that this historical data will result in any particular number of recipients for the EPC program.

TABLE - UI ACTIVITY

UI Claims Activity	Activity for the past four (4) years 2008 - 2012	Calendar year 2012
Number of New Cards Issued	510,292	75,620
Number of Debit Card Payments Made	10,703,573	2,357,145
Total Amount of Debit Card Payments	\$5,905,037,002	\$1,290,119,609
Average Payment Amount	\$324/wk	\$325/wk*
Average Weeks of Benefits Received Per Claimant	17.8	18.0*
*12 months ending September 2012		

Note: The years 2008-2012 were relatively high payout years. Unemployment averaged more than 7.0%. Recessionary levels may have doubled many of the above-listed volume and payment levels. Along with the regular UI program, additional payments (usually totaling less than \$5M/year) may be issued under programs such as Trade Readjustment Allowance (TRA), and Disaster Unemployment Assistance (DUA).

More information about DLLR/DUI and its services can be found at www.dllr.state.md.us.

3.03 Minimum Qualifications

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

1. The Offeror is a financial institution, as defined in State Finance and Procurement Article, §6-201, Annotated Code of Maryland (Exhibit 1). Alternatively, for an Offeror that is not a financial institution, the Offeror will contract with a financial institution to serve as the depository of funds to be distributed through EPCs. (Please specify the name of any such financial institution to be used by the Offeror).
2. The Offeror (or, in the case of an Offeror that is not a financial institution, the depository financial institution) must be a member of and in compliance with the rules and regulations of the Federal Deposit Insurance Corporation ("FDIC").
3. The Offeror (or, in the case of an Offeror that is not a financial institution, the depository financial institution) must have a Kroll Bond Rating Agency, Inc. (KBRA) rating, or similar financial strength rating from a nationally recognized statistical rating organization of at least a "C".

4. The Offeror (or, in the case of an Offeror that is not a financial institution, the depository financial institution) must have an existing electronic payment card relationship with either VISA or MasterCard.
5. The Offeror (or, in the case of an Offeror that is not a financial institution, the depository financial institution) must process Electronic Funds Transfers (EFTs) in the manner prescribed by the National Automated Clearing House Association (“NACHA”).
6. The Offeror (or, in the case of an Offeror that is not a financial institution, the depository financial institution) must meet all Regulation E requirements, including those that may apply specifically to government programs. Regulation E, issued by the Board of Governors of Federal Reserve may be accessed online at: <http://www.federalreserve.gov/bankinfo/reg/regecg.htm>.
7. The Offeror must provide for the collateralization of all State funds deposited to any bank account that meets the requirements of §§ 6-202 and 6-209 of the State Finance and Procurement Article, (See Exhibits 2 and 4). All collateral must be held in the name of the State of Maryland either, (a) with the Federal Reserve Bank of Richmond, (b) with the Federal Reserve Bank of Boston, or (c) at the sole discretion of the Treasurer, on deposit with an independent financial institution acceptable to the Treasurer.

3.04 Minimum Service Requirements

In its proposal, each Offeror must acknowledge and agree that it will meet or exceed the following minimum service requirements, which are intended to ensure that claimants have ready access to their benefit payments and information about such payments in a timely fashion:

1. Account Set-up - Contractor must establish cardholder accounts within four business days of receiving all necessary cardholder account information.
2. EPC Issuance - Contractor must mail EPCs by first class mail to individuals identified to receive EPCs within four (4) business days of receiving all necessary cardholder account information.
3. EPC Restrictions - Contractor must ensure that only DLLR/DUI will be able to make deposits or add value to the EPC, except that merchants making refunds for EPC purchases will be allowed; however, the EPC will have no line of credit.
4. Payments - Contractor must be able to deposit all payments to established cardholder accounts and make payments available for distribution within six (6) hours, but not later than close of business the day of receiving the DLLR/DUI payment file.

5. Funds Availability - Contractor must ensure that funds are immediately available following EPC activation by the cardholder, or if cardholder has elected deposit to a bank account, funds must be available within the normal bank clearing house requirements for funds availability.
6. IVR System and Web Site - Contractor must maintain an Interactive Voice Response (“IVR”) system and website that is operational seven (7) days a week, 24 hours per day, except for normal maintenance. This requirement will be deemed to be satisfied if the IVR System and web site are operational at least 98% of its schedule hours.
7. Call Center Staffing - Contractor must provide a customer service call center adequately staffed with customer service representatives (“CSRs”) seven (7) days a week, ten (10) hours per day. This requirement will be deemed to be satisfied if the call center is adequately staffed at least 95% of its schedule hours. The Contractor must provide “down time” reports.
8. Call Center Wait Time - Contractor must ensure and be able to demonstrate that average call wait time in any calendar month is five (5) minutes or less.
9. Multilingual Customer Support - Contractor must ensure that customer call center support is provided in English and Spanish and customers will never be denied service because of the inability to speak or read English. EPC activation stickers must be in English and Spanish. All marketing and instructional materials must be, at a minimum, in English and Spanish.
10. Call Center Locations - Contractor must ensure that call centers providing customer service are located within the geographical boundaries of the United States.
11. Toll-Free Access - Contractor must ensure that a toll-free telephone line to customer service representatives is available to cardholders and DLLR/DUI’s customer service staff in order to transfer cardholders to customer service representatives.
12. ADA Access to Call Center – Contractor must ensure that the customer support package includes TTY and communications relay capability as described in the Americans with Disabilities Act.
13. Merchant Access - The EPC must be accepted by any merchant that accepts VISA or MasterCard, including point of sale (“POS”) merchants, and must allow for PIN-based and signature-based purchases.
14. ATM Access - The EPC must be compatible with all ATM networks, and allow for withdrawal of cash through a normal ATM transaction.

15. Free Withdrawals – Contractor must permit cardholders to withdraw an amount equal to two (2) weeks of UI benefits at no cost. Contractor must offer at least six free ATM withdrawals per month.

3.05 General Requirements

In its proposal, each Offeror must acknowledge and agree to comply with the following:

1. There shall be **no cost** to DLLR/DUI for the EPC program.
2. All cardholder information and cardholder account information created as a result of any contract that results from this RFP must remain confidential and may not be sold or otherwise shared with any other entity not associated with the contract or for any purpose other than the execution of the Contract, unless required by law. In addition, Contractor may not use cardholder information or cardholder account information to solicit other business and must ensure cardholder information and cardholder account information is protected and kept confidential. Contractor will be required to execute an agreement regarding the confidentiality of cardholder information and cardholder account information. A copy of this agreement is included as Appendix J to this RFP.
3. Any material made available by Contractor to the public via the Internet must be approved by DLLR/DUI prior to release.
4. Records, including but not limited to, financial records, supporting documents, statistical records, any other records, papers, logs, audit trails or books related to this RFP and any resulting contract must be retained by the Contractor for a period of five (5) years after the expiration of the contract, or until DLLR/DUI or interested government agencies are satisfied that all audit and litigation matters are resolved, whichever period is longer.
5. Contractor must have in place reasonable security procedures designed to protect the confidentiality of data regarding cardholder information and cardholder accounts and to limit to authorized persons access to such data. Such procedures must, at a minimum, ensure that:
 - a. Access to data regarding cardholder information and cardholder accounts is restricted to only those individuals whose access is essential to the administration of the program.
 - b. Individuals with access to cardholder information or cardholder accounts is under the direction and control of the Contractor.
 - c. Each individual with access to cardholder information or cardholder accounts is required to maintain the confidentiality of such data,

- either as a condition of employment or by written agreement, before access to this information is permitted.
- d. Contractor monitors the use of the data by individuals with access to cardholder information or cardholder accounts to ensure that such information is being used only for purposes consistent with the administration of the EPC program.
 - e. All information regarding cardholders and cardholder accounts is secured in a manner which will ensure its confidentiality.
6. Contractor must have the capability to provide requested reporting to DLLR/DUI electronically through a secure Internet connection in a format approved by DLLR/DUI. Reports must be available no less frequently than monthly, no later than five (5) business days after the last day of the preceding month for the preceding month's activities, unless otherwise stated by DLLR/DUI. Contractor's reporting capabilities must include the following:
- a. Fraud control activity/risk analysis (daily reports):
 - 1) Number of PIN changes;
 - 2) Number of reports of stolen/lost EPCs;
 - 3) Dollar amount stolen/lost;
 - 4) Number of reports of fraudulent activity;
 - 5) Dollar amount defrauded;
 - 6) Geographical location of fraudulent activity;
 - 7) Detailed listing of customers who have reported stolen/lost EPCs and/or fraudulent activity and the resolution of each;
 - 8) Data to measure timeliness between the date of a reported stolen/lost EPC or other fraudulent activity and the date the reported issue is resolved;
 - 9) Number of accounts deactivated due to fraud;
 - 10) Number of reissued EPCs and reasons for re-issuance;
 - 11) Detailed listing of confidentiality and security breaches including steps taken to contain the breach, follow-up reports, and a corrective action plan;
 - 12) Detailed listing of any and all business disruptions of four (4) hours or longer.
 - b. Financial activity (monthly reports, broken down by day):
 - 1) Amount of funds disbursed to cardholders sorted by amount of time from receipt of all necessary payment information from DLLR/DUI;
 - 2) Amount of funds being held for accounts pending EPC activation;
 - 3) ATM withdrawals;
 - 4) PIN vs. signature-based merchant transactions;
 - 5) Number of free cardholder transactions;

- 6) Number of cardholder cost and fee-based transactions;
 - 7) Count and amounts of deposits made to cardholder accounts;
 - 8) Amount of funds remaining in all cardholder accounts by length of account inactivity;
 - 9) Number of payment records that had errors.
- c. EPC/Cardholder activity:
- 1) Number of accounts established by amount of time from receipt of all necessary account information from DLLR/DUI;
 - 2) Number of EPCs mailed via first class mail by amount of time from receipt of all necessary account information from DLLR/DUI;
 - 3) Number of EPCs issued;
 - 4) Number of EPCs activated;
 - 5) Amount of time from EPC issuance to activation;
 - 6) Number of EPCs not activated by first payment transaction;
 - 7) Active accounts;
 - 8) Inactive accounts;
 - 9) Closed accounts;
 - 10) Frozen accounts;
 - 11) Cancelled accounts.
- d. Customer service activity for IVR and CSR:
- 1) Number of calls attempted (IVR, DLLR/DUI transfer if available, outside if available);
 - 2) Number of calls getting a busy signal;
 - 3) Number of calls accepted in queue;
 - 4) Number of calls in queue abandoned by wait time;
 - 5) Number of calls answered by wait time;
 - 6) Average wait time;
 - 7) Number of calls answered by type of call;
 - 8) Number of calls answered by IVR/CSR with breakout of languages served;
 - 9) Number of calls answered by talk time (connect time less time in queue);
 - 10) Average talk time;
 - 11) Time and duration of all IVR/CSR service interruptions, both scheduled and unscheduled reported separately;
 - 12) Number of calls answered and transferred to DLLR/DUI .
- e. Customer service activity for Internet (DLLR/DUI related):
- 1) Number of web site hits;
 - 2) Number of cardholder account inquiries;
 - 3) Number of cardholder account updates (e.g., PIN changes);
 - 4) Time and duration of all web site service interruptions, both scheduled and unscheduled reported separately.

- f. Customer service activity - General:
 - 1) Number of account protests by type of protest;
 - 2) Detailed listing of complaints by customers, including the steps taken by Contractor to remedy complaint.
 - g. All activity for an individual cardholder:
7. The processes and procedures for deactivating and reactivating accounts will be jointly developed by Contractor and DLLR/DUI; however, no account will be deactivated except upon notification by DLLR/DUI.
 8. Contractor must notify DLLR/DUI within one (1) business day of any instances when a claimant is denied participation.
 9. Cardholders who are unable to enter their EPC number through the IVR will automatically be transferred to a CSR during CSR hours.
 10. Cardholders must be able to view financial transaction detail posted to their account through a secure Internet-based management tool. Account information pages must include a link to DLLR/DUI's web site.
 11. Data transfers of the following information will occur daily:
 - a. DLLR/DUI will send Contractor a new account file containing information necessary to set up new accounts and issue EPCs;
 - b. DLLR/DUI will send Contractor a maintenance file containing name changes, address changes, etc. to update account information;
 - c. DLLR/DUI will send Contractor a payment file containing deposits and other required identifying information;
 - d. Contractor will send DLLR/DUI confirmation via e-mail that payment file has been received and shall notify DLLR/DUI by noon the next business day if the previous night's file has not been received; and
 - e. DLLR/DUI will send a file containing the dollar amount equal to the total deposits for the payment file sent the same day. (This information may be included at the end of the payment file).
 12. All transfers of funds to the Contractor will be processed according to NACHA approved Preauthorized Payment and Deposit (PPD) format.

13. Contractor must provide to DLLR/DUI on a daily basis a report for UI containing:
 - a. New account numbers;
 - b. Reissued account numbers and the date of the reissue;
 - c. All other information necessary for DLLR/DUI to properly make payments;
 - d. An error file containing payment records that could not be processed, along with a description of the error.

14. Contractor must maintain disaster recovery and business continuity plans. Execution of Contractor's disaster recovery and business continuity plans must provide for the following in the event of a major disaster that causes an interruption in the Contractor's vital business processes to stop for an extended period of time (more than 24 hours):
 - a. Recovery times for critical systems. Telephone and fax lines must be available for customer use within 24 hours of an interruption, and all business functions must be returned to full service within five (5) business days.
 - b. Transferability of business functions to an alternate site. Contractor must select an alternate facility (hot site) at the time the disaster is declared, based upon the scope and impact of the disaster, and notify DLLR/DUI of its choice. Contractor must identify all potential alternate facilities (hot-sites) in advance of their use.
 - c. Effective communication efforts during disaster recovery. Contractor must keep all DLLR/DUI contacts, members of each of the disaster recovery plan teams, all call center site employees, and other appropriate staff up to date on the progress of any recovery. Contractor must provide contact information for Contractor staff during any recovery. DLLR/DUI feels strongly that communication with staff, customers, and DLLR/DUI contacts is crucial to the actual and perceived success of any recovery effort.
 - d. Use of backup tapes. Full volume backups of all servers must be made daily. Full volume backups must be securely transported and securely stored off-site. Backup tapes must be transferred daily to your off-site facility that has the appropriate environmental and security controls for media storage.
 - e. Restoration of both data and telephone connectivity. Data and telephone hardware replacement or restoration needs must be assessed at the time of the disaster and appropriate measures must be taken to ensure that functional hardware is available and installed within the time frame needed to return to full service within five (5) business days.

15. The Contractor must agree to all terms and conditions set forth in the form of standard contract included as Appendix F to this RFP. Among other things, the Contract provides the following:
 - a. In all cases where there are any inconsistencies between the Contract and the Exhibits (which includes the RFP and the Contractor's proposal, and may include bank product terms and conditions or agreements), the Contract shall control. Further, if there is any conflict among the Exhibits, the RFP shall control.
 - b. Only the Procurement Officer may, by written order, make changes to the services to be provided under the Contract, which may result in an equitable adjustment to pricing.
 - c. The State will not agree to indemnify the Contractor for any claims or losses arising out of the performance of the Contract. The sole method of resolving any disputes under the Contract shall be in accordance with State Finance and Procurement Article, Title 15, Subtitle 2, Annotated Code of Maryland (Dispute Resolution), and COMAR 21.10 (Administrative and Civil Remedies).
 - d. The governing law shall be the State of Maryland.
 - e. Any modifications to the Contract must be made in writing signed by both parties, not simply by providing written notice. While a bank may change its procedures by providing written notice, the Office must agree in writing to any other changes affecting the Contract.
 - f. The Contractor does not have the right to terminate the Contract prior to its expiration.

To the extent a Contractor proposes to incorporate into the Contract certain other bank product terms and conditions or agreements, Contractor acknowledges that the above provisions are not negotiable. Accordingly, if selected for award, any conflicts in the Contractor's proposed terms and conditions or agreements will be revised by the Office to be consistent with these provisions.

16. The Contractor must agree to indemnify and hold harmless DLLR/DUI from any and all claims, costs, liabilities, judgments, including attorneys' fees and court costs, arising from any negligent act of omission by Contractor in connection with providing EPC services for the disbursement of UI benefit payments.
17. As part of the transition to a new service provider, if any, Contractor must work directly with designated DLLR/DUI and Office of Information Technology (OIT) staff responsible for the UI process in Maryland. Contractor will be required to provide the following types of reports during project development at negotiated time periods:

- a. Status Report. A periodic progress report covering activities, problems and recommendations. This report should be keyed to the work plan the Contractor developed in its proposal, as amended or approved by the Issuing Office.
- b. Problem Identification Report. An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Contractor recommendations with supporting rationale.
- c. Final Report. Sign-offs on project deliverables that will serve as final reports.

3.06 Specific Services

A. Electronic Payment Card (“EPC”) Services

1. DLLR/DUI currently intends to continue utilizing the existing EPC design. Discuss any concerns you may have about using this design. In the event DLLR/DUI determines to change the current design of the EPC, describe the design process and the timeline for this process.
2. DLLR/DUI shall have the right to approve the name, design, content (including activation sticker), and graphics of the EPC. Describe how you will ensure these legal rights.
3. The State of Maryland shall own the EPC design. Describe how you will ensure that any existing or new design will be the property of DLLR/DUI.
4. Describe how you will communicate to cardholders that receipt of the EPC does not guarantee that the cardholder meets UI eligibility criteria or that the cardholder will receive payment.
5. Describe how you will ensure that issuance of the EPC will be limited to the eligible claimant only.
6. Describe the expiration process, if any, for the EPC. Provide guidelines for EPC expiration dates and policies.
7. Any claimant referred by DLLR/DUI shall not be denied participation in the EPC program unless required by State or federal law or regulations. Describe how you will ensure that claimants are not wrongfully denied participation and DLLR/DUI will be notified within one (1) business day of any instances when a claimant is denied participation.
8. Describe how the EPC distribution process will work, including the maximum time to process an EPC until receipt by the cardholder of the EPC along with

instructional materials. Describe how the ongoing EPC issuance process will work and how you would handle a surge in demand due to, for example, a disaster or a significant increase in UI resulting from a downturn in the economy.

9. Describe the process for handling EPCs returned by the United States Postal Service as undeliverable and how DLLR/DUI will be notified.
10. Contractor shall be responsible for the replacement or re-issuance of EPCs when necessary.
 - a. Describe what constitutes a replacement EPC (e.g., lost, stolen or damaged EPC) and what constitutes a re-issued EPC (e.g., name change) and the policy and timeline for replacement and re-issuance of EPCs. One (1) replacement EPC and one (1) reissued EPC shall be provided by the Contractor at no cost to DLLR/DUI or the cardholder for each 12-month benefit year period. Describe how additional replacement or reissued EPCs will be handled, defining parameters for replacement cards and, without specifying the fee amounts, indicate whether any charges will apply to the claimant.
 - b. Describe the procedures for lost, stolen or damaged EPCs, how soon a replacement card is issued and how funds will be provided to the cardholder whose EPC is lost, stolen or damaged. Describe how your customer support package will include the capability for cardholders to report lost, stolen, or damaged EPCs; and describe this reporting process.
 - c. Describe the procedures for expediting a replacement or reissued EPC at the request of DLLR/DUI.
11. Describe the process of escheatment and, without specifying the fee amounts, indicate whether there are any fees associated with it.
12. Describe how you will provide direct deposit services or something similar to claimants, including registering and maintenance of all banking information required for direct deposit.
13. Describe how you will treat any funds remaining in accounts established under the EPC program, differentiating between monies being held for accounts pending EPC activation and monies remaining in activated accounts after card expiration, expiration of the benefit year, or long periods of time after last deposit. Explain whether and how such funds could be returned to DLLR/DUI. Whenever permissible by law, DLLR/DUI desires to have monies returned to DLLR/DUI.
14. Describe how you will process monies remaining in accounts of deceased cardholders in accordance with Labor and Employment Article, §8-

405(a)(4), Annotated Code of Maryland, including: how the accounts are frozen, how and when the monies are made available to the deceased cardholders' estate or next of kin, and how you will notify DLLR/DUI of the transactions and amounts.

15. Describe the process for issuing a stop payment and returning EPC payments to DLLR/DUI. Indicate whether a stop payment and return request must be for the entire amount of the payment or whether it may be for a portion of the payment amount.
16. Describe the extent to which you will be able to share the balance of an account so that DLLR/DUI may recover an amount that was overpaid. Explain whether and how you would allow DLLR/DUI to recover any overpayments made to the EPC.
17. Describe the circumstances under which an account will be closed; for example, upon the expiration of the EPC.
18. Presently, the card expires every three years. Provide your recommendations as to the EPC expiration term. Provide the rationale for your recommendation.
19. Describe how you would use social media (e.g. Facebook, Twitter, You Tube), if at all, to communicate with cardholders on behalf of DLLR/DUI.

B. Use of EPC

1. Describe how you will ensure that the EPC will (a) be accepted by any merchant that accept VISA or MasterCard, including point of sale ("POS") merchants, and (b) allow for PIN-based and signature-based purchases.
2. Describe how you will ensure the EPC will be compatible with all ATM networks, and allow for withdrawal of cash through a normal ATM transaction.
3. Describe the available ATM network(s) and how it will be accessible to the cardholder, how the technology used will be currently active and available, and indicate which of these networks will provide free services.
4. Describe the various methods through which claimants living outside Maryland can obtain access to cash from their EPCs.
5. Describe ATM and direct teller access that provides services free of charge for claimants living in Maryland. Describe methods that will be available to claimants to locate an ATM or branch location (e.g., via a toll-free customer service line, or web site) nationally and internationally.

6. Describe any and all limitations placed on the cardholder, such as amounts available to withdraw daily and number of transactions permitted daily. Include a discussion of how these limitations apply to different types of withdrawals or transactions, such as withdrawals through ATMs, versus bank tellers, and online purchases versus in-person transactions.
7. The maximum weekly UI benefit amount for 2012 is \$430. The maximum benefit amount may increase on a yearly basis. There may be times when cardholders receive a large amount of UI benefits payment (greater than two weeks of benefits) at one time. Describe how cardholders can access these funds without incurring any fees.
8. Describe any transactions that will be disallowed, including transactions that would cause the cardholder to exceed the amount available in the account and how the cardholder will be notified.
9. Describe how you will prevent overdrafts.
10. Describe your expectation as to the apportionment of liability as between you and cardholders for any transaction or other associated costs that cause the cardholder to exceed the amount available in his account. Confirm your understanding that DLLR/DUI will not have any responsibility or obligation for such overdrafts, nor for any other costs or liabilities you incur due to the actions of a cardholder.
11. Describe your expectation as to the apportionment of liability as between you, cardholders, and DLLR/DUI for EPCs that are damaged or no longer work (for example, demagnetized).
12. Describe policies regarding asset freezing, including how you handle any holds that may be placed on cardholder accounts.
13. Describe the process for cardholders to “cash-out” their EPC account balance. For example, describe how cardholders can withdraw amounts under the ATM minimum withdrawal amount, or the retailer minimum, or for amounts less than one (1) dollar.
14. Describe how you will ensure that only DLLR/DUI will be able to make deposits or add value (other than merchant refunds) to the EPC.

C. Fraud Detection and Prevention

1. Describe your procedures for preventing identity theft and responding to fraudulent activities.

2. Describe how you will detect, and communicate to the cardholder, potential fraudulent card usage. Include a discussion of the types of transactions monitored in an effort to detect fraud (e.g. multiple EPC transactions by individual cardholders in a specific geographical area, aggregate dollar amount of transactions).
3. Describe any other security features associated with the EPC for activation, counterfeit prevention and fraud prevention.
4. Describe how you will notify DLLR/DUI of your fraud investigations involving EPC accounts and their results. This information will assist DLLR/DUI in recognizing and monitoring claimants who have multiple complaints of fraudulent activity.
5. Describe your internal controls to help monitor, detect, record or log, prevent and minimize unauthorized physical and information technology activity.
6. Describe your expectation as to the apportionment of liability as between you, cardholders, and DLLR/DUI for fraud or unauthorized use of EPCs or EPC accounts, including stolen EPCs or lost EPCs.
7. Describe the type of assistance and the information you would be able to provide DLLR/DUI for the purpose of aiding in the investigation of UI Fraud (e.g., legal/collections assistance, information regarding card/transaction history).
8. Describe the process by which DLLR/DUI must make requests (preferably electronically) to place on hold accounts identified by DLLR/DUI as having fraudulent activity and how you ensure such holds remain active until release by DLLR/DUI.
9. Describe how you will ensure that EPC funds cannot be transferred to 3rd party debit cards.
10. Describe your procedures to resolve (prosecute) fraud, how and when you will notify DLLR/DUI, and what information you will provide.
11. Describe how you will handle subpoena or other similar requests and the number of days it will take to respond. The Contractor may be requested to produce records or provide testimony as a keeper of records pursuant to a valid subpoena or court order. Include a discussion of how you will ensure that DLLR/DUI's Office of the Assistant Secretary will receive immediate notice of any subpoena or court order directing the release of information and that you will consult with DLLR/DUI prior to releasing such information.

12. DLLR/DUI wants to limit the number of reissued EPCs to three (3) per claimant before placing a temporary hold on the account, pending verification of claimant's identity and request. DLLR/DUI expects to receive notice when this limit is reached. Describe how you would accommodate this policy and/or whether you would recommend any changes to it.

D. Account Activation

1. Describe the data required from a cardholder to activate his/her EPC.
2. Describe how the cardholder will be able to choose or change his/her PIN under the following circumstances:
 - a. After initial EPC issuance;
 - b. When an EPC is lost or stolen;
 - c. If a cardholder forgets his PIN;
 - d. If the PIN is compromised;
 - e. In addition, explain alternative methods of PIN selection, if available.
3. Describe how you will ensure that payments will not be loaded to an EPC until the cardholder activates the EPC.
4. Describe how you will ensure that funds will be made immediately available to the cardholder upon EPC activation by the cardholder, or, for deposits to bank accounts how you will ensure funds availability consistent with normal bank clearing house requirements.
5. Describe how you will ensure that accounts will be deactivated only after notification by DLLR/DUI. Describe the circumstances under which you would want to deactivate an account without notifying DLLR/DUI, if any.

E. Customer Service

1. Describe the types of customer communications you will provide to cardholders, including specific communications about cardholder services and costs/fees. Include a general marketing information plan and the associated timeline, as well as proposed marketing and instructional materials and samples from previous clients. DLLR/DUI reserves the right to review and approve all marketing and instructional materials.
2. Describe training and instructional materials you will provide for DLLR/DUI staff on the use of the system. Samples of such material should be included. DLLR/DUI will have the right to review and approve all materials and approaches.

3. Include samples of all web pages, statements, dispute forms, and any other forms related to the EPC process.
4. Describe how changes in your policies affecting cardholders or DLLR/DUI will be communicated. No such changes can violate the terms of this RFP or resulting Contract.
5. Describe how calls will be monitored to ensure quality customer service and to address customer complaints. Describe how customer complaints are logged, categorized, resolved, and provide the timeframes associated with these processes. List the types of issues anticipated and explain how they are typically resolved. Include information and reports that you will provide to DLLR/DUI to enable DLLR/DUI to monitor customer service and customer complaint resolution.
6. Describe how you will ensure that IVR and web site operational requirements meet the minimum service requirements described in Section 3.04 Minimum Service Requirements, Item 6. Include a description of the process or service used to test compliance with these requirements, the frequency of such testing, and any reports generated as a result.
7. Describe how you will ensure that call center staffing requirements meet the minimum service requirements described in Section 3.04 Minimum Service Requirements, Item 7. Include a description of the process or service used to test compliance with this requirement, the frequency of such testing, and any reports generated as a result.
8. Describe the hours when Customer Service Representatives (CSR) will be available as opposed to Interactive Voice Response (IVR) technology. Continuous CSR availability is preferred. Include any alternative methods of accessing account information in your proposal.
9. Describe how you will ensure that call center wait times meet the minimum service requirements described in Section 3.04 Minimum Service Requirements, Item 8. Include a description of the process or service used to test compliance with this requirement, the frequency of such testing, and any reports generated as a result.
10. Describe procedures for determining the identity of a caller prior to providing any account information.
11. Describe how you will provide DLLR/DUI's customer service staff with access to a toll-free direct telephone line in order to transfer a cardholder to a CSR.

12. Describe how you will provide as part of your customer support package TTY and communications relay capability as described in the Americans with Disabilities Act.
13. Describe how cardholders can reach a CSR through the IVR. Include information regarding access to CSRs through the standard IVR main menu and entries that trigger an automatic transfer to a CSR.
14. Describe the operation of the secure Internet-based management tool that will allow cardholders to view financial transaction detail posted to their account. Specify the web site and describe how it will work.
15. Describe how you will ensure that all communications with cardholders, including through print mailings, the IVR system, Contractor's web site, and CSR are delivered in the required languages of English and Spanish.
16. Describe the customer process for completing an account inquiry through the IVR system, ATMs, CSRs, online, etc.
17. Describe your procedures to resolve account discrepancies.
18. Describe how you will provide a monthly statement for each cardholder. Please supply a sample statement in the proposal response.
19. Describe how you plan to manage cardholder address changes with DLLR/DUI remaining the custodian of the address records.
20. Describe how returned mail is handled and how it will be reported to DLLR/DUI.
21. Describe services available to cardholders outside of the United States (Canada, Guam, Puerto Rico, Virgin Islands).
22. Describe how customer service is provided to other non-English and non-Spanish speakers.
23. Describe when and to what extent call centers and operating/processing facilities will be accessible for visits from DLLR/DUI staff.

F. Data Management

1. Describe how the required information and file format(s) will be provided for transmitting account setup and payment information data, including errors or problems with data to and from DLLR/DUI. Describe the claimant or DLLR/DUI data required to establish an EPC account (e.g., name, address,

phone number, date of birth, and unique identification for claimant) and propose a process for sharing this information with DLLR/DUI.

2. Describe your procedure for using an industry standard electronically secure data connection to allow DLLR/DUI to transmit and receive account information on a daily basis.
3. Describe your ability to accept and process daily data transfers.
4. Describe how you will ensure that cardholder accounts will be established and EPCs will be mailed to claimants by first class mail within four business days of receiving all necessary cardholder account information. Include information about what data can be provided to DLLR/DUI regarding when an account was established and when the EPC was mailed to the claimant.
5. Describe how you will ensure that all payments to established cardholder accounts will be made within six (6) hours of receiving the DLLR/DUI payment file. Include a discussion of how weekends and holidays will affect this requirement.
6. Describe how you will ensure that payments to an EPC will only be loaded after the cardholder activates the EPC.
7. Describe your reconciliation process, including a reporting timeline, for money received from DLLR/DUI versus money disbursed to cardholders, including audit trail(s) for each transaction throughout the process.
8. Describe how you will process reversals from DLLR/DUI for any credit entries made in error to a cardholder account consistent with NACHA regulations.
9. Describe your data archiving and retrieval procedures. See Section 3.05 General Requirements, Item 4.

G. Disaster Recovery/Business Continuity

A major disaster is defined as a loss of the facility or business processing due to a catastrophic event, which causes vital business processes to stop for an extended period of time (more than 24 hours). This includes:

1. An event resulting in the inability to meet important customer commitments and contractual obligations or to protect the interests of DLLR/DUI and the Contractor and its employees.

2. The loss of system/service and/or degradation due to, but not limited to the following catastrophic events:
 - Power outage
 - Server crash
 - Server failure
 - Router failure
 - Cable failure
 - Power surge
 - E-mail failure
 - Internet failure
 - Virtual private network (VPN) failure, and/or
 - Computer virus
3. Describe, in sufficient detail, your disaster recovery and business continuity plans. Include a copy of your current plans.
4. Describe how DLLR/DUI will be notified of any situation which could reasonably be expected to adversely affect the payment processing operation.
5. Describe how DLLR/DUI will be notified of any failure in the payment processing operation. This includes any failure of depositing funds into cardholders' accounts and the cardholders' ability to use funds in the accounts.
6. Describe how your procedure manuals are maintained during a disaster. Include how your procedures are available in an automated format.
7. Describe how you will ensure that your disaster recovery and business continuity plans satisfy the requirements described above in Section 3.05 General Requirements, Item 14 in the event of a major disaster.

H. Query and Reporting

The Contractor must provide DLLR/DUI with detailed reporting to the extent permissible under Regulation E issued by the Board of Governors of Federal Reserve.

1. Describe the regular reports you propose to provide to DLLR/DUI and provide samples.
2. Describe how you will satisfy the reporting capability requirements described above in Section 3.05 General Requirements, Item 6. Include a discussion of the types of reports that will be readily accessible by DLLR/DUI

and the types of reports, if any, that Contractor will generate on an ad hoc basis upon request by DLLR/DUI.

3. Describe how you will maintain individual cardholder data and how you will make it available to DLLR/DUI upon request.
4. Describe data capture capabilities associated with the point-of-sale (POS) process and how much information can be input and received from the POS.

I. Confidentiality/Security

1. Describe how you will ensure that your security procedures meet the requirements described above under Section 3.05 General Requirements, Item 5.
2. Describe how quickly and the manner by which DLLR/DUI and cardholders will be notified of any data breaches that might expose cardholders' individual account information.
3. Describe the assistance cardholders will be provided in the event their individual account information is compromised.
4. Describe how physical (including electronic) records are destroyed, and what logging and reporting of the record destruction activity is provided to DLLR/DUI.
5. Describe how you will ensure that any subcontractors will be bound by the same confidentiality requirements applicable to you.

J. Transition

1. Describe how you would transition from DLLR/DUI's current EPC servicer, if selected. Provide timelines and include information regarding potential changes in technology or programming that might be necessary in connection with a change in service providers. Include a discussion of the handling of existing cardholders.
2. Describe how administrative staff and/or a small group of claimants could test the EPC system prior to complete transition.

3.07 Other Services for Consideration

Describe any other services beyond those requested in this RFP that Offeror believes could offer additional benefits to DLLR/DUI or claimants/cardholders.

3.08 Term

The Office expects the Contract to be awarded pursuant to this RFP to begin April 1, 2013 and continue for a period of three years, with up to two two-year renewal options exercisable at the sole discretion of the Office on behalf of DLLR/DUI.

3.09 Compensation

DLLR/DUI will pay no compensation to the Contractor for the EPC program. Any fees charged by the Contractor shall be those set forth in Contractor's proposal for Cardholder Services and Costs/Fees. See Section IV, 4.05 Volume II - Cardholder Services Costs/Fees.

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SECTION IV. PROPOSAL FORMAT

4.01 Transmittal Letter

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

4.02 Two-Volume Submission

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

4.03 Volume I - Technical Proposal

The volume containing the technical proposal shall be labeled "Volume I – RFP for Electronic Payment Card Services for the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance, RFP #DLLR/DUI-01172013."

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

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

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

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

2. Offeror's Qualifications

- a. Each Offeror shall specifically and clearly provide in its proposal the responses requested in Section 3.03 Minimum Qualifications.
- b. The Offeror shall include one and only one copy of the Offeror's most recent audited financial statements with all attachments, including the unqualified audit opinion, in the original volume of its Technical Proposal.

3. Offeror's Capabilities

- a. Each Offeror shall specifically and clearly provide in its proposal the acknowledgements and agreements to comply with the requirements described in Section 3.04 Minimum Service Requirements.
- b. Each Offeror shall provide in its proposal the acknowledgements and agreements to comply with the requirements described in Section 3.05 General Requirements.
- c. Each Offeror shall provide in its proposal detailed descriptions of the services described in Section 3.06 Specific Services.
- d. Include a brief description of any other value added services as indicated in Section 3.07 Other Services for Consideration.

4. Prior Experience

Describe selected engagements of the Offeror involving services similar to those required that were successfully performed for other customers within the last three years. For each engagement, identify the name of the organization or company, their address, and provide a contact name and telephone number. In a chart form, Offerors should summarize prior engagements noting the services performed, and the Offeror's employee who supervised the job.

5. References

Identify a minimum of three current references, including the name of each organization, the mailing and street address, point of contact, and telephone number. Include a brief description of the services rendered for each referenced organization. The Procurement Officer or members of the Evaluation Committee may contact one or more of these references, and in addition, may contact any other reference of their choosing. At least one (1) reference should have knowledge of the Offeror's specific capabilities in providing EPC services in general, and in particular, EPC services with respect to UI benefits.

6. Personnel

List the personnel who are to be assigned to this project if the Offeror is selected for award of the Contract. Indicate the proposed project role or assignment of key personnel (project manager, team leader, and assigned project team members) and provide their resumes.

7. Community Benefits

Provide information about the Offeror (or, in the case of an Offeror that is not a financial institution, the financial institution that will serve as the depository of funds to be distributed through EPCs) required to be considered under State Finance and Procurement Article, §6-203, Annotated Code of Maryland (See Exhibit 3) by the Treasurer in designating a financial institution for banking services, including, without limitation:

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

8. Economic Benefit to the State of Maryland

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

- a. The Contract dollars to be recycled into Maryland's economy in support of the Contract, through the use of Maryland subcontractors, suppliers, and joint venture partners. Offerors should be as specific as

possible and provide a breakdown of expenditures in this category. Do not provide actual dollars for each category. Include percent of the total budget requested.

- b. The numbers and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification, and the aggregate payroll to which the Contractor has committed at both prime, and if applicable, subcontract levels. Do not provide actual dollars for each category. Include percent of the total budget requested.
- c. Tax revenues to be generated for Maryland and its political subdivisions as a result of this Contract. Indicate the tax category (sales tax, payroll taxes, inventory taxes, and estimated personal income taxes for new employee). Provide a forecast of the total tax revenues resulting from the Contract. Do not provide actual dollars for each category. Include percent of the total budget requested.
- d. Subcontract dollars committed to Maryland Small Business and Minority Business Enterprises. Do not provide actual dollars for each category. Include percent of the total budget requested.
- e. In addition to the factors listed above, the Offeror should explain any other economic benefits to the State of Maryland that would result from the Offeror's proposal

9. Standard Operating Agreements (if applicable)

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

10. Additional Information (Optional)

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

11. Company Literature (if applicable):

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

4.04 Disclosures

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

4.05 Volume II - Cardholder Services Costs/Fees

The Evaluation Committee will evaluate cardholder services costs/fees based on the most favorable costs/fees to the cardholder for services.

Offeror must submit the Cardholder Services Costs/Fees Worksheet identified as Appendix A, which must include the timing and circumstances under which each cardholder services costs/fees is assessed. For any additional cardholder services cost/fee not included on the Worksheet, include a Worksheet Supplement on a separate sheet with a detailed description of such additional cardholder services costs/fees, including the timing and circumstances under which each such additional cardholder services cost/fee is assessed.

The selected Offeror may not charge any cost or fee to cardholders not included in its proposal. The Worksheet and any Worksheet Supplement must be signed by an individual authorized to bind the Offeror to all statements, including all proposed cardholder services costs/fees. The Worksheet and any Worksheet Supplement are to be sealed in a separate envelope.

4.06 EPC Services Demonstration

Prior to the complete implementation of the EPC services system, the Contractor shall, at the request of DLLR/DUI, allow either administrative staff or a small group of claimants to test the system for informational purposes.

SECTION V. EVALUATION AND SELECTION PROCEDURE

5.01 Qualifying Proposals

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

5.02 Evaluation Committee and Evaluation Criteria

All qualifying proposals (those proposals that are reasonably susceptible to selection for Contract award) received by the submission deadline will be evaluated by an Evaluation Committee appointed by the Treasurer or the Treasurer's designee. The Evaluation Committee will rank the proposals and make a recommendation for award based on (1) technical merit (see Section 5.03), as demonstrated in the technical proposal and oral presentations, if any, and (2) cardholder services costs/fees, both as presented in the best and final offer, if any.

5.03 Technical Evaluation

After the Procurement Officer selects the qualifying proposals (those proposals that are reasonably susceptible to selection for Contract award) the Evaluation Committee will conduct an initial evaluation of the technical merit of each qualifying proposal based on the information provided in the proposal in response to Section 4.03 Volume I - Technical Proposal. The Evaluation Committee's final technical evaluation may include information obtained during oral presentations, if any.

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

1. Offeror's Capabilities
2. Prior Experience
3. References
4. Personnel
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 cardholder services costs/fees 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, proposal negotiations, and reference checks, and site visits, if any, the Evaluation Committee will perform its final evaluations and will make a recommendation to the Procurement Officer for award of the Contract to the responsible Offeror whose proposal is determined to be the most advantageous to the State based on the results of the final technical and financial evaluations. Contract award, if any, is subject to the approval of the Treasurer or Chief Deputy Treasurer upon recommendation of the Procurement Officer.

5.07 Debriefing of Unsuccessful Offerors

Unsuccessful Offerors shall be debriefed upon their written request, provided the request is made within a reasonable period of time after receiving notice of a final determination of award from the Procurement Officer. Request for debriefings shall be honored by the Office at the earliest feasible time after the request has been received. Debriefings shall be held in accordance with COMAR 21.05.03.06.

5.08 Responsibility

1. General

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

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

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

2. Discussions

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

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APPENDIX A

CARDHOLDER SERVICES COSTS/FEES WORKSHEET INSTRUCTIONS

1. Offerors must submit the Cardholder Services Cost/Fees Worksheet identified as Appendix A, including the timing and circumstances under which each cardholder cost and fee is assessed.
2. Additional cardholder services costs/fees not included on the Worksheet as Appendix A may be submitted on a Worksheet Supplement as a separate sheet. Describe in detail, including the timing and circumstances under which each cardholder cost and fee is assessed. See Section 4.05 Volume II – Cardholder Services Costs/Fees.
3. An individual who is authorized to bind the Offeror to the Cardholder Services Cost/Fees must sign Appendix A and any Worksheet Supplement. The selected Offeror may not charge cardholders any cost or fee not included in its proposal.
4. Cardholder services cost/fees must be recorded with dollars and cents, e.g., \$24.15. Fractional prices are not acceptable (e.g., \$24.15333).
5. It is imperative that the Cardholder Services Cost/Fees Worksheet, Appendix A, is completed accurately, as well as any attached separate Worksheet Supplement containing any additional cardholder services cost/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 (Continued)
CARDHOLDER SERVICES COSTS/FEES WORKSHEET

RFP for Electronic Payment Card Services for DLLR/DUI, RFP #DLLR-EPC-01172012

CARDHOLDER SERVICES	COSTS/FEES CHARGED PER CARD AND/OR TRANSACTION	TIMING AND CIRCUMSTANCES UNDER WHICH EACH CARDHOLDER FEE IS ASSESSED
Enrollment: Application Fee for EPC		
Web Application Fee for EPC		
Monthly: Maintenance Fee		
Statements		
ATM & POS:		
Withdrawal - Domestic		
Withdrawal - International		
Balance Inquiries		
Declined Transaction fee		
Teller - Cash Access		
Purchases - Signature based		
Purchases - Pinned		
Negative Balance (overdrafts)		
Other Service Fees:		
Pin Changes		
Card Replacement - Domestic		
Card Replacement - International		
Card Replacement - Emergency		
Bill Payments		
Account Closing fee		
Frozen Accounts		
Duplicate Statements		
Escheatment Fee		
ACH Transfer Fee to Bank		
Inactivity Fee		
Customer Service:		
Automated Inquiry		
Customer Service Rep Inquiry		
International Customer Service Inquiry		

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 Cardholder Services Cost/Fees Worksheet and any attached Worksheet Supplement.

Firm Name: _____

Authorized Official: _____

Typed Name: _____

Title: _____

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

A. Authority

I HEREBY AFFIRM THAT:

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

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

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

B-1. Certification Regarding Minority Business Enterprises.

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

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

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

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

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

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

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

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

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

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

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

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

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

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

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

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

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

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

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

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

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

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

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

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

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

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

(9) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C and subsections D(1)—(8) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

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

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

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

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

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

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

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

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

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

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

I. CERTIFICATION OF TAX PAYMENT

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

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

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

K. 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. _____

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
Investment Activities in Iran Certification
(To be submitted with Technical Proposal)

CERTIFICATION REGARDING INVESTMENTS IN IRAN

1. The undersigned certifies that, in accordance with State Finance & Procurement Article, §17-705;

(i) 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 §17-702 of State Finance & Procurement; and

(ii) it is not engaging in investment activities in Iran as described in State Finance & Procurement Article, §17-702.

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

Date: _____

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

_____ (signature of Authorized Representative and Affiant)

APPENDIX F

CONTRACT FOR

ELECTRONIC PAYMENT CARD SERVICES

ON BEHALF OF THE

**DEPARTMENT OF LABOR, LICENSING AND REGULATION,
DIVISION OF UNEMPLOYMENT INSURANCE**

BETWEEN

MARYLAND STATE TREASURER'S OFFICE

AND

CONTRACT

THIS CONTRACT (the "Contract") is made as of the ___ day of _____, 2013, by and between [NAME AND ADDRESS] (the "Contractor"), and the **MARYLAND STATE TREASURER'S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the "Office"), on behalf of the **DEPARTMENT OF LABOR, LICENSING AND REGULATION, DIVISION OF UNEMPLOYMENT INSURANCE** (the "DLLR/DUI"), 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 Electronic Payment Card Services as described in this Contract, which includes the following exhibits:

- Exhibit The Office's Request for Proposals ("RFP") for Electronic Payment Card Services, RFP #DLLR-EPC-01172013;
- Exhibit Contractor's Proposal dated ____;
- Exhibit Contractor's Cardholder Services Cost/Fees Worksheet 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 and Investment Activities in Iran Certification; and
- Exhibit Contractor's "Bank Operating Documents," dated _____.

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

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

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

ARTICLE II - TERM

- 2.1. The initial term of this Contract shall be for the period beginning April 1, 2013 and ending March 21, 2016.
- 2.2. In addition there shall be two additional two-year renewal options, which may be exercised at the sole discretion of the Office.
- 2.3. After the end of the Contract term, should a new contract be awarded to a contractor other than the incumbent, the Contract shall be deemed to be extended, Contractor shall continue to perform Contract services, and Contractor shall continue to receive the compensation specified in the Contract for such services, until such time as the transition to the new contractor is complete. Contractor shall also assist the Office during any transition period to a new contractor and provide all necessary information and data to any subsequent contractor.
- 2.4. The provisions of Sections 4.1, 4.5, 4.21, 4.22, 4.25 and 4.26 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 cardholder services costs/fees as described on Contractor's Cardholder Services Costs/Fees Worksheet as attached hereto as Exhibit ___ and any Worksheet Supplement as attached hereto as Exhibit ___. No other costs/fees shall apply to cardholders, the State, the Office or DLLR/DUI. These costs/fees shall not be adjusted during the term of this Contract including any renewal option periods.

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 responsibility 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 \$12.28 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total Contract value are performed in the Tier 2 Area, an Offeror shall pay each covered employee at least \$9.23 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

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

4.12. Multi-Year Contracts Contingent upon Appropriations

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

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

4.13. Termination for Default

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

4.14. Termination for Convenience

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

4.15. Delays and Extensions of Time

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

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

4.16. Variations in Estimated Quantities

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

4.17. Suspension of Work

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

4.18. Pre-Existing Regulations

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

4.19. Financial Disclosure

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

4.20. Political Contribution Disclosure

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

4.21. Retention of Records/Audit

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

4.22. Compliance with Laws

The Contractor hereby represents and warrants that:

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

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

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

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

4.23. Liability for Loss of Data

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

4.24. Cost and Price Certification

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

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

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

4.25. Ownership of Documents and Materials

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

4.26. Patents, Copyrights and Trade Secrets

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

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

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

4.27. Confidentiality

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

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

ARTICLE V - NOTICES

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

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

If to the Department of Labor, Licensing and Regulation:
Jim McVicker
Deputy Director, Contributions Division
Maryland Department of Labor, Licensing and Regulation
Office of Unemployment Insurance
1100 North Eutaw Street
Baltimore, Maryland 21201-2201

If to the Contractor: _____

ARTICLE VI - ADMINISTRATION

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

ARTICLE VII - REPRESENTATIONS

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

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

ATTEST:

[FIRM NAME]

By: _____

WITNESS:

MARYLAND STATE TREASURER'S OFFICE

By: _____
Nancy K. Kopp
State Treasurer

WITNESS:

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

**ACKNOWLEDGED AND ACCEPTED:
DEPARTMENT OF LABOR,
LICENSING AND REGULATION,
DIVISION OF UNEMPLOYMENT
INSURANCE**

By: _____
James A. McVicker
Deputy Director, Contributions
Division Unemployment Insurance

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

Melanie Mayo West
Assistant Attorney General

**APPENDIX G
(To be submitted with the Contract)
CONTRACT AFFIDAVIT**

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

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

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

I FURTHER AFFIRM THAT:

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

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

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

Name and Department ID

Number: _____ Address: _____

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

Name and Department ID Number: _____

Address: _____.

C. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland

or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

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

E. DRUG AND ALCOHOL FREE WORKPLACE

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

I CERTIFY THAT:

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

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

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

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

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

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

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

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

- (i) The dangers of drug and alcohol abuse in the workplace;
- (ii) The business's policy of maintaining a drug and alcohol free workplace;
- (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
- (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

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

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

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

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

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

- (i) Take appropriate personnel action against an employee, up to and including termination; or
- (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

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

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), below, that the individual shall not engage in the unlawful manufacture, distribution,

dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

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

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

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

F. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated _____, 2013, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

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

Date: _____

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

_____ (signature of Authorized Representative and Affiant)

APPENDIX H 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 Department of Labor, Licensing and Regulation, Division of Unemployment Insurance (the "Depositor"), and _____ (the "Bank"), [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.

Background

The Depositor, in accordance with Maryland State law, has designated the Bank as a depository for public funds of the Depositor [in connection with the services to be provided by _____] under the Electronic Payment Card Services Contract dated as of _____ (the "EPC Agreement"). During the term of this Agreement, the Depositor will designate the officer, or officers [or other agents], 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 EPC Agreement by reference between the Depositor and the Bank for all purposes; however, to the extent that any provision in the EPC Agreement 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. Should the Bank fail at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit, or in case the Bank becomes insolvent or in any manner breaches its contract with the Depositor, Depositor shall give written notice of such failure, insolvency or breach to the Bank, and the Bank shall have ten days to cure such failure, insolvency or breach. In the event the Bank shall fail to cure such failure, insolvency or breach within ten days, 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. 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; provided, however, the Depositor shall give to the Bank ten days written notice of the time and place

where such sale shall take place, and such sale shall be to the highest bidder for cash. The Depositor and the Bank shall have the right to bid at such 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. Each of the Depositor and the Bank shall have the right to terminate this Agreement by advance written notice to the other of its election to do so. This Agreement shall be void from and after the expiration of sixty days after the receipt of such notice, provided all provisions of this Agreement have been fulfilled.
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

[FIRM NAME]

By: _____

WITNESS:

**MARYLAND STATE TREASURER'S
OFFICE**

By: _____

Nancy K. Kopp
State Treasurer

WITNESS:

By: _____

Bernadette T. Benik
Chief Deputy Treasurer

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

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

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

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

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

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

IN WITNESS WHEREOF, I have executed this Designation as of this ____ day of _____, 2013.

STATE OF MARYLAND

By: _____
Nancy K. Kopp
Treasurer

APPENDIX J

CONFIDENTIALITY AGREEMENT

1. Pursuant to a Contract for Electronic Card Payment Services dated ____ (the "Contract"), by and between XXXX and the Maryland State Treasurer's Office, on behalf of the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance("DLLR/DUI"), XXXX will provide Electronic Payment Card Services for DLLR/DUI.
2. Under the Contract, XXX will be granted access to confidential unemployment insurance data ("Data") gathered and maintained by DLLR/DUI in its administration of the unemployment insurance program. For purposes of this Confidentiality Agreement, Data shall have the same meaning as "confidential UC information" as set forth in 20 CFR Part 603.
3. The purpose of this Confidentiality Agreement is:
 - a. To comply with 20 CFR Part 603 which requires a state agency disclosing confidential Data to enter into a written agreement which contains the requirements set forth in 20 CFR Part 603.10; and
 - b. To provide DLLR/DUI with assurances that XXX will comply with all of the applicable requirements of 20 CFR Part 603 and Maryland law regarding data security, confidentiality, and cost reimbursement.
4. As a condition of award of the Contract, XXX hereby agrees that:
 - a. All Data provided by DLLR/DUI under the Contract is confidential and shall be protected from unauthorized use and/or disclosure under this Agreement. Protection from unauthorized use and/or disclosure specifically includes storage in a place physically and electronically secure from access by unauthorized persons; maintaining information in electronic format such as magnetic tapes, hard drives, diskettes or any other form in such a way or manner that unauthorized persons cannot obtain the information by any means; and undertaking all necessary and reasonable precautions to ensure that only authorized personnel are given access to information stored in computer or other systems where the information is stored.
 - b. Data provided by DLLR/DUI under the Contract is solely for the use of the XXXX and is to be used only for the specific, limited purposes as described in the Contract. Any dissemination or use of the Data for other than the purpose of the Contract without the express written authority of DLLR/DUI is specifically prohibited. XXXX further agrees to comply with applicable laws, regulations, and other state and federal requirements with respect to the protection of privacy, security and dissemination of the Data including: federal regulations pertaining to DLLR data (20 CFR Part

603); the Maryland Annotated Code, Labor & Employment Article, §8-625; and Maryland Annotated Code, State Government Article, §10-611, *et seq.*

- c. Authority to request and/or receive Data from DLLR/DUI is restricted to officials and authorized employees of XXXX with a need to access such Data for the purposes described in the Contract. XXXX is responsible for restricting access to only such officials and employees.
- d. XXXX shall retain records of access and use of the Data during the term of this Agreement and for a period of five years following the termination of this Agreement. XXXX shall allow DLLR/DUI on-site inspection to verify Data security and usage during the term of this Agreement, as well as audit access during the subsequent five-year period. XXXX must respond to and correct any deficiencies noted by DLLR/DUI as a result of an audit/monitoring process.
- e. XXXX acknowledges that the Data is the property of and shall be returned to DLLR/DUI upon request. XXXX agrees to secure the Data received pursuant to the Contract. Information received pursuant to the Contract shall be disposed of after the expiration of the record retention period. Disposal means the return of the information to DLLR/DUI or destruction of the information, as directed by DLLR/DUI.
- f. XXXX agrees that the Data shall not be archived, stored, maintained, sent to a records center, or kept in any other physical, electronic or other type or manner for any period longer than the record retention period set forth in Section 4.d of this Agreement. Further, XXXX agrees that the Data disclosed shall not be retained with personal identifiers for any period longer than the record retention period set forth in Section 4.d of this Agreement.
- g. XXXX shall instruct all personnel having access to the Data regarding the confidentiality requirements and sanctions specified for unauthorized disclosure, including State criminal penalties, and shall fully and promptly report any infraction to DLLR/DUI. Thereafter, XXXX shall sign an acknowledgment to be returned to DLLR/DUI that all personnel having access to the disclosed information have been instructed as provided within this paragraph and will adhere to DLLR confidentiality requirements and procedures as outlined within this agreement and required by 20 CFR 603. XXXX further agrees that any infraction of these rules shall be fully and promptly reported to DLLR/DUI.
- h. Failure by XXXX or any authorized contractor or agent to adhere and comply with any provision set forth in this Agreement shall be considered a breach of the Contract and will result in the immediate suspension of the Contract. In the event of the Agreement's suspension, further disclosure of any information provided to XXXX under the terms of this Agreement, including information being processed by XXXX, shall be discontinued until such time that XXXX has taken appropriate corrective measures to cure the breach, and DLLR is satisfied that such corrective measures

have, in fact, cured the breach. Failure by XXXX or its authorized contractor or agent to take satisfactory and prompt measures to cure the breach will result in the immediate cancellation of the Agreement. In the event of XXXX or its authorized contractor or agent's failure to comply with this paragraph, thereby resulting in cancellation of the Agreement, all confidential or other information obtained under this Agreement, including any copies, shall be immediately surrendered and returned to DLLR/DUI.

- i. XXXX agrees to indemnify, assume all risk of loss, and hold harmless the State of Maryland, the Maryland State Treasurer's Office, DLLR/DUI, their officers, employees, agents, and volunteers, from and against any and all liabilities, demands, claims, suits, actions, causes of action, judgments, losses, damages, fines, settlements, costs, and expenses (including, without limitation, witnesses' fees and the reasonable value of the time of attorneys employed by the Attorney General's Office and/or the attorneys' fees of special or other counsel appointed by the Attorney General's Office or retained by DLLR/DUI to represent and/or defend DLLR/DUI, and expenses incident thereto) related to or arising in connection with any acts or omissions of XXXX, its officers, employees, agents, volunteers, and/or subcontractors, in connection with this Agreement, including, without limitation, any actual or alleged:
 - (i) Breach of this Agreement;
 - (ii) Negligent, intentional or wrongful acts or omissions;
 - (iii) Performance, attempted performance, and/or non-performance of any duty, obligation, covenant, proviso, requirement, specification, term, or condition of this Agreement;
 - (iv) Failure to fulfill the compliance with the law provisions of this Agreement;
 - (v) Infringement of and/or other damage or harm to any copyright, trademark, patent, or other intellectual or intangible property right of any person or entity; or
 - (vi) Unauthorized disclosure, release, or acquisition of the Data, including without limitation any such unauthorized disclosure, release, or acquisition related to a failure to comply with the confidentiality provisions of this Agreement.
- j. Except where expressly stated otherwise, all other terms of the Contract shall apply to this Agreement.

[Signatures Appear on the Following Page]

The signatories below agree to the terms and conditions of this Agreement on behalf of the parties to this Agreement.

ATTEST: [XXXX]

By: _____

Name: _____

Title: _____

WITNESS: **MARYLAND STATE TREASURER'S OFFICE**

By: _____

Nancy K. Kopp
State Treasurer

WITNESS:

By: _____

Bernadette T. Benik
Chief Deputy Treasurer

**ACKNOWLEDGED AND ACCEPTED:
DEPARTMENT OF LABOR,
LICENSING AND REGULATION,
DIVISION OF UNEMPLOYMENT
INSURANCE**

By: _____

James A. McVicker
Deputy Director, Contributions Division
Unemployment Insurance

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

Melanie Mayo West
Assistant Attorney General

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

EXHIBIT 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

§6-203.

(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.

EXHIBIT 4

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 5
State Finance and Procurement Article
Title 17. Special Provisions – State and Local Subdivisions
Subtitle 7. Investment Activities in Iran

§17–701. Definitions

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Energy sector of Iran” means activities to develop petroleum or natural gas resources or nuclear power in Iran.
- (c) “Financial institution” has the meaning stated in Section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172).
- (d) “Iran” includes the government of Iran and any agency or instrumentality of Iran.
- (e) “Person” includes:
 - (1) a natural person, corporation, company, limited liability company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group;
 - (2) a governmental entity or instrumentality of a government, including a multilateral development institution, as defined by the federal International Financial Institutions Act, 22 U.S.C. 262r(c)(3); or
 - (3) any parent, successor, subunit, direct or indirect subsidiary of, or any entity under common ownership or control with, an entity described in item (1) or (2) of this subsection.
- (f) “Public body” means:
 - (1) the State;
 - (2) a county, municipal corporation, or other political subdivision;
 - (3) a public instrumentality; or
 - (4) any governmental unit authorized to award a contract.

§17–702. Engagement of Investment activities in Iran

For purposes of this subtitle, a person engages in investment activities in Iran if:

- (1) the person provides goods or services of \$20,000,000 or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers or products used to construct or maintain pipelines used to transport oil or liquefied natural gas for the energy sector of Iran; or
- (2) the person is a financial institution that extends \$20,000,000 or more in credit to another person for 45 days or more if the person to whom the credit is extended:
 - (i) will use the credit to provide goods or services in the energy sector of Iran as described in item (1) of this section; and
 - (ii) is, at the time of the extension of credit, identified on a list created under § 17–704 of this subtitle as a person engaging in investment activities in Iran.

§17–703. Ineligibility to bid on, submit a proposal for, or enter into or renew contract

A person that, at the time of bid or proposal for a new contract or renewal of an existing contract, is identified on a list created by the Board under § 17–704 of this subtitle as a person engaging in investment activities in Iran is ineligible to, and may not bid on, submit a proposal for, or enter into or renew a contract with a public body for goods or services.

§17–704. List of persons engaged in investment activities in Iran

- (a)
 - (1) On or before December 31, 2012, the Board shall use credible information available to the public to create a list of persons that the Board determines to be engaged in investment activities in Iran as described in § 17–702 of this subtitle.
 - (2) The Board shall update the list at least every 180 days.
 - (3) Before the Board includes a person on the list, the Board shall provide the person with 90 days’ written notice that:

(i) the Board intends to include the person on the list; and
(ii) inclusion on the list would make the person ineligible to bid on, submit a proposal for, or enter into or renew a contract with a public body for goods or services.

(4) The notice required under paragraph (3) of this subsection shall specify that if the person ceases engagement in investment activities in Iran as described in § 17-702 of this subtitle, the person may become eligible for a future contract or contract renewal with a public body for goods or services on removal from the list.

(b) (1) The Board shall provide a person with an opportunity to comment in writing to the Board that the person is not engaged in investment activities in Iran.

(2) If the person demonstrates to the Board that the person is not engaged in investment activities in Iran as described in § 17-702 of this subtitle, the Board may not include the person on the list.

(c) The Board shall remove a person from the list if the person demonstrates to the Board that the person no longer is engaged in investment activities in Iran as described in § 17-702 of this subtitle.

(d) The Board shall make every reasonable effort to avoid erroneously including a person on the list.

(e) The Board shall publish the list on the Internet.

§17-705. Bid or proposal for contract

(a) On or after January 1, 2013, a public body shall require a person that submits a bid or proposal to the public body for a contract for goods or services, or otherwise proposes to enter into or renew a contract for goods or services with the public body, to:

(1) certify at the time the bid is submitted or the contract is renewed that the person:

(i) is not identified on the list created by the Board as a person engaging in investment activities in Iran as described in § 17-702 of this subtitle; and

(ii) is not engaging in investment activities in Iran as described in § 17-702 of this subtitle; or

(2) if the person is unable to make the certification under item (1) of this subsection, provide the public body, under penalty of perjury, a detailed description of the person's investment activities in Iran.

(b) A public body shall submit any information provided to the public body under subsection (a)(2) of this section to the Board.

§ 17-706. False certification

(a) Notice and opportunity to be heard. --

(1) If a public body, using credible information available to the public, determines that a person has submitted a false certification under § 17-705(a)(1) of this subtitle, the public body shall provide written notice to the person and an opportunity for the person to demonstrate in writing that the person is not engaged in investment activities in Iran.

(2) If the person fails to demonstrate to the public body within 90 days after the public body provides notice under paragraph (1) of this subsection that the person is not engaged in investment activities in Iran, the public body shall report to the Board and the Attorney General:

(i) the name of the person determined to have submitted a false certification;
and

(ii) the information on which the public body made its decision.

(b) Action by Attorney General. --

(1) The Attorney General may institute an action against a person determined to have submitted a false certification under § 17-705(a)(1) of this subtitle.

(2) An action brought under this section shall be brought within 3 years from the date the certification is made.

(c) Penalties. -- If, in an action brought under this section, a court determines that a person submitted a false certification:

(1) the person shall pay all reasonable costs and fees incurred in the civil action, including:

(i) any costs incurred by the public body for the investigation that led to the finding of the false certification; and

(ii) all reasonable costs and fees incurred by the Attorney General in bringing the action;

(2) the court may impose a civil penalty equal to the greater of \$ 1,000,000 or twice the amount of the contract for which the false certification was submitted;

(3) the public body may terminate the contract for which the false certification was submitted; and

(4) the person is ineligible to bid on a contract with a public body for a period of 3 years from the date of the court order.

(d) Protest of award of contract based on false certification. --

(1) Except as provided in paragraph (2) of this subsection, an unsuccessful bidder or any other person may not protest the award of a contract or contract renewal on the basis of a false certification.

(2) Paragraph (1) of this subsection does not prohibit a public body from filing a protest objecting to the award of a contract or contract renewal on the basis of a false certification.

(e) No private right of action. -- This subtitle does not create or authorize a private right of action.

§ 17-707. Preemption

This subtitle preempts any law, ordinance, rule, or regulation of any local governing body involving procurement contracts for goods or services with a person engaged in investment activities in Iran.