



**Vivek Malek**  
**Missouri State Treasurer**

**REQUEST FOR PROPOSALS**

**ELECTRONIC BANKING SERVICES**

**REQUIRED BY**

**OFFICE OF THE TREASURER**

**STATE OF MISSOURI**

Submit Proposals to:  
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## I. INTRODUCTION

### A. PURPOSE OF RFP

The Missouri State Treasurer's Office (STO) is accepting written proposals from financial institutions to serve as its electronic transactions processor for the State of Missouri (State). The STO maintains and oversees a number of demand accounts through which electronic (ACH and wire transfer) debits and credits are cleared. The purpose of this Request for Proposal (RFP) is to select one financial institution to provide electronic banking services for a four- (4) year period commencing October 1, 2024, and ending September 30, 2028. This RFP includes the processing of ACH transactions received under the STO's unique routing number.

### B. BIDDERS CONFERENCE

The STO will hold a mandatory bidder's conference at 1:00 p.m., April 16, 2024. The bidder's conference will be held by conference call. Each bidder must have a representative in attendance (dialed in) at the bidder's conference. **No proposals will be accepted from a bidder who does not attend this conference.** Call in information will be distributed by email on April 15<sup>th</sup>.

Bidders are encouraged to submit questions in writing in advance of the bidders' conference. Such questions should be emailed to the State Treasurer's Office at [storfp@treasurer.mo.gov](mailto:storfp@treasurer.mo.gov).

### C. SUBMISSION INSTRUCTIONS

Proposals must be completed, signed and returned (in the volumes required and with all necessary attachments) to the STO (Truman State Office Building, Suite 780, Jefferson City, Missouri) **by 11:00 a.m. Central Standard Time, May 1, 2024.** The response must include five (5) copies of Volume I in addition to the original document containing Volumes I and II. *Responses must be in paper form and delivered directly to the STO by the deadline date and time.* (Neither faxed copies nor electronic submissions of proposals will be accepted.) In addition, included with the original copy of the response, bidders shall provide an electronic copy of the entire proposal as required in section V.B., Format and Submission of Proposal, on CD-ROM or flash drive. (If any discrepancies occur between the paper copy and the electronic copy, the paper copy will prevail.)

Each proposal must include the following:

Volume I:

- ◆ Cover or transmittal letter including the signature of the bank officer responsible for the proposal (must be an officer with authority to bind the bidder to the described services)
- ◆ Eligibility Certification (see section V.A.6)
- ◆ Clear, unambiguous, documented acceptance of the mandatory requirements or an alternative solution to provide the requirements (see section II.B.)
- ◆ Answers to the specific questions posed to the bidders by the STO (see section II.C.)
- ◆ Proposed Method of Performance (see section V.F.)
- ◆ Community Investment (see section V.G. and **Appendix L**)
- ◆ Completed applicable portions of the Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization (see section III.E.6 and **Appendix M**)

Volume II:

- ◆ Completed Pricing Tables (see **Appendix I**)
- ◆ Other supplemental pricing information if needed

#### **D. AWARD AND IMPLEMENTATION**

The STO expects to award this contract within sixty (60) days of the proposal due date. Proposals must include an implementation schedule. (See Section II.C.19) The Contractor must be prepared to assume responsibility for state electronic banking services and processing of the STO’s transit routing number effective October 1, 2024. The STO will work with the Contractor as necessary to complete implementation in a timely manner.

#### **E. BID EVALUATION AND SELECTION CRITERIA**

The award of a contract resulting from this RFP shall be based in accordance with the evaluation criteria stated below:

<b>Price</b>	<b>50%</b>
<b>Proposed Method of Performance</b>	<b>20%</b>
<b>Experience, Quality and Reliability</b>	<b>25%</b>
<b>Community Investment</b>	<b>5%</b>

The STO reserves the right to reject any and all proposals submitted by bidders. Award of this contract will be given to the bidder whose overall capabilities will best serve the needs as described in accordance with this RFP.

#### **F. ANTICIPATED TIMETABLE**

Release RFP	April 1, 2024
Bidders Conference	April 16, 2024
Last Date to Submit Questions	April 24, 2024
Proposals Due	May 1, 2024
Presentations by Selected Bidders	May 15, 2024
Evaluation Committee Recommendation (approximate)	May 31, 2024
Contractor Selection (approximate)	June 30, 2024

## II. SCOPE OF SERVICES

### A. OVERVIEW

The State Treasurer's Office (STO) maintains and oversees a number of demand deposit accounts through which various types of electronic banking activities are cleared. The programs/services within the scope of this RFP include: electronic receipts via ACH and wire transfer from various entities such as the federal government, State agencies, vendors and taxpayers; ACH disbursements for vendor payments, state payroll, state aid payments and tax refunds; ACH debit programs for enrollees and filings; and cash concentration programs operated by the STO and several State agencies. These services are described in greater detail below.

In 2000, the STO implemented the use of its own routing number for the receipt of ACH transactions (both incoming credits and debits). The STO currently uses this routing number only for ACH receipts. It is currently not used for the initiation of ACH credits, ACH debits, wire transfers, or disbursements/payments by check.

The STO has assigned its own unique account numbers for use with the STO routing number to enable the STO to better identify receipts for reconciliation purposes and to simplify future electronic banking service transitions.

A list of demand deposit accounts required is provided as **Appendix A**. Also provided is a table showing the required file formats and reporting requirements for these accounts. A sample "crosswalk" which demonstrates the mapping of the STO assigned account numbers to the Contractor's demand deposit accounts is provided as **Appendix B**. Activity indicators for the accounts and the STO routing number are provided in **Appendix C**. *Note: The account numbering in this section will match the account numbering in Appendix A and B.*

On-line access to account balances and transaction information via the Internet is required for all Contractor established demand deposit accounts. (This does not include STO assigned account numbers. Those will be reported to State agency users via a STO in-house system.) The STO also requires the ability to perform on-line transfers between accounts and the ability to initiate outgoing credit and debit ACH entries and outgoing wire transfers via the Contractor's on-line system.

As noted in Section IV.A., Method of Compensation, end of day account balances shall not be assessed charges for reserve requirements, FDIC insurance premiums, or any similar balance related charges. End of day collected balances in the accounts shall be included in determining the compensating balance to which earnings credits are applied.

**The STO does not prefund any ACH transactions.** Currently, the STO initiates an ACH credit from the State's custodial Contractor to the electronic banking services Contractor each

day to fund the anticipated net outgoing ACH credits for that day. Settlement of funding transactions will be timed to coincide with outgoing credits. Please see the flowchart in **Appendix D** showing funds flow for the STO.

ACH files created by the state, as well as files produced by the Contractor for delivery to the state shall be transmitted via secure FTP (see **Appendix F** for an explanation).

The following are descriptions of the accounts currently used by the State, and each of these accounts may be identified in this Contract either by the name set forth in the list below, by the paragraph number that corresponds with the name below (for example: “STO Master Account” or “account #1”), or both by name and number:

## **1. STO MASTER ACCOUNT**

This account is used to consolidate ACH activity from specified accounts at the Contractor, as well as the daily ACH settlement from the State’s custodial contractor to cover outgoing ACH disbursements. Outgoing wire transfers to the custodial services Contractor and the check disbursement contractor (if needed) will be initiated by STO staff daily. This account is also used for the receipt of wire transfers for State agencies and for outgoing wires initiated by the State.

Designated STO and agency personnel have on-line access to the account and its activity. Notification of all wire transfers received and initiated are emailed to the STO Banking Division using the Contractor’s secure email.

The STO manually initiates ACH entries from the account using the Contractor’s on-line ACH origination system. Entries are originated in CCD and PPD format with a confirmation report produced via the software. In addition, the STO initiates outgoing wire transfers from this account using the Contractor’s on-line wire transfer system. All outgoing payments require dual approval and include use of Contractor provided security devices.

The STO requires the ability to initiate on-line transfers between this account and various other accounts as indicated in the following account descriptions. This account is the master account for specified zero-balance accounts into which automatic sweeps are deposited. Debit filters are required on this account.



## **ELECTRONIC RECEIPT ACCOUNTS:**

### **2. STO ELECTRONIC RECEIPTS ACCOUNT**

This account serves as the main electronic receipt account for the State. As indicated on the crosswalk in **Appendix B**, fifty-six (56) STO-assigned accounts ultimately post to this account shared by all State agencies.

Designated STO and State agency personnel have on-line access to this account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). Debit filters are required on this account.

### **3. DCI INSURANCE LICENSING ACCOUNT**

This account is used for the electronic deposit of credit card receipts settled by the Insurance Divisions of the Department of Commerce and Insurance (DCI). Receipts into this account include insurance industry licensing fees submitted through a system maintained by the National Insurance Producer Registry (NIPR). The Contractor provides an ACH file to the DCI of all transactions received including the related addenda records via secure FTP. Entries are received in CTX format and contain 820 transaction sets in the addenda. Receipts into this account also include insurance product filing fees submitted through a system maintained by the National Association of Insurance Commissioners (NAIC) called the System for Electronic Rates and Forms Filing (SERFF).

Designated STO and State agency personnel have on-line access to the account and its activity.

This is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.

### **4. DCI PROFESSIONAL REGISTRATION RECEIPTS ACCOUNT**

This account is used for the electronic deposit of credit card receipts settled by the DCI's, Division of Professional Registration's (PR) contracted third party processor. These credit card receipts represent license charges and other fees charged by PR. The Contractor provides a NACHA formatted file to PR of all transactions received via secure FTP.

Designated STO and State agency personnel have on-line access to this account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit filter is required on this account.

## **5. DOR CORPORATE ESTIMATED TAX ACCOUNT**

This account is used for the receipt of corporate estimated tax payments. The Contractor provides a NACHA formatted file to the Department of Revenue (DOR) of all transactions received, including the related addenda records via secure FTP. Entries are received in a CCD+ format using the TXP convention.

Designated STO and State agency personnel have on-line access to the account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit filter is required on this account. Additional debits to this account require STO approval.

## **6. DOR CREDIT CARD RECEIPTS ACCOUNT**

This account is used for the receipt of credit card settlements from DOR's contracted third party processor for the payment of taxes and fees owed to DOR. The Contractor provides a NACHA formatted file to the DOR of all transactions received, including the related addenda records via secure FTP.

This account has two sub-accounts. One for credit card settlements and one for specifically for tire and battery fee receipts. A cross-walk is provided to the contractor indicating the STO-assigned account numbers that post to this account.

Designated STO and State agency personnel have on-line access to the account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit filter is required on this account.

## **7. DOR EMPLOYER WITHHOLDING TAX ACCOUNT**

This account is used for the receipt of employer withholding tax payments. The Contractor provides a NACHA formatted file to the DOR of all transactions received, including the related addenda records via secure FTP. Entries are received in a CCD+ format using the TXP convention.

Designated STO and State agency personnel have on-line access to the account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit filter is required on this account. Additional debits to this account require STO approval.

#### **8. DOR MISCELLANEOUS TAX ELECTRONIC RECEIPTS ACCOUNT**

This account is used for the receipt of payments to DOR's Miscellaneous Tax Section via ACH.

Designated STO and State agency personnel have on-line access to the account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.

#### **9. DSS KIDS PROGRAM RECEIPTS FOR ALTERNATIVE CARE CHILDREN ACCOUNT**

This account is used for the receipt of Social Security benefits for children in the care of the Department of Social Services (DSS). The Contractor provides an ACH file to the DSS of all transactions received including the related addenda records via secure FTP. Entries are received in a PPD+ format and require a special translation of the receiving account number to associate it to the Contractor's account. The ACH entries will utilize the full 17 characters; however, only the last 7 characters constitute the STO account number shown in the sample crosswalk in **Appendix B**. The preceding 10 characters represent the case number associated with the payment, and must be included on the files received by DSS and STO.

Designated STO and State agency personnel have on-line access to the account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.

#### **10. DSS SSA DEDICATED ACCOUNT**

This account is used for the receipt of Social Security benefits for children in the care of the DSS. The Contractor provides an ACH file to the DSS of all transactions received

including the related addenda records via secure FTP. Entries are received in a PPD+ format and require a special translation of the receiving account number to associate it to the Contractor's account. The ACH entries will utilize the full 17 characters, however, only the last 7 characters constitute the STO account number shown in the sample crosswalk in **Appendix B**. The preceding 10 characters represent the case number associated with the payment, and must be included on the files received by DSS and STO.

Designated STO and State agency personnel have on-line access to the account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.

## **11. DYS REP PAYEE FOR SOCIAL SECURITY BENEFICIARIES**

This account is used for the receipt of Social Security benefits for youth under the supervision of the DSS, Division of Youth Services (DYS). The Contractor provides an ACH file to the DSS of all transactions received including the related addenda records via secure FTP. Entries are received in a PPD+ format and require a special translation of the receiving account number to associate it with the Contractor's account. The ACH entries will utilize the full 17 characters, however, only the last 7 characters constitute the STO account number shown in the sample crosswalk in **Appendix B**. The preceding 10 characters represent the case number associated with the payment, and must be included on the file received by DSS.

Designated STO and State agency personnel have on-line access to the account and its activity.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.

## **ELECTRONIC DISBURSEMENT ACCOUNTS:**

### **12. STO ELECTRONIC DISBURSEMENT ACCOUNT**

This account is the main electronic disbursement account for state payroll, vendor payments, and individual and corporate income and motor fuel tax refunds. These transactions are initiated either by the Office of Administration (for state payroll and vendor payments), or the DOR (for individual and corporate income, motor fuel tax refunds, Sales and Use Tax and Withholding Tax).

The Office of Administration (OA) creates vendor payment files daily, with the exception of the last two (2) working days of each month. Vendor payment files settle the following state business day after delivery to the Contractor. Vendor payment files are produced in CTX format with addenda records using ANSI X12 version 4010 of the 820 transaction set (payment order/remittance advice). Vendor payment files contain prenote transactions.

OA creates state payroll files twice monthly with settlement to occur on the 15<sup>th</sup> (or the immediately preceding or following business day if the 15<sup>th</sup> falls on a weekend or holiday) and the last working day of the month. Payroll files settle two (2) business days after delivery to the Contractor. State payroll files are in PPD format. Payroll files contain prenote transactions.

*Please note: The State of Missouri is in the process of procuring a new Enterprise Resource Planning (ERP) system. The implementation of this system is expected to occur during this contract period and may impact the file formats and file needs described in this RFP. The Contractor hereby acknowledges and agrees that it shall take any and all actions necessary to integrate its systems and operations with the State of Missouri's new ERP system, and that Contractor will do so with all deliberate speed so as not to cause any delays to, disruptions to, or interference with the services described in this Contract.*

DOR creates income tax refund files daily from their integrated tax system. These refund files may contain refunds for individual & corporate income tax, withholding tax, and sales tax. Each tax type is included in a separate batch on the file. Not all tax types generate refunds daily. These refund files settle the following state business day after delivery to the Contractor. DOR uses PPD format for the refund files. Tax refunds are not prenoted.

DOR creates corporate income tax refund files weekly throughout the year. Corporate refund files settle the following state business day after delivery to the Contractor. DOR uses CCD format for the refund files. Corporate income tax refunds are not prenoted.

DOR creates motor fuel tax refund files daily as needed throughout the year. These refund files settle two state business days after delivery to the Contractor. DOR uses PPD format for the refund files. Motor fuel tax refunds are not prenoted.

ACH files are sent via secure FTP to the Contractor, with collection entry reports and files of ACH return items (including notifications of change (NOCs)) delivered back to the agency and the STO via secure FTP. File confirmations are posted by the STO to an on-line PEP + Exchange interface provided by the Contractor.

Designated STO and State agency personnel have on-line access to the account and its activity. Return items (including NOCs) are emailed daily to the STO Banking Division using the Contractor's secure email and are available as on-line reports (in addition to the ACH files noted above).

The STO manually initiates ACH credits from the account using the Contractor's on-line ACH origination system to resend returned ACH items or to manually initiate an ACH transaction. Entries are originated in the appropriate ACH format with a confirmation report produced via the system. ACH deletes and reversals are sent via state secure email to the Contractor for execution.

The STO requires the ability to initiate on-line transfers between this account and various other accounts as indicated in the following account descriptions. This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit filter is required on this account.

### **13. DSS ELECTRONIC DISBURSEMENT ACCOUNT**

This account is the main electronic disbursement account for DSS benefit and program payments. These files settle two (2) business days after delivery to the Contractor. DSS creates files daily using both PPD and CCD formats as appropriate for their payments. DSS files contain prenote transactions.

ACH files are sent via secure FTP to the Contractor, with collection entry reports and files of ACH return items delivered back to the agency and the STO via secure FTP. File confirmations are posted by the STO to an on-line PEP + Exchange interface provided by the Contractor.

Designated STO and State agency personnel have on-line access to the account and its activity. Return items (including NOCs) are emailed using the Contractor's secure email and reported daily to the STO Banking Division (in addition to the ACH files noted above).

Account funding occurs through the deposit of vendor payment transactions originated out of account #11 above. The STO may manually initiate ACH credits via the Contractor's on-line ACH origination system to resend returned ACH items. Entries are originated in the appropriate ACH format with a confirmation report produced via the system. ACH deletes and reversals are sent via state secure email to the Contractor for execution.

The STO requires the ability to initiate on-line transfers between this account and the STO Master Account (account # 1). Any balances will remain in this account until transferred by the STO. A debit filter is required on this account.

### **CONCENTRATION/COLLECTION ACCOUNTS:**

### **14. AGENCY DEBIT PROGRAMS SETTLEMENT ACCOUNT**

This account is used for the settlement of ACH debit transactions initiated by the Department of Corrections (DOC) to offender accounts. The debit transactions collect the offender fee due to the state as authorized by the offender.

The DOC creates a monthly file and delivers it to the Contractor via secure FTP. DOC does not prenote their transactions. File confirmations are posted by the DOC to an on-line PEP + Exchange interface provided by the Contractor. The debits are created using PPD format.

Designated STO and State agency personnel have on-line access to the account and its activity. Return items (including NOCs) are reported daily to the DOC through reports available online.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.

## **15. CONSERVATION CONCENTRATION ACCOUNT**

This account is used for settlement of ACH debit transactions initiated by the Department of Conservation (MDC) for the collection of hunting and fishing permit sales by retailers.

MDC's contractor creates ACH files weekly and delivers them to the Contractor for settlement. MDC does prenote their transactions. Additional files will be created and delivered daily to re-present any ACH items returned due to insufficient or uncollected funds. Files are created using PPD format.

ACH files are sent via secure FTP from the MDC contractor to the Contractor, with collection entry reports and files of ACH return items delivered back to the MDC contractor via secure FTP. File confirmation will be posted by MDC to the interface provided by the Contractor.

Designated STO and State agency personnel have on-line access to the account and its activity.

The account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account #1). A debit block is required on this account.

## **16. DOR DEBIT PROGRAMS ACCOUNT**

This account is used for the settlement of ACH debit transactions initiated by the DOR. Currently, there are two (2) active programs: the Motor Vehicle Dealer Admin fee and the Individual Income Tax debits. The debit transactions collect the amounts due to DOR for the respective programs as authorized by the dealer or taxpayer.

The DOR creates debit files (Motor Vehicle is monthly and Individual Tax is daily) and delivers them to the Contractor via secure FTP. DOR prenotes when the banking instructions are received or changed. Prenote files for both programs occur daily. Collection entry reports and files of ACH return items (including NOCs) are delivered back to the agency and the STO via secure FTP. File confirmations are posted by the STO to an online PEP+ Exchange interface provided by the Contractor. Debits for the Motor Vehicle program are in CCD format. Debits for the Individual Tax program are in PPD format.

Designated STO and State agency personnel have on-line access to the account and its activity. Return items (including NOCs) are emailed using the Contractor's secure email and reported daily to the STO Banking Division (in addition to the ACH files noted above).

ACH deletes and reversals are sent via state secure email to the Contractor for execution. This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account #1). A debit block is required on this account.

## **17. DSS DEBIT PROGRAMS SETTLEMENT ACCOUNT**

This account is used for the settlement of ACH debit transactions initiated by the DSS to a client's account. The debit transactions collect insurance premiums and other payments due to the state as authorized by the client.

The DSS creates debit files daily using PPD format. These files settle three (3) business days after delivery to the Contractor. These files contain prenote transactions.

ACH files are sent via secure FTP to the Contractor, with collection entry reports and files of ACH return items (including NOCs) delivered back to the agency and the STO via secure FTP. File confirmations are posted by the STO to an on-line PEP + Exchange interface provided by the Contractor.

Designated STO and State agency personnel have on-line access to the account and its activity. Return items (including NOCs) are emailed using the Contractor's secure email system and reported daily to the STO Banking Division (in addition to the ACH files noted above).

ACH deletes and reversals are sent via state secure email to the Contractor for execution.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.



## **18. LOTTERY CONCENTRATION ACCOUNT**

This account is used for settlement of ACH debit transactions initiated by the Missouri Lottery to the accounts of Lottery ticket retailers based on the ticket sales for the prior week.

The Lottery creates ACH files weekly and delivers them each Monday (Tuesday, if Monday is a holiday) to the Contractor for settlement on Wednesday (Thursday if Wednesday is a banking holiday). In addition, each Monday a file of prenote transactions for newly licensed retailers is delivered. Files are created using PPD format.

ACH files are sent via secure FTP to the Contractor, with collection entry reports and files of ACH return items delivered back to the agency (through the state data center) via secure FTP. File confirmations are posted by the Lottery to an on-line PEP + Exchange interface provided by the Contractor.

The Contractor automatically re-presents any ACH items returned due to insufficient or uncollected funds one time. Return and redistribution reports are provided to the Lottery via email using the Contractor's secure email system and on-line report to document this process.

Designated STO and State agency personnel have on-line access to the account and its activity. Return items (including NOCs) are emailed using the Contractor's secure email system and reported daily to the Lottery.

The Lottery manually creates ACH debits via the Contractor's on-line ACH origination system to resend ACH return items, and the occasional credit to refund a credit balance. Entries are originated in the appropriate ACH format with a confirmation report produced via the software. ACH deletes and reversals are emailed to the Contractor using state secure email for execution.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit filter is required on this account.

## **19. SOS ACH PAYMENT PROGRAMS ACCOUNT**

This account is used for settlement of ACH debit transactions initiated by the Secretary of State's Office (SOS) for corporate filings. The SOS creates files daily (currently up to two (2) files daily, but there is the potential for three (3) daily files as a new system is implemented) using CCD format. Files settle the following state business day after delivery to the Contractor. These files contain prenote transactions.

ACH files are sent via secure FTP to the Contractor, with collection entry reports and files

of ACH return items delivered back to the agency via secure FTP. File confirmations are posted by the STO to an on-line PEP + Exchange interface provided by the Contractor.

Designated STO and State agency personnel have on-line access to the account and its activity. Return items (including NOCs) are emailed using the Contractor's secure email system and reported daily to the STO Banking Division.

ACH deletes and reversals are sent via state secure email to the Contractor for execution.

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account # 1). A debit block is required on this account.

## **20. STO CONCENTRATION ACCOUNT**

As part of the management of the State's investment portfolio, the State places time deposits, including linked deposits, having terms of three (3) months to five (5) years with financial institutions in Missouri. This account is used by the STO to settle ACH files for these time deposits and maturities, as well as for manual ACH transfers related to time deposits. This account is also used to settle cash concentration activities related to STO collection accounts.

Time deposit settlement files are created by the STO and sent to the Contractor each Wednesday for deposits being placed as well as for deposits maturing each Friday. (Timeframes are adjusted as needed when holidays fall on Wednesday or Friday, but files will generally result in two (2) day settlement.) Files are produced in CCD format. Each file contains a separate batch of credits and a separate batch of debits. This file will contain prenote transactions.

Time deposit ACH files are sent via secure FTP to the Contractor, with collection entry reports and files of ACH return items delivered back to the STO via secure FTP. File confirmations are posted by the STO to an on-line PEP + Exchange interface provided by the Contractor.

Manual time deposit ACH transactions are initiated via the Contractor's on-line ACH origination system. Entries are originated in the appropriate ACH format with a confirmation report produced via the system. Manual time deposit outgoing wires are initiated using the Contractor's Web based wire system and the required security devices.

For cash concentration activities, the STO manually creates the cash concentration draws from the STO's approximately eighty five (85) collection accounts/depository locations via the Contractor's on-line ACH origination system. Entries are originated in CCD format with a confirmation report produced via the system.

Designated STO personnel have on-line access to the account and its activity. Return items (including NOCs) are emailed using the Contractor's secure email system and reported daily to the STO Banking Division (in addition to the ACH file noted above).

This account is a zero-balance account that sweeps automatically to the STO Master Account discussed previously (account #1). A debit filter is required on this account.

## **OTHER ELECTRONIC ACCOUNTS:**

### **21. DHSS WIC ACCOUNT**

This account is used for the electronic deposit of WIC benefits delivered to program participants via a Department of Health and Senior Services (DHSS) contractor. The DHSS WIC contractor will present an ACH debit to the account daily for WIC benefit payments presented the prior business day to replenish a clearing account the WIC contractor operates.

Designated STO and State agency personnel have on-line access to the account and its activity.

The State funds this account with credits from the State vendor payment file initiated out of the STO Electronic Disbursement Account (account #12). The STO may manually initiate ACH credits to the account via the Contractor's on-line ACH origination system. No ACH activity is originated from this account.

The STO requires the ability to initiate on-line transfers between this account and the STO Master Account (account #1).

Any balances will remain in this account until transferred by the STO. A debit filter is required on this account.

### **22. DSS ELECTRONIC BENEFITS ACCOUNT**

This account is used for the electronic deposit of benefits delivered to program participants via a DSS Contractor for Electronic Benefits Payments (EBT). The DSS EBT Contractor will present an ACH debit to the account daily for EBT benefit payments used the prior business day.

Designated STO and State agency personnel have on-line access to the account and its activity.

The State funds this account with credits from the State vendor payment file initiated out of the STO Electronic Disbursement Account (account #12). The STO may manually initiate ACH credits to the account via Contractor's on-line ACH origination system. Entries are originated in CCD format with a confirmation report produced via the software.

The STO requires the ability to initiate on-line transfers between this account and the STO Master Account (account #1).

Any balances will remain in this account until transferred by the STO. A debit filter is required on this account.

### **23. STO TRUSTEE, OASI ACCOUNT**

The State Treasurer Trustee, Old Age and Survivors Insurance Contributions (OASI) Account is held in trust by the State Treasurer. This account is a clearing account for state payroll OASI withholdings.

The State funds this account with credits from the State vendor payment file initiated out of the STO Electronic Disbursement Account (account #12) and from deposits or transfers from other payroll related accounts maintained outside the state treasury.

Personnel representing OA, Division of Accounting manually initiate ACH credits from the account using the Contractor's on-line ACH origination system. Entries are originated in the appropriate ACH format with a confirmation report produced via the software. OA, Division of Accounting personnel require the ability to initiate on-line transfers between this account and the STO Trustee, Federal Payroll Tax Account (account #24) and other payroll non state accounts (if held by the contractor).

Designated STO and State agency personnel have on-line access to the account and its activity.

Any balances will remain in this account until transferred by the STO or OA, Division of Accounting. A debit filter is required on this account.

### **24. STO FEDERAL DEBIT PROGRAMS ACCOUNT**

This account is used for the electronic deposit of amounts due to the federal government for certain programs and to receive ACH debits from the federal government for remittance of those payments.

Designated STO and State agency personnel have on-line access to the account and its activity.

The State funds this account with credits from the State vendor payment file initiated out of the STO Electronic Disbursement Account (account #12).

Any balances will remain in this account until transferred by the STO. A debit filter is required on this account.

## **25. STO TRUSTEE, FEDERAL PAYROLL TAX ACCOUNT**

This account is used for the electronic deposit (via ACH credit) of federal payroll taxes and to receive ACH debits from the federal government for remittance of those taxes.

Designated STO and State agency personnel have on-line access to the account and its activity.

The State funds this account twice monthly with credits from the State vendor payment file initiated out of the STO Electronic Disbursement Account (account #12) as well as manual ACH credits originated from the STO Trustee, OASI Account (account #22).

The STO requires the ability to initiate on-line transfers between this account and the STO Master Account (account #1).

Any balances will remain in this account until transferred by the STO. A debit filter is required on this account.

## **26. MDA FARMERS MARKET FUNDING ACCOUNT**

This account is used for the funding for the MDA Farmers Market Nutrition Program. The account will hold the funding for the farmers market vouchers until the MDA contractor receives and processes them for payment. Once they are processed and paid, this is the account that is debited to reimburse the contractor's account that the vouchers clear through.

Designated STO and State agency personnel have on-line access to the account and its activity.

The State funds this account with credits from the State vendor payment file initiated out of the STO Electronic Disbursement Account (account #12). A daily debit from the MDA contractor will be processed clearing the vouchers. It will be a stand-alone account and will not ZBA to any other STO account.

Any balances will remain in this account until transferred by the STO

## Additional Agencies

All services, functions, equipment and other materials and actions required of the Bank under this Contract with the STO may be utilized by other agencies and office of Missouri state government upon the election of such other agency or office, and upon precisely the same terms, conditions, and prices secured by the STO through this Contract.

## B. MANDATORY REQUIREMENTS

**ALL OF THE FOLLOWING ITEMS MUST BE INITIALED BY THE BANK OFFICER SIGNING THE BID indicating the bidder's acceptance to perform the mandatory requirements as stated. However, a bidder may asterisk an item (\*) and document an alternative solution to the requirement. If such an alternative solution is as cost effective and meets the same needs as the current system, the bidder will be considered to have accepted the mandatory requirement.**

**Failure to comply in the above manner may be cause for rejection of the bidder's proposal.**

1. Eligibility Requirements – all bidders must attest to the following:
  - \_\_\_\_\_ a. The bidder is either a federal government or state government chartered financial institution.
  - \_\_\_\_\_ b. The bidder has a depository facility in the State of Missouri (not an ATM).
  - \_\_\_\_\_ c. The bidder is a federally insured financial institution.
  - \_\_\_\_\_ d. The bidder complies with Code of Federal Regulation, as well as any applicable state laws, regulations, rules, or guidelines indicating bidder is Well Capitalized.
  - \_\_\_\_\_ e. The bidder has a Community Reinvestment Act (CRA) rating of “satisfactory” or better for the most recent examination conducted.
  - \_\_\_\_\_ f. The bidder has sufficient equity capital to hold the compensating balances required by the bidder's proposal. *Note: Total balances on deposit with a Contractor may not exceed the Contractor's equity capital.*
  - \_\_\_\_\_ g. The bidder understands and acknowledges that a successful bidder must have an IDC rating of 165 or better to qualify as a Contractor for this service. Should the Contractor's rating fall below 125 during the contract period, the contract may be terminated and offered to the next highest scoring qualified bidder.

## 2. Establishment of Bank Accounts

- \_\_\_\_\_ a. The Contractor shall establish twenty-four (24) separate bank accounts. See **Appendix A** for a list of accounts.
- (1) One (1) account will be the master settlement account into which specified accounts (See **Appendix A**) will ZBA, daily funding ACH transfers and wires will settle, and from which outgoing wire transfers and some manual ACH and book transfers will originate.
  - (2) Nine (9) accounts will receive ACH credits using the STO routing number.
  - (3) Two (2) accounts will originate ACH credits using the Contractor's routing number.
  - (4) One (1) account will originate both ACH debits and credits using the Contractor's routing number.
  - (5) Seven (7) accounts will originate ACH debits using the Contractor's routing number.
  - (6) Two (2) accounts will receive electronic transfers and ACH debits from the federal government using the Contractor's routing number.
  - (7) Two (2) accounts will receive electronic transfers and ACH debits from a state Contractor using the Contractor's routing number.
  - (8) Note: Wire transfers, manual ACH transfers, and book transfers may also impact accounts listed as items (1) through (7). See **Appendix A** for additional information.
- \_\_\_\_\_ b. The Contractor shall establish, as requested by the STO, additional bank accounts for ACH and wire transfer receipt and disbursement purposes in accordance with the requirements of this RFP using the fee schedule provided in Volume II of the Contractor's proposal. (Note: If the processing requirements of any additional accounts vary significantly from those described in this RFP or the resulting contract and any subsequent amendments, an additional fee schedule may be negotiated.)
- \_\_\_\_\_ c. The Contractor shall make the necessary arrangements with the Federal Reserve Bank to intercept ACH settlement and files on behalf of the STO and shall make any necessary programming changes to the Contractor's systems to allow the STO to utilize its own routing number for ACH transactions under this contract.

- \_\_\_\_\_ d. The Contractor shall provide ACH debit blocks and/or filters as well as paper debits blocks on any DDAs established by the Contractor under this contract. ACH and paper debit blocks and filters shall also be established for the STO account numbers tied to the STO routing number to ensure that unauthorized ACH and paper debits are not posted to any state account. A list of accounts with blocks and filters is provided as **Appendix A**.
- \_\_\_\_\_ e. The Contractor understands and agrees that the personally identifiable information of the Treasurer and STO personnel will not be provided.

The STO understands that this information is often requested as part of your “know your customer” procedures; however, the Missouri State Treasurer’s Office, as a state government entity, is exempt from the federal regulation as we are not included under the definition of a “Legal entity customer.” Please refer to 31 C.F.R. §1010.230 (e)(2)(xv), which indicates the regulation does not apply to: “A non-U.S. governmental department, agency or political subdivision that engages only in governmental rather than commercial activities.”

### 3. Receipts Processing and Reporting

- \_\_\_\_\_ a. The Contractor shall accept all electronic receipts (ACH and wire transfers) on behalf of the STO received with either:
  - (1) The STO Routing Number (*not active for wire transfers*)
  - (2) The Contractor’s Routing Number
- \_\_\_\_\_ b. The Contractor shall be able to receive and process ACH files in PPD, PPD+, CCD, CCD+, and CTX formats.
- \_\_\_\_\_ c. The Contractor shall provide information on incoming ACH receipts via on-line, access to all named STO, DOR and State agency personnel by 8:00 a.m. CST each day. This access shall be for each DDA established with the Contractor, and must include transactions received which utilize the STO’s routing number. At a minimum, the following information shall be provided for each account. (The STO must be able to generate a hard (paper) copy of this information.)
  - (1) The dollar amount of each receipt
  - (2) The originator information (Company Name and Company Entry Description from the Batch Header)



\_\_\_\_\_ d. The Contractor shall electronically provide the STO with a NACHA formatted daily file of all ACH transactions received under the STO routing number settling the current banking day. The file shall be made available to the STO no later than 6:30 a.m. CST each banking day, unless mutually agreed upon by the STO and Contractor, and shall include both transactions picked up from the ACH operator as well as transactions initiated by the Contractor.

\_\_\_\_\_ e. The Contractor shall provide transaction totals, similar to those the STO receives from the Federal Reserve, for all transactions included in the ACH file, including those processed internally by the Contractor. This will be used by the STO in balancing the NACHA formatted file required in item d. above. This report shall be delivered to the STO no later than 6:30 a.m. CST each banking day, unless mutually agreed upon by the STO and the Contractor. A sample of this report may be found in **Appendix K**.

\_\_\_\_\_ f. For any transactions that the Contractor rejects because the account number cannot be crosswalked to a valid DDA, the Contractor shall provide the STO with the details of the transaction, including addenda records, being rejected.

\_\_\_\_\_ g. The Contractor shall electronically provide NACHA formatted electronic files to the State agencies as described in the Overview (Section II.A.) and as noted in **Appendix A**.

- (1) Files shall be delivered by 10:00 a.m. CST each banking day, unless mutually agreed upon by the agency and the Contractor, and contain the transactions settling to STO accounts on the current day from regular ACH files and the same-day items received the prior day for the following agency accounts:
  - DCI Insurance Licensing Account (#3)
  - DCI Professional Registration Receipts Account (#4)
- (2) Files shall be delivered by 7:00 p.m. CST each banking day, unless mutually agreed upon by the agency and the Contractor, and contain the transactions settling to STO accounts on the current day from both regular and same-day files for the following agency accounts:
  - DOR Corporate Estimated Tax Account (#5)
  - DOR Credit Card Receipts Account (#6)
  - DOR Employer Withholding Tax Account (#7)
  - DSS Kids Program Receipts for Alternative Care Children (#9)
  - DSS SSA Dedicated Account (#10)
  - DYS Rep Payee for Social Security Beneficiaries (#11)

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\_\_\_\_\_ h. Same-day ACH receipt files will be delivered to the STO by 4:00 p.m. CST each banking day, unless mutually agreed upon by the STO and Contractor, and shall include both transactions picked up from the ACH operator as well as transactions initiated by the Contractor. (The third (3<sup>rd</sup>) same-day ACH window to implement in 2021 will be discussed with the Contractor after award.)

\_\_\_\_\_ i. The Contractor shall provide transaction totals for the same-day ACH file, similar to those the STO receives from the Federal Reserve, for all transactions included in the same-day ACH file, including those processed internally by the Contractor. This will be used by the STO in balancing the NACHA formatted file required in paragraph h. immediately preceding this paragraph. This report shall be delivered to the STO no later than 4:00 p.m. CST each banking day, unless mutually agreed upon by the STO and the Contractor. A sample of this report may be found in **Appendix K**.

\_\_\_\_\_ k. Files shall be electronically transferred to the appropriate State agency daily. File transmission information is provided in **Appendix F**.

\_\_\_\_\_ l. File transmissions shall comply with NACHA rules for ACH data security requirements.

#### 4. Disbursements Processing and Reporting

\_\_\_\_\_ a. The Contractor shall originate electronic disbursements (ACH and wire transfers that are properly authorized) on behalf of the STO.

\_\_\_\_\_ b. The Contractor understands and agrees that the STO will fund its credit files on the day of settlement.

\_\_\_\_\_ c. The Contractor must be able to process and originate ACH files in PPD, PPD+, CCD, CCD+, and CTX formats, including CTX addenda records using ANSI X12 version 4010 of the 820 transaction set (payment order/remittance advice).

\_\_\_\_\_ d. All files shall be delivered to the Federal Reserve Bank or ACH operator in a timely fashion to ensure memo posting to the receiver's bank account on the date of settlement. Vendor payment and income tax refund files shall be delivered the day prior to the settlement date. Payroll and DSS files shall be delivered two (2) days prior to the settlement date. Any transactions delivered to the Contractor earlier than the ACH operator will accept shall be warehoused by the Contractor and delivered to the ACH operator on the appropriate date.

\_\_\_\_\_ e. The Contractor shall accept and process files having a settlement date that is not a banking business day. Such files shall be settled on the next banking business day after the indicated settlement date.

\_\_\_\_\_ f. The Contractor shall provide information on outgoing ACH payments via on-line access to STO and State agency personnel by 7:30 a.m. CST each day. At a minimum, the following information shall be provided for each account. (The STO must be able to generate a hard copy of this information.)

- (1) The dollar amount of each payment (this should be the debit offset entry for credits initiated by the state)
- (2) The identified recipient (Individual Name field for PPD items or the Receiving Co. Name for CCD and CTX items)
- (3) The originator information (Company Name and Company Entry Description from the Batch Header)

\_\_\_\_\_ g. ACH files for electronic disbursements will be created by the responsible State agency for each of the disbursement programs discussed in the overview. The following applies to the transmission and acceptance of these files:

- (1) Files will be electronically transferred to the Contractor daily (some disbursement programs may be less frequent) in accordance with a mutually agreed upon schedule. File transmission information is provided in **Appendix F**.
- (2) The Contractor shall establish a process allowing the STO to verify and/or confirm ACH file totals prior to the file being processed by the Contractor before being submitted to the ACH operator. Such process shall occur via a secure website and provide the STO with the ability to print confirmation data.
- (3) The STO shall be notified when a file has been delivered without a file confirmation, when a file confirmation was input that has no file, and when any file confirmation does not match the file delivered to the Contractor. The timing of this verification process shall be mutually agreed upon by the Contractor and the STO and must occur during the STO's established business day of 7:30 a.m. to 4:30 p.m., CST, and allow the State sufficient time to make corrections before the end of the business day.
- (4) File transmissions shall comply with NACHA rules for ACH data security requirements.

- \_\_\_\_\_ h. The Contractor shall notify the appropriate State agency of ACH return items originated by their payment programs or the return of a reversal upon notification from the ACH operator the same day notification is received. Such notification shall include the following identifying information. (The agencies and the STO must be able to generate a hard copy of this information.)
- (1) The company name, company ID, standard entry class, entry description, and effective date from the batch header.
  - (2) The customer name, customer ID, transaction code, amount, bank routing number, bank account number, and the return reason code with description from the entry detail.
  - (3) The net debit and/or credit amount(s) of the return item or items listed on the notification.
  - (4) Late returns shall be accepted and processed.
- \_\_\_\_\_ i. The Contractor shall provide the DOR, DSS, the SOS, and the STO electronic files of ACH return items originated by their payment or collection programs each day. This file shall retain the NACHA formats received from the Federal Reserve Bank or ACH operator including the standard entry class and the return reason codes provided by the Receiving Depository Financial Institution (RDFI).
- \_\_\_\_\_ j. The Contractor shall provide the STO with an electronic file or files of ACH return items originated by all payment and collection programs each day. The file(s) shall retain the NACHA formats received from the Federal Reserve Bank or ACH operator including the standard entry class and the return reason codes provided by the Receiving Depository Financial Institution (RDFI).
- \_\_\_\_\_ k. The Contractor shall provide an on-line system for the STO to manually resend returned ACH items with corrected delivery instructions. This system shall require dual approval for any outgoing payment transaction.
- \_\_\_\_\_ l. The Contractor shall delete transactions from the ACH payment files when requested by the STO.
- (3) Delete requests shall be sent via state secure email by the STO to the Contractor.

Note: If the Contractor proposes an alternative method to receive delete requests, the process must produce an audit trail that can be accessed and printed by the STO including the details of the transactions for which

deletion was requested and a confirmation process that the transactions were received and will be processed.

- (4) The Contractor shall prevent the transaction from leaving the State's account at the Contractor. This may be accomplished by modifying the indicated ACH transaction by changing the routing number to the Contractor's routing number and the receiver's account number to the STO account from which the payment originates, or by another means that is acceptable to the STO.
- (5) Delete requests shall apply to all files the Contractor has received from the State on the current banking day, as well as those which are still warehoused by the Contractor (if the state delivered them more than two (2) days prior to settlement).
- (6) The Contractor shall provide the STO with a sufficient window of time to request deletions each day that shall end no earlier than 4:00 p.m. CST, unless agreed to by the STO.
- (7) Any inability by the Contractor to perform a delete request shall be promptly communicated to the appropriate State contact (s).
- (8) The Contractor understands that it is liable to the State for any delete requests that were communicated by the stated deadline, contained information to appropriately identify the transaction(s) to be deleted, but were not performed by the Contractor. Upon discovery or notification, the Contractor shall promptly process such transactions as ACH reversals. The State will make reasonable efforts to collect upon any rejected reversals prior to seeking reimbursement from the Contractor.

\_\_\_\_\_ m. The Contractor shall reverse originated transactions when requested by the STO.

- (1) Reversal requests shall be sent via state secure email by the STO to the Contractor, and shall be initiated the same day as requested.

Note: If the Contractor proposes an alternative method to receive reversal requests, the process must produce an audit trail that can be accessed and printed by the STO including the details of the transactions for which reversal was requested and a confirmation process that the transactions were received and will be processed.

- (2) The Contractor shall provide the STO with a sufficient window of time to request reversals each day that shall end no earlier than 4:00 p.m. CST, unless agreed to by the STO.

- (3) Any inability by the Contractor to perform a reversal request shall be promptly communicated to the appropriate state contact(s).
- (4) The Contractor understands that it is liable to the State for any reversal requests that were communicated by the stated deadline, contained information to appropriately identify the transaction(s) to be reversed, but were not performed by the Contractor. Upon discovery or notification, the Contractor shall promptly process such transactions as ACH reversals. The State will make reasonable efforts to collect upon any rejected reversals prior to seeking reimbursement from the Contractor.
- (5) The Contractor shall accept and process reversal requests outside the specified NACHA window for reversals upon the request of the STO and shall initiate letters of indemnity (LOIs) upon request. (The originating State agency will have been in contact with either or both the Receiver and the Receiving Depository Financial Institution.) If the Contractor believes an LOI should be sent when a reversal was requested, the STO or requesting agency shall be contacted prior to any change in process.

n. The Contractor shall electronically provide each agency with a report of all items initiated under their payment or collection programs each day with a separate report generated for each file received by the Contractor. For files containing multiple batches, the report shall page break for each new batch. The report shall include the following information. See also the sample report in **Appendix E**. This is the PEP + Collection Entry Report.

- (1) Trace number
- (2) Individual ID or Identification Number
- (3) Receiver's Routing Number (RDFI Identification)
- (4) Receiver's Account Number (DFI Account Number)
- (5) Effective Date
- (6) File Creation Date
- (7) Collection Date and Window
- (8) Transaction Code
- (9) Amount

(10) Receiving Company Name

(11) Addenda Information (Entire Addenda)

- \_\_\_\_\_ o. The Contractor shall assist STO and agency personnel by providing information on ACH payments originated, tracing ACH payments originated, and contacting RDFIs on the state's behalf when necessary at no additional cost to the state.
- \_\_\_\_\_ p. The Contractor shall create the debit offset to the STO Electronic Disbursement Account for the state payroll file delivered twice monthly by the Office of Administration. This is an unbalanced file. (This may change during the contract period as the state implements a new ERP system. It is possible the payroll file may be balanced or the vendor file could become unbalanced.)
- \_\_\_\_\_ q. The Contractor shall provide knowledgeable staff in the ACH unit who shall provide customer support to the State between the hours of 7:30 a.m. CST to 5:00 p.m. CST.
- \_\_\_\_\_ r. The Contractor shall disable the option to originate same-day ACH items so that the service is not inadvertently used by a mis-dated file or by user error. The service option should be available upon request by the STO on an as-needed basis.

5. Collection and Concentration Processing and Reporting

- \_\_\_\_\_ a. The Contractor shall originate electronic credits and debits (ACH and wire transfers) on behalf of the DOC, DOR, DSS, MDC, Lottery, SOS and STO.
- \_\_\_\_\_ b. The Contractor shall accept and process files having a settlement date that is not a banking business day. Such files shall be settled on the next banking business day after the indicated settlement date.
- \_\_\_\_\_ c. The Contractor shall provide for on-line access for named STO and State agency personnel to information on outgoing ACH files each day. At a minimum, the information provided for each account must include:
  - (1) The dollar amount of each payment (this is the credit or debit offset entry for debits or credits initiated by the state)
  - (2) The identified recipient (Individual Name field for PPD items or the Receiving Co. Name for CCD and CTX items)

- (3) The originator information (Company Name and Company Entry Description from the Batch Header)

\_\_\_\_\_ d. ACH files for cash concentration or collection programs will be created by the responsible State agency for each of the programs discussed in the overview. The following applies to the transmission and acceptance of files:

- (1) Files will be electronically transferred to the Contractor daily (some concentration programs may be less frequent) in accordance with a mutually agreed upon schedule. File transmission information is provided in **Appendix F**.
- (2) The Contractor shall establish a process allowing the STO, DOC, MDC and the Lottery to verify ACH file totals prior to the file being processed by the Contractor or submitted to the Federal Reserve Bank or ACH operator. The STO will verify STO, DSS, DOR, and SOS files. Such process shall occur via a secure website and provide the STO, DOC, MDC and the Lottery with the ability to print confirmation data. The Lottery and the DOC will verify their own files.
- (3) File transmissions shall comply with NACHA rules for ACH data security requirements.

\_\_\_\_\_ e. The Contractor shall notify the appropriate State agency of ACH return items originated by their concentration or collection programs or the return of a reversal upon notification from the ACH operator. Such notification shall include the following identifying information:

- (1) The company name, company ID, standard entry class, entry description, and effective date from the batch header.
- (2) The customer name, customer ID, transaction code, amount, bank routing number, bank account number, and the return reason code with description from the entry detail.
- (3) The net debit and/or credit amount(s) of the return item or items listed on the notification.
- (4) An example of the notification currently received is included in **Appendix H**.

\_\_\_\_\_ f. The Contractor shall provide a means for the STO, MDC, DOC and Lottery to resend returned ACH items with corrected delivery instructions.



\_\_\_\_\_ g. The Contractor shall delete transactions from the ACH collection/concentration files when requested by the STO.

- (1) Delete requests shall be sent via state secure email by the STO to the Contractor.

Note: If the Contractor proposes an alternative method to receive delete requests, the process must produce an audit trail that can be accessed and printed by the STO or agency including the details of the transactions for which delete was requested and a confirmation process that the transactions were received and will be processed.

- (2) The Contractor shall prevent the transaction from leaving the State's account at the contractor. This may be accomplished by modifying the indicated ACH transaction by changing the routing number to the Contractor's routing number and the receiver's account number to the STO account from which the payment originates, or by another means that is acceptable to the STO.
- (3) Delete requests shall apply to all files the Contractor has received from the State on the current banking day, as well as those which are still warehoused by the Contractor (if the state delivered them more than two (2) days prior to settlement).
- (4) The Contractor shall provide the STO with a sufficient window of time to request deletions each day that shall end no earlier than 4:00 p.m. CST, unless agreed to by the STO.
- (5) Any inability by the Contractor to perform a delete request shall be promptly communicated to the appropriate State contact (s).
- (6) The Contractor understands that it is liable to the State for any delete requests that were communicated by the stated deadline, contained information to appropriately identify the transaction(s) to be deleted, but were not performed by the Contractor. Upon discovery or notification, the Contractor shall promptly process such transactions as ACH reversals. The State will make reasonable efforts to collect upon any rejected reversals prior to seeking reimbursement from the Contractor.

\_\_\_\_\_ h. The Contractor shall reverse originated transactions when requested by the STO.

- (1) Reversal requests shall be sent via state secure email by the STO to the Contractor, and shall be initiated the day the reversal is requested.

Note: If the Contractor proposes an alternative method to receive reversal requests, the process must produce an audit trail that can be accessed and printed by the STO including the details of the transactions for which reversal was requested and a confirmation process that the transactions were received and will be processed.

- (2) The Contractor shall provide the STO with a sufficient window of time to request reversals each day that shall end no earlier than 4:00 p.m. CST, unless agreed to by the STO.
- (3) Any inability by the Contractor to perform a reversal request shall be promptly communicated to the appropriate state contact(s).
- (4) The Contractor understands that it is liable to the State for any reversal requests that were communicated by the stated deadline, contained information to appropriately identify the transaction(s) to be reversed, but were not performed by the Contractor. Upon discovery or notification, the Contractor shall promptly process such transactions as ACH reversals. The State will make reasonable efforts to collect upon any rejected reversals prior to seeking reimbursement from the Contractor.
- (5) The Contractor shall accept and process reversals outside the specified NACHA window for reversals upon the request of the STO and shall initiate letters of indemnity (LOIs) upon request. (The originating State agency will have been in contact with either or both the Receiver and the Receiving Depository Financial Institution.) If the Contractor believes an LOI should be sent when a reversal is requested, the STO or requesting agency should be contacted prior to any change in process.

- \_\_\_\_\_ i. The Contractor shall provide an on-line system for the STO and Lottery to initiate ACH debit and credit entries when transactions cannot be processed on an electronic file.
- \_\_\_\_\_ j. The Contractor shall provide each originating agency with a report of all items initiated under their concentration programs each day with a separate report generated for each file received by the Contractor.
- \_\_\_\_\_ k. The Contractor shall provide an on-line Internet based system for the DOC, MDC, and OA to manually initiate ACH items related to their programs.
- \_\_\_\_\_ l. The Contractor shall provide an on-line based system for the STO to initiate ACH transactions to transfer and/or consolidate funds between this and other banking service Contractors.

- \_\_\_\_\_ m. The Contractor shall develop a system or process to automatically represent any ACH items initiated by the Lottery which were returned for uncollected or insufficient funds. This process shall include reporting returns and redistribution of those returns to the Lottery.
- \_\_\_\_\_ n. The Contractor shall create the credit or debit offsets to any unbalanced files.
- \_\_\_\_\_ o. The Contractor shall disable the option to originate same-day ACH items so that the service is not inadvertently used by a mis-dated file or by user error. The service option should be available upon request by the STO on an as-needed basis.

6. Wire Transfers

- \_\_\_\_\_ a. All incoming wire transfers shall be processed and posted to the appropriate STO account the day the wire is received by the Contractor.
- \_\_\_\_\_ b. Information on incoming wires must be communicated to the STO within fifteen (15) minutes of receipt of the wire by the Contractor by email. Should account numbers be present in the email notice, the contractor shall use secure email to deliver this notice.
- \_\_\_\_\_ c. The Contractor shall provide an on-line system to allow the STO to initiate both repetitive and non-repetitive wire transfers out of specified accounts. (See **Appendix A**)
- \_\_\_\_\_ d. The Contractor shall provide the STO with confirmation of outgoing wire transfers by email within fifteen (15) minutes of origination. Should account numbers be present in the email notice, the contractor shall use secure email to deliver this notice.
- \_\_\_\_\_ e. The State receives wires transfers after its investment cut-off of 10:30 a.m., CST on a regular basis. Due to the receipt timing of some of these wires, the State may be unable to invest the funds on the date of receipt. In such instance, the Contractor must collateralize the amount remaining on deposit with the Contractor until the next business day when the State is able to invest such funds. Such “late” wires may be as small as \$1 million or as large as \$100 million and are generally received between 12:00 p.m. and 5:00 p.m., CST. (The State can generally provide a one (1) – day advance notice of a late wire, but can not guarantee such notice.)

Note: The state historically only receives a wire in excess of \$100 million once each year when the tobacco settlement is distributed to the states. Normal late wire amounts generally do not exceed \$40 million and are most often in the \$1 to \$10 million range.

- \_\_\_\_\_ f. Special Handling for Good Faith Bond Deposits

- (1) The Contractor shall provide a process for the State to receive good faith bond deposits by wire transfer that do not post to the State account upon receipt. The current process uses an invalid account number that the Contractor's wire transfer department can identify as a good faith wire.
- (2) The Contractor shall hold the good faith bond deposit wires in suspense and report to the STO as requested the senders and amounts of the wire transfers.
- (3) Upon bond closing, the STO will instruct the Contractor to reject all but two (2) of the wires, the winner and cover.
- (4) After completion of the bond sale process, the STO will instruct the Contractor to return the cover, and to post the winner's wire transfer to the STO Master Account.

Note: The STO will notify the Contractor of the good faith wires and the wire amount approximately 4 days prior to the bond sale date. Good faith wires have been received up to 2 days prior to the bond sale date.

\_\_\_\_\_g. Foreign Wire Processing

- (1) The Contractor shall establish procedures for State agencies to initiate foreign wires for offices and employees outside of the United States.
- (2) Foreign wire transfer fees shall be deducted from the amount being wired, and are not analyzed to the STO.

7. Information Access and Account Transfers

\_\_\_\_\_ a. The Contractor shall provide online access by the STO to the daily ledger balance, collected balance, and all account activity for each account listed in **Appendix A** by 7 a.m. CST for the previous day's activity. Current day information regarding account activity shall be available on-line to the STO, DOR and other agencies as requested. Information shall include wire transfers sent and received and all ACH transactions effective for the current business date (memo posting). (This includes transactions received under the STO's routing number and posted to the DDAs maintained with the Contractor.) Electronic access must be available through a secure Internet reporting tool.

\_\_\_\_\_ b. The Contractor shall provide to the STO, each banking day, timely notification of any changes to the information available through on-line access. (For example if the system did not load by 7:00 a.m. or if transactions are missing.)

\_\_\_\_\_ c. The Contractor shall provide the STO with the ability to perform same day, on-line transfers between accounts covered by this Contract as well as any other accounts maintained by the STO with the Contractor.

## 8. Reporting Requirements

\_\_\_\_\_ a. The Contractor shall comply with the following bank statement requirements:

- (1) Daily bank statements detailing transaction activity for all accounts covered by this Contract for the prior day must be available to the STO. This must be available online via a secure Internet reporting tool.
- (2) Transaction detail on reports and statements must sufficiently identify transactions for reconciliation purposes. Upon request from the STO, the Contractor must further identify transactions to facilitate reconciliation of an account.
- (3) When corrections/adjustments are required to bank statements to reflect actual activity, documentation must be provided to the STO within three (3) business days of notification of the error. Documentation must be in a form acceptable to the STO.

\_\_\_\_\_ b. Upon request of the STO, the Contractor shall provide a daily BAI file on all accounts maintained by the Contractor for the STO. (The STO is not currently using a daily BAI file.)

\_\_\_\_\_ c. The state may request customized reports not detailed in this RFP on an as needed basis and will negotiate and pay a reasonable fee for such reports.

\_\_\_\_\_ d. The Contractor shall provide the fed routing number directory daily. The contractor may transmit this to the STO as a file, or may provide the STO with a download code for STO to automate the process.

This file is used by the STO to update internal systems and is passed to the Office of Administration to update the state's ERP system for both payroll and vendor payments.

## 9. Consolidated Balance Requirements

\_\_\_\_\_ a. The contractor agrees that individual demand accounts may be overdrawn as long as combined total balances maintained by the STO with the Contractor are positive.

\_\_\_\_\_ b. The contractor shall allow negative balances to post on all demand accounts.

- \_\_\_\_\_ c. In the event of a potential overdraft on the combined total of state demand accounts held by the Contractor (including balances held for compensation purposes), the STO will compensate the Contractor through the account analysis. An interest charge will post to the account analysis at the rate of interest equal to the STO's average overnight repo rate for the day on which the situation occurred.
- \_\_\_\_\_ d. The contractor shall not charge for daylight overdrafts.

10. Account Analysis and Monthly Reporting

- \_\_\_\_\_ a. On a monthly basis, the Contractor shall provide the STO an account analysis stating the type and amounts of each service provided, service charges incurred (as quoted in **Appendix I**), and a computation of the accounts' average daily collected balances during the month. Uncollected overdrafts shall be included in the calculation of average daily collected balance.
- \_\_\_\_\_ b. The account analysis shall state the excess or deficit position based upon the agreed prices for services as contained in the contract and their conversion to balance compensation at the current applicable Earnings Credit Rate (ECR). The STO will review the excess or deficit position for each month and will adjust balances as needed to approximate the annual level of service activity. Any excess balance from the previous month will be carried forward and used to pay for the next month's services. Any deficit balance from the previous month will be covered by future earnings (See Section IV. A., Method of Compensation). Any excess or deficit position with the Contractor shall carry forward month-to-month and year-to-year, so long as the STO maintains services with the Contractor unless otherwise agreed to by the STO.
- \_\_\_\_\_ c. The STO does not foresee uncollected overdrafts related to this Contract. In the event one does occur, there shall be no charge for an uncollected overdraft. The occurrence shall be included in calculating the average daily collected balance on the account analysis. The uncollected overdraft will be compensated at the current month's ECR.
- \_\_\_\_\_ d. FDIC insurance premiums and/or assessments, any similar balance-related charges, or Federal Reserve surcharges or similar fees assessed on financial institutions shall not be passed through to the STO nor assessed on any accounts covered by this Contract.

11. Additional Service and Location Requirements

- \_\_\_\_\_ a. All meetings between the STO or other State agency personnel and the Contractor must be held at the offices of the STO in Jefferson City unless otherwise agreed.

\_\_\_\_\_ b. Special Service Requirements

The Contractor must provide the following services at no cost to the STO for the term of the contract (including available renewal periods or extensions):

- (1) The Contractor must cash state-issued checks for non-bank customers, but may charge the customer a reasonable fee. (The STO may be contacted to determine the validity of a state-issued check.)
- (2) The Contractor must provide direct deposit accounts to employees, retirees and other designated groups of the State, for a reasonable fee to the account holder.

\_\_\_\_\_ d. No portion of this contract will be handled outside the United States. See [Executive Order No. 04-09](#).

12. Quality of Service

\_\_\_\_\_ a. The Contractor shall monitor the quality of service provided to the State and shall promptly correct any deficiencies noted by the State or the Contractor's staff with relation to services provided to the State. Notice of such corrective actions shall be timely reported to the STO.

\_\_\_\_\_ b. Regular contract review meetings shall be held between the Contractor and the STO as mutually agreed upon.

13. Collateral

\_\_\_\_\_ a. Collateral acceptable to the STO will be required on the total of any compensating balances and any other funds (collected and uncollected) in STO accounts in excess of FDIC insurance coverage. This includes any amounts received for same-day ACH settlement, amounts received as wire transfers after STO's investment cutoff, and amounts received on any day that markets are closed and the STO cannot invest.

\_\_\_\_\_ b. Funds in sweep repurchase agreements must be secured in accordance with Article IV, Section 15 of the Missouri Constitution by United States Treasury obligations or obligations of United States government agencies or instrumentalities.

\_\_\_\_\_ c. All products or services offered must be appropriately collateralized or secured in accordance with Missouri law.

\_\_\_\_\_ d. The acceptable collateral listing is located on the STO's website <http://www.treasurer.mo.gov/link/time.pdf> and is subject to change.

#### 14. Confidentiality and Data Security

\_\_\_\_\_ a. The contractor shall maintain complete confidentiality of all records relating to services performed under the contract in accordance with state and federal laws, rules and regulations. No list, report or other materials generated from data covered under the Contract may be disclosed or transferred by the Contractor to any other person or entity.

\_\_\_\_\_ b. The Contractor will provide written notice to the STO Director of Banking as soon as possible, but in no event later than one (1) business day, following its discovery of any data breach, data incident or system intrusion which impacts any personally identifiable information obtained by Contractor as a result of the Contract. A "data breach, data incident, or system intrusion" shall include all situations in which the Contractor determines that personally identifiable information was or was reasonably likely to have been obtained, accessed or viewed by an unauthorized person or in an unauthorized way. For purposes of this section, "personally identifiable information" shall have the same meaning as *personal identification* listed at [Section 407.1500 RSMo](#), in addition to any other applicable federal or state provisions governing Contractor's obligations in regard to notifying consumers of a breach of personal information.

The initial one (1) day notice required shall include, at minimum, and to the extent known by Contractor at the time: (1) A description of the nature of the data breach, data incident or system intrusion; (2) The date or date(s) the data breach, data incident or system intrusion occurred; (3) How the Contractor discovered the data breach, data incident or system intrusion; (4) The types of information obtained or potentially obtained; (5) The number of individuals impacted; (6) The names of those impacted; and (7) In situations where the Contractor is in the process of investigating the data breach, data incident or system intrusion, an anticipated date on which it will complete its investigation and confirm its ability to report with certainty complete responses to the items above. Contractor may delay this notification only in the event it is requested to do so by a law enforcement or regulatory agency involved in an investigation of the incident, which request shall be obtained in writing. Once the law enforcement or regulatory agency advises Contractor that such notice will no longer interfere with the investigation, this notice shall be provided within one day.

Following the initial notice provided for above, the Contractor will appoint one person, who may be the State's current Relationship Manager or another individual acceptable to the STO, who will provide ongoing communication to the State regarding the data breach, data incident or system intrusion. Such person will communicate directly with the STO Director of Banking and/or any other STO staff designated and will provide timely updates as needed/requested by the STO. Such information provided must include, but is not



necessarily limited to: (1) Information regarding the status of any investigation into the data breach, data incident, or system intrusion and estimated timeframes for the completion of any such investigation; (2) Who gained unauthorized access to the personally identifiable information; (3) What steps the Contractor has taken or will take to mitigate any negative effect of the incident; and (4) What corrective action the Contractor will take to prevent similar incidents.

If requested by the State, the Contractor must provide free credit monitoring services to impacted individuals for a period of time mutually acceptable to the State and the Contractor.

- \_\_\_\_\_ c. The Contractor must comply with Section 407.1500 RSMo, and/or any other applicable state or federal law, regarding providing notice to consumers of a breach of personal information. Any notifications provided under this section, or otherwise, must be made in consultation with the STO Director of Banking who shall be allowed to review and comment on all draft notifications before they are distributed. All costs associated with a security breach as a result of Contractor's failure to comply with the terms of this Contract, including any notification, will be the full responsibility of Contractor. Any costs incurred by the State of Missouri directly resulting from a breach of security on the part of Contractor under the Contract must be reimbursed by Contractor. The Contractor will indemnify and hold the State of Missouri harmless from any and all claims, damages, and liability arising as a result of a security breach due to Contractor's failure to comply with the terms of this Contract, including Contractor's failure to comply with Section 407.1500 RSMo and/or any other applicable state or federal law regarding providing notice to consumers of a breach of personal information.

## 15. Collection Accounts

- \_\_\_\_\_ a. At the request of the STO, the Contractor shall establish a consolidated collection account for use by State agencies located outside of Jefferson City for the deposit of State funds. This collection account will be primarily used for the consolidation of any existing collection accounts currently maintained by the STO with the Contractor.
- \_\_\_\_\_ b. Pricing for the collection account shall be in accordance with the fee schedule provided in Volume II of the Contractor's proposal.
- \_\_\_\_\_ c. The Contractor shall set the collection account to sweep by zero balance transfer to the STO Master Settlement account as established in item 2.a. above.
- \_\_\_\_\_ d. The contractor shall provide ACH and paper debit blocks for the collection account.
- \_\_\_\_\_ e. The contractor shall provide deposit slips to the STO in such quantities as are required for the collection account. Requests for deposit slips will be coordinated through

the STO. Deposit slips shall be 2-part, carbonless and encoded with 6-digit location codes uniquely identifying each State agency office depositing into the collection account.

- \_\_\_\_\_ f. The Contractor shall provide for electronic access by the STO to the daily ledger balance, collected balance, and all account activity (including the location codes on the deposit tickets) for the collection account by 7 a.m. CST for the previous day's activity. Electronic access must be available through a secure Internet reporting tool.
- \_\_\_\_\_ g. The Contractor shall agree to forward for collection a second time any check returned due to insufficient funds (NSF).
- \_\_\_\_\_ h. Each returned item must be identified with the location code of the deposit ticket associated with the item.

## 16. Disaster Recovery

- \_\_\_\_\_ a. The Contractor shall provide or procure offsite disaster recovery support to the STO.
  - (1) Should the STO be unable to access their offices, designated banking staff will be allowed to operate from the Contractor's premises or similar suitable accommodations (2 – 5 individuals depending on duration) for up to thirty (30) days.
  - (2) The following shall be made available to designated STO staff: Secure Internet access, one (1) printer, one (1) land-line phone, and one (1) fax machine, as well as access to a copy machine and office supplies.

## 17. Open Records

- \_\_\_\_\_ a. The bidder understands and acknowledges that upon execution of a contract, all information submitted in response to this Request for Proposals is considered an open record under Missouri law and will be made available in response to public information requests.

## 18. Attestation

- \_\_\_\_\_ a. The bidder attests that it will not discriminate against any type of industry that is legal under federal law in accepting or retaining customers or in providing credit or credit facilities based on any factor other than credit risk to the bidder.

## C. SPECIFIC QUESTIONS FOR BIDDERS

**Bidders must prepare clear and complete written responses to each of the following questions. Responses should be numbered in the same manner as the individual questions, and will be used in evaluating each bidder's proposed method of performance.**

**Where applicable or appropriate:**

- **Answer yes or no**
- **Specifically describe systems or processes**
- **Provide examples**
- **Include flowcharts**
- **Describe training, user manuals and documentation provided with services**
- **Discuss potential improvements in approach, integration of services, or elimination of data or reporting duplications**
- **Explain what differentiates your services from that of other check disbursement services providers**

**Failure to comply may result in rejection of the contractor's proposal.**

**ALL DATA PROVIDED SHOULD BE TEST DATA. DO NOT PROVIDE ANY LIVE DATA IN YOUR RESPONSE.**

1. Organization and Experience
  - a. Briefly discuss the history of your organization, ownership structure and lines of business.
  - b. How long have you maintained automated clearing house (ACH) services and wire transfer services?
  - c. In the last three years, what, if any, significant organizational changes (i.e., mergers, acquisitions, business concerns, etc.) have occurred?
  - d. Bidders must provide one (1) copy of the most recent Annual Report and Call Report of the financial institution. (Include this information only with the original Volume I of the proposal.)
  - e. Bidders must provide a summary of current and previous work performed within the last five (5) years by the financial institution for a comparable **public sector** client which is similar in nature to that proposed for the STO under this RFP. Provide a contact name, email address, and phone number. Indicate the services

provided to the client and the volume of ACH and wire transfer transactions processed. (Listed clients may be contacted by the STO.)

- f. Bidders shall:
- (1) Note any instances in the last three (3) years where a client receiving services similar to one (1) or more of the service areas requested in this RFP discontinued such services. (This includes clients lost due to competitive bidding.)
  - (2) Indicate why services were discontinued.
  - (3) Provide the ACH origination and receipt volumes for each client.
  - (4) List a reference person(s) from organizations which were provided the services. Include a current telephone number and email address. (Listed clients may be contacted by the STO.)
- g. Bidders must provide three (3) references for electronic banking services **in addition** to the public sector client provided under item 1.e. above. Provide a contact name, email address, and phone number for each reference. Indicate the ACH origination and receipt volumes for each reference provided. (At least one (1) reference shall be a customer using ACH origination services with volumes similar to that of the STO, and at least one (1) reference shall be a customer receiving ACH transactions and files of those transactions. This may be accomplished across all three references or using any combination of them.) (Listed clients may be contacted by the STO.)
- h. Bidders must briefly summarize any other factors that may be justification for selecting the financial institution and its services.
- i. Provide the following credit and financial information:
- (1) Net equity capital
  - (2) Your financial institution's rating as determined by a Nationally Recognized Statistical Ratings Organization (NRSRO), as defined by the Securities and Exchange Commission. If a rating is not available, indicate not rated.
  - (3) Provide details with respect to significant litigation against your firm for the last ten (10) years and any significant regulatory actions taken or pending that will impact your business.

2. Establishment of Bank Accounts

- a. State the location (address) of the facility that will serve as the state's primary electronic receipts and disbursement processor. What is the nature of this facility? (Main banking facility, branch, processing center?)
- b. State the routing number to be used on all ACH transactions originated under this contract. What is the name and location (physical address) of the financial institution to which this routing number is assigned?
- c. Explain the process to be used in implementing/transitioning the STO's routing number from the current contractor to the bidder. Include a timeline and the parties responsible for each step.
- d. Indicate how the bidder will handle the STO assigned account numbers to ensure that transactions post to the appropriate bank accounts maintained with the Contractor.
- e. Please indicate the following volumes for 2023:
  - (1) ACH items originated.
  - (2) ACH items received.
  - (3) Wire transfers originated.
  - (4) Wire transfers received.
- f. Will the bidder use an affiliate or correspondent bank for ACH processing? If yes, please name the correspondent bank and provide the address of the processing location.
- g. Explain the debit blocks and filters (both paper and electronic) available to the State on the established DDAs.
  - (1) What is the procedure for establishing a new debit block or filter?
  - (2) Explain how blocks and filters can be applied to the STO established account numbers tied to the STO's routing number.
  - (3) Does the procedure to establish a block or filter differ if the debit block or filter is applied to an STO assigned account number

- (4) Can specific transactions, vendors or types of activity be blocked for ACH debits and credits?
  - h. After notification that an unauthorized debit has occurred, when will the credit be received? (How quickly after notification from the STO will this occur?)
3. Receipts Processing and Reporting
- a. By what time will the STO be notified of items being credited and debited to STO accounts for the current day's business?
  - b. How will the bidder report incoming ACH transactions on its online system? What information will be provided? Please provide examples (including screen prints) of each reporting method available and the information provided. Indicate the field names from the ACH record that are displayed/reported.
  - c. Within what time frame will information be available online for retrieval? Please indicate time-frame by delivery method and by transaction type:
    - (1) Incoming ACH credits
    - (2) Incoming ACH debits
    - (3) Outgoing ACH debit offsets (debit to DDA)
    - (4) Outgoing ACH credit offset (credit to DDA)
    - (5) Return items
    - (6) Reversal items
    - (7) Any other applicable transactions
  - d. Indicate how addenda information on PPD+, CCD+ and CTX transactions will be reported on the bidder's online system. Provide examples (including screen prints) of how addenda information will be displayed.
  - e. At what time will receipt files be available for delivery to the State? Indicate the timing for both the regular daily settlement file as well as the same-day ACH file.
    - (1) The STO file for the state's routing number?
    - (2) The agency files delivered to DOR, DSS, and DCI?

- f. Should a transaction be received under the STO routing number that the bidder cannot crosswalk to one of the STO's DDAs with the bidder, provide a sample of the report that will be provided to the STO for the rejected transaction.
  - (1) Will the bidder send an NOC to the originator to correct the account number? Explain what procedures the STO would need to follow to accomplish this.

#### 4. Disbursements Processing and Reporting

- a. Describe the procedures that will be used to verify accurate and secure file transmissions.
  - (1) What system will bidder provide for the STO and the applicable State agencies to verify the contents/file totals for transmissions originated by the state?
  - (2) What documentation will the bidder provide for confirmed files? (Confirmation number, printable receipt, etc?)
  - (3) Provide screen prints showing the confirmation process, and samples of the confirmation documentation that is available.
- b. Explain what procedures the bidder will use to contact the State if a file is not confirmed, or if a confirmation has no file.
  - (1) What time would such contact be made?
  - (2) What options will the State have to correct a file problem?
  - (3) An incorrect file total?
  - (4) How much time is available to make a correction?
- c. Describe the service delivery method, the approval and confirmation process the bidder recommends for the manual initiation of ACH debit and credit items not included on State disbursement files.
  - (1) Include any alternative methods which will meet the State's needs.
  - (2) How many customers use this method of ACH origination? What percentage of the bidder's ACH customer base does this represent?

- d. How does the bidder address ACH risk on outgoing credits? *(Please note: The STO funds its credit files on the day of settlement with an ACH initiated from the STO custodial services contractor.)* Please see file total information in **Appendix J**.
- (1) Will the bidder use daily, transaction, file, or total ACH outstanding dollar limits?
  - (2) How will the bidder determine the dollar limits used?
  - (3) What procedures will be followed when the State submits a file that exceeds the limit? Note: Currently, the STO notifies the Contractor each morning by email each time a file exceeds the established limits.
- e. Will daylight overdraft limits impact the bidder's processing of STO payment files and outgoing wire transfers? Describe any impact and requested procedures. If applicable, provide the daylight overdraft limit applicable to the STO. (Note: The State funds its payment files on date of settlement using ACH credits initiated from the STO custodial services contractor. Wire transfers will be initiated later in the day if a miscalculation occurs or an unforeseen transaction settles.)
- (1) On what basis will the bidder calculate daylight overdraft positions?
  - (2) Can the bidder accurately measure in real-time the STO's daylight overdraft in a single account? Can the daylight overdraft be measured across all accounts in the relationship? Can the STO have access to this real-time information?
- f. What are the bidder's transmission windows to the ACH operator?
- (1) What are the cutoff times for receipt of files from the State to process in each window?
  - (2) What are the cutoff times for confirmation of the files by the State to process in each window?
- g. In which transmission window will the bidder send the twice-monthly State payroll files and the daily vendor files?
- (1) By what time will the bidder require the file be transmitted for this window?
  - (2) Will all State files process in this window? If not, please provide details for the recommended processing windows by file or program.



- h. If ACH transactions are initiated by any means other than a direct transmission of a file (e.g., bidder's web-based system), will cutoff times differ? Please indicate the cutoff times for each origination method available.
- i. What procedures (if any) will be in place and what options will the State have if the bidder misses the deadline? If the State misses the deadline?
- j. Based on the information provided in the overview, how will the bidder require the STO to request reversals and stops/deletes?
  - (1) What will be the procedure for requesting a reversal, including the delivery deadlines for processing?
    - i. Indicate the information necessary for inclusion in the request and the deadline for requesting. (The current request is made in a spreadsheet form, with a separate file for each original effective date for each payment file type. The individual records are listed with: Individual ID (Transaction ID Number), Payee Name, Original Transaction Code, Routing Number, Account Number, and Amount.)
    - ii. Provide sample reports that will be used by the STO for confirmation and reconciliation of reversed transactions.
    - iii. For rejected/returned reversals, how will the bidder notify the STO of such transactions? Provide sample reports that will be used by the STO for reconciliation of these transactions.
  - (2) What will be the procedure for requesting a stop/delete on an item or items on a file already submitted to the bidder but not yet released to the ACH operator, including the delivery deadlines for processing? (These are transactions the STO does not wish the Contractor to originate.)
    - i. Indicate the information necessary for inclusion in the request and the deadline for requesting. (The current request is made in a spreadsheet form, with a separate file for each original effective date for each payment file type. The individual records are listed with: Individual ID (Transaction ID Number), Payee Name, Original Transaction Code, Routing Number, Account Number, and Amount.)
    - ii. Describe the deletion/stop process in detail, including how the STO will view the file changes performed by the Contractor and the

confirmation process and reporting available for reconciliation purposes.

- iii. If the Contractor fails to act on a request for deletion, what process will be used to correct the transaction and restore the funds to the STO?
  - iv. If the STO requests an entire file be reversed, what is the cost? Would it be calculated per item or file in total? (In 2021, an agency asked to have an entire file reversed. There were 391 items).
- (3) What security procedures will be used? (The reversal and delete forms are currently sent by the STO using State secure email to the Contractor.)
- (4) How will the STO be notified of the acceptance and completion of the reversal and delete transaction(s)?
- k. List the means by which the bidder will make reports available to the State (on-line, paper, fax, etc.) Be sure to identify any special communications capability or equipment requirements that will be necessary for the State to access and print the reports.
- l. Will the bidder offer Sunday (weekend) processing of items for Monday effective date or holiday processing for next business day settlement? What will be the deadline for receipt of customer instructions for initiating transactions?
- m. Will the bidder perform transactions on behalf of the STO? (Please note: For State holidays which fall on a banking day, the STO may provide instructions to the Contractor to initiate certain transactions on the STO's behalf. These instructions may include requesting the Contractor to initiate internal account transfers on the STO's behalf and to monitor incoming activity.)
- n. Describe the bidder's ACH return process. When will returned funds be posted to the STO's account? What reports will be provided to the STO to handle these transactions? Provide examples.
- o. Describe the bidder's process to handle unresolved returns that must be manually posted to the State's account? When will returned funds be posted to the STO's account? What reports will be provided to the STO to handle these transactions? Provide examples.
- p. Within what time frame will the STO be notified of items being debited or credited to accounts from return items?

- q. Indicate what methods of ACH file transmission will be available to the State. (See **Appendix F.**) What controls will each method offer to protect both data integrity and the security of the data being transmitted?
- r. Are there any other secure file transfer options available?
- s. How long will the bidder retain history on ACH transactions initiated? Is there a time limit on research requests? Trace requests?
- t. What time will files of return items be available for delivery to the State? Are these files of the current day's returns, or the prior day's returns?
- u. Do the debit filters available for placement on the two (2) electronic disbursement accounts prevent unauthorized ACH and paper debits, but allow for the return of a reversal?
  - (1) Will a filter be needed to allow for the debit offset on an ACH file?
- v. Manual ACH origination.
  - (1) Describe the service delivery method and the confirmation/approval process the bidder recommends for the initiation of manual ACH credit and debit items by the STO and other State agency personnel. Provide screen prints to illustrate the process, including security features, and samples of any reports available. Include initiation, approval and release in the illustration.
  - (2) What deadlines apply to manually initiated ACH transactions? Do they vary depending on whether they are debits or credits?
  - (3) What type of confirmation of manually originated ACH credits and debits will be provided? In what form, and within what timeframe, will the originating personnel receive confirmation?
- w. The State does not utilize same-day ACH origination, but wants the option available in an emergency situation.
  - (1) What process will the STO follow if we want to process a file or a manual transaction using same-day ACH settlement?
  - (2) How much lead time or notification time will be needed to turn the service on?

5. Collection and Concentration Processing and Reporting

- a. Please refer to question #4, items a. through u. If any responses to these questions do not apply to collection and concentration programs and processing or if the responses differ, indicate the question(s) that differ and provide the appropriate response or responses.

6. Wire Transfers

- a. For incoming wire transfers, indicate the method of notification the bidder will utilize to notify the STO of wire transfers received. Provide screen prints or sample reports of the notification the STO will receive.
- b. Describe the service delivery method and the confirmation process (Internet, faxed request, phone, etc.) the bidder recommends for the initiation of wire transfers by the STO. Provide screen prints to illustrate this process, including security features, and samples of any reports available. Include initiation, approval and release in the illustration. If this process differs for repetitive and non-repetitive wires, explain the differences.
- c. Are there any alternative methods which will meet the State's needs, particularly if the Contractor's on-line system is unavailable or if the State is encountering Internet connectivity issues? Please explain.
- d. What deadlines will apply to initiating and executing wires?
- e. What type of confirmation of outgoing wire transfers will be provided? In what form, and within what timeframe, will the STO receive confirmation?
- f. Will wire transfers process out of an account that has insufficient funds in it, but is the recipient account for ZBA transfers that total to an amount that is more than sufficient to cover the outgoing wire transfer? Please explain how the bidder will accommodate this. (Note: The STO transfers by wire the investible balance with the Contractor to the custody contractor each day. Balances being transferred will reside in individual accounts until the ZBA transfers process.)
- g. Describe the bidder's proposed process to handle the good faith wires associated with the State's bond sales.
- h. Describe the bidder's proposed handling of foreign wires for State agencies.

The current process follows:

- State agency personnel deliver the check(s) to be wired to the Contractor with payment instructions and wire authorization from the check payee. (A wire cannot be initiated without a valid check being presented.)
- The Contractor contacts the STO and verifies the checks(s) to be wired by confirming the payee, amount, and negotiable status of the item.
- The STO confirms these items verbally and authorizes the Contractor to debit the item(s) from an agreed-upon account with the Contractor. This verbal authorization is followed up with a written memo from the STO.
- The Contractor initiates the requested wire transfer for the amount of the check(s) less the fees involved in the transfer – the STO is charged only the face amount of the check for each transaction – and debits the STO account as indicated.
- The Contractor delivers the check(s) involved to the STO for cancellation/voiding.

Note: The STO is willing to initiate these wire transfers if the Contractor creates and maintains the wire transfer templates based on information provided by the requesting state agencies.

## 7. Information Access and Account Transfers

- a. Provide example screen prints of the information required by Section II, Item B.7.a. of the Mandatory Requirements and explain how the state will access this information.
- b. Within what timeframe will same day information be available online for transactions posting to the State accounts covered by this Contract? If timeframes differ by transaction, please detail them.
  - (1) Is there a limit on the number of transactions that can be reported online? If so, how would the Contractor provide information to the STO if that amount were exceeded?
- c. Describe the systems and processes to be used by the STO to perform on-line (same day) transfers between accounts and the security features of the systems. If multiple options are available, indicate which will be the most economical and which will be the easiest to use. Provide screen prints of the process and samples of any reports available.

- d. Will the system allow account transfers to temporarily over draw an account? For example, can a ZBA with no receipt activity be the source account (outside) for a transfer?

## 8. Reporting Requirements

- a. For on-line access (via the Internet) to daily bank statements and other reports, please indicate the length of time such information will be available to the State in this environment. If some information is to be provided via other means, indicate how the STO and authorized State agencies will access this information and the length of time such information will be available in that environment.
- b. If a correction to the bank statement is necessary, how will the correction be documented? When will the correction and documentation be performed? When will the corrected information be available/provided to the STO and in what format (on-line, hardcopy, email)?
- c. How will ACH receipts and wire transfers be identified on the bank statement? What information will be available to assist the STO in reconciling the transactions? Please provide examples indicating the information or details to be provided.
- d. Provide examples of reports for incoming and outgoing ACH transactions. Include an explanation of the reports.
- e. Specify the data that will be provided on current and previous day on-line reports. Provide sample reports including explanations of the reports.
- f. By what methods will the state receive notification of change and returned item advices? When will this information be available to use, (*e.g.*, posting day, morning after)? What information will be provided, (*e.g.*, date of origination, date submitted, date of return). Provide sample reports.
- g. By what method(s) will the bidder provide confirmation of ACH deletions and reversals? Provide examples.
- h. Will ACH returns be individually posted to the bank statement? What supporting information will the bidder provide to reconcile the transactions? How will this information be made available to the STO? Provide examples.

- i. How often will current day information be updated? Provide applicable posting time frames for ACH receipts, ACH returns, incoming and outgoing wire transfers, and account transfers.
  - j. Will historical information for ACH return items be available on the system? How many days of history will be available? Is a longer retention time possible? Provide sample reports.
  - k. Can the reports be exported in various file formats? If so, what formats will be available for which reports?
  - l. Will the bidder document and verify all transaction volumes and charges relating to the account that are reported on the account analysis? If yes, please provide a sample report.
  - m. Will the bidder provide a monthly report detailing transaction numbers and total dollar amounts for State-initiated ACH files by company ID number and ACH items received by account? Please provide sample reports.
  - n. Are any reports or views customizable by the user? Is ad hoc querying available? Please explain and provide sample reports and/or screen prints.
  - o. How will the fed routing number directory be provided? As a daily file, or will the bidder provide a download code to the STO?
9. Consolidated Balance Requirements
- a. What services will be available to facilitate the requirements of section II.B. item 9 of the Mandatory Requirements? Please explain how the bidder will facilitate these requirements should they hold multiple stand-alone (non-ZBA) accounts.
10. Account Analysis and Monthly Reporting
- a. What will be the timing of delivery for the monthly account analysis?
  - b. Will the bidder offer the ability to view the account analysis on-line? Please indicate how the on-line analysis will be accessed and when will it be available for viewing. Can it be downloaded, and into what format(s)?
  - c. Will the bidder show a detailed line-item adjustment on the account analysis? If no, please explain how adjustments will be shown.

- d. Will subsequent adjustments to the analysis be available for viewing? Within what timeframe after adjustment?

11. Additional Service and Location Requirements

There are no questions for this item.

12. Quality of Service

- a. How will the bidder monitor the quality of service provided to the STO and other State agencies?
- b. What steps will be taken to correct deficiencies noted by bidder, STO, or State agency personnel?
- c. What quality standards will the bidder use to measure ACH and wire transfer services?
- d. How has the bidder's performance been relative to the standards stated in item c. immediately above for the past year?

13. Collateral

- a. Indicate how the bidder will provide sufficient collateral to secure each day's ledger and repo sweep (if applicable) account balances.
- b. Who will be the STO's contact regarding collateral?

14. Confidentiality and Data Security

- a. Describe how the bidder will establish and maintain security safeguards and procedures to guarantee the confidentiality of all data obtained from the State or its clients.
- b. Describe in detail any of the bidder's established procedures for responding to a data breach or an incident of unauthorized access to data.

15. Collection Accounts



- a. Provide a list of branches, including street addresses, city and zip code, where the STO could direct State agency personnel to deposit into a statewide collection account if one were established with the bidder.

16. Disaster Recovery

*(Note: Do not provide confidential information.)*

- a. Provide a summary of the bank's disaster recovery plan as it relates to the services requested in a separate appendix.
- b. Where are off-site facilities for disaster recovery purposes located? (City and State is sufficient.)
- c. Where is the "hot" site for disaster recovery located? (City and State is sufficient.)
- d. How quickly can the "hot" site be implemented in the event of an emergency?
- e. What location will the STO be able to use for offsite disaster recovery? If available, provide the address and a description of the facility and the area available to the STO. (e.g. West side branch conference room or operations facility cubicles)
- f. If more than one offsite location is available to the STO depending upon the nature of the disaster, provide the information requested in e. above for all locations.
- g. How much advance notice is required when the STO needs to utilize this offsite support facility?

17. Open Records

There are no questions for this item.

18. Attestation

There are no questions for this item.19. Customer Service

- a. Who will be the STO's primary contact? What is the current client load of this person or persons?
- b. Who will be the primary contact for any originating State agency? What is the current client load of this person or persons?

- c. Who will be the primary ACH contact for the STO? What is the current client load of this person or persons?
- d. Who will be the primary contact for wire transfer services for the STO? What is the current client load of this person or persons?
- e. Who will manage resolution of any day-to-day operational problems? What is the current client load of this person?
- f. Who will respond to ACH research requests?
- g. Who will make the requested ACH file changes for delete / stop requests?
- h. Who will initiate reversal requests?
- i. Who will the STO contact with ACH-related questions regarding ACH Rules and their application to state programs? Is this person(s) an AAP?
- j. Who will handle policy issues?
- k. Who will handle pricing issues?
- l. What daily hours will the above-stated contacts be available?
- m. Describe the responsibilities of the customer service personnel listed above, including their supervisors and the chain of command for problem resolution.
- n. Include resumés of key representatives the STO and other State agencies will interact with, including each of the above stated contacts. Each resumé should include the representative's education, certifications and relevant experience providing the services covered by this RFP as well as any applicable ongoing training.
- o. How will the bidder advise the State of NACHA rule changes and their impact?

20. Implementation

- a. Provide an implementation plan for assuming responsibility for the State's electronic banking services.
- b. Indicate the State's responsibilities and critical timing during the implementation.

- c. Provide a copy of all agreements and forms the bidder desires the STO to complete and approve to initiate ACH and Wire Transfer Services and any other services associated with this Contract. (Acceptance of a bidder's proposal does not indicate acceptance of the terms of any agreements provided in response to this item.)
- d. Will a project manager be assigned to manage implementation? If so, provide the name and resume of the project manager.
- e. Describe the on-site support you provide to new clients and existing clients during implementations.
- f. Indicate your plans for educating STO and State agency personnel in the use of your systems.

21. General

- a. What is distinct about your capabilities for ACH, wire transfer and other related services that we should know about?
- b. Are there value-added services or capabilities in addition to the services described in this RFP that you will provide to the State as part of the Contract?
- c. Provide information on any other cash management services currently provided or planned by the bidder in the next twelve (12) months that may benefit the State.
- d. Describe your current planned enhancements with regard to services and technology for 2024 and 2025.
- e. Will the bidder subcontract any of the services contained in this RFP, or have plans to do so? Please explain.
- f. Is the bidder currently involved in, or planning any major system changes, acquisitions, or conversions? Please explain your plans and include the potential impact to the STO and this contract.
- g. Is the bidder's balance reporting system an in-house system? Please describe.
- h. Can reports from the balance reporting system be downloaded into an Excel spreadsheet? Provide examples.
- i. How many times in 2022, 2023, and in 2024 (up until the day Bidder submitted is response to this RFP to the STO) did the bidder miss the following deadlines:

- (1) Prior day balance reporting.
- (2) Current day balance reporting.

### III. GENERAL INFORMATION AND CONTRACT PROVISIONS

#### A. CONTRACTUAL AGREEMENT AND AMENDMENT

1. The contract between the STO and the Contractor shall consist of (a) a Depository Contract, Pledge Agreement, and Contract for Electronic Banking Services (see **Appendix G**); (b) this RFP and any amendments, appendixes, exhibits (if any), and other attachments thereto; and (c) the Contractor's response to this RFP including any and all attachments and additional responses. These documents shall collectively be referred to as "the Contract." In the event of a conflict between (b) and (c) above, the provisions and requirements set forth and/or referenced in this RFP (item (b) above) shall govern. However, the STO reserves the right to clarify any contractual relationship in writing with the concurrence of the Contractor, and such clarification shall govern in case of conflict with the applicable requirements stated in the RFP or successful bidder's response. In all other matters not affected by the written clarification, if any, this RFP shall govern.
2. The STO reserves the right to negotiate with the Contractor for changes in services or additional service items, subject to mutual agreement. Any proposed change in the Contract must be accomplished by a written contract amendment signed and approved by and between the duly authorized representatives of the Contractor and the STO. Any amendment to the Contract shall (a) specify an effective date; (b) specify any increases or decreases in the amount of the Contractor's compensation, if applicable; (c) describe changes, if any, to the provisions of the Contract; (d) be titled as an "Amendment"; and (e) be signed by duly authorized representatives of the Contractor and the STO. The Contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment to the Contract.
3. It is understood that in certain situations, the Contractor may utilize the services of related financial institutions (i.e., banks within the same holding company as the Contractor) in performing certain services required under the Contract. In all such situations, the Contractor retains sole, direct, primary, and entire responsibility for securing the required contractual performance from such related institution as well as sole, direct, primary, and entire responsibility for assuring that all contractual provisions, including all applicable legal, financial and eligibility requirements are continuously met by such related institution. All rights and remedies vested in the STO by the Contract apply with equal force and effect to a Contractor's related institution, and Contractor hereby makes a material representation that it has the authority to bind such related institution to the terms and conditions set forth in this Contract. Conversely, all rights and remedies vested in the Contractor by the Contract rest solely with the Contractor and not any such related institution. The Contractor agrees to indemnify, defend, save and hold the STO harmless

from any expense, liability or payment arising out of the actions of a related institution pursuant to the Contract or made by a related institution as a result of the Contract.

4. In the event the Contractor subcontracts any of the services, the Contractor shall ensure that any and all subcontracts include appropriate provisions and contractual obligations to guarantee the successful fulfillment of all contractual obligations agreed to by the Contractor and the STO. In all such situations, the Contractor retains sole, direct, primary, and entire responsibility for securing the required contractual performance from such subcontractor as well as sole, direct, primary, and entire responsibility for assuring that all contractual provisions, including all applicable legal, financial and eligibility requirements are continuously met by such subcontractor. All rights and remedies vested in the STO by the Contract at all times apply with equal force and effect to a Contractor's subcontractor, and the Contractor hereby makes a material representation that Contractor shall and will ensure that any and all subcontracts contain such terms and conditions. Conversely, all rights and remedies vested in the Contractor by the Contract rest solely with the Contractor and not the subcontractor. The Contractor agrees to indemnify, save and hold the STO harmless from any expense, liability or payment arising out of the actions of a subcontractor pursuant to the Contract/subcontract or made by a subcontractor as a result of the Contract/subcontract. In addition, the Contractor must obtain the written approval of the STO, which may be granted or withheld in the STO's sole discretion, prior to establishing any subcontracting arrangements and/or before changing any subcontractors.
5. The parties hereby acknowledge and agree this Contract constitutes the entire agreement between the parties regarding the services contemplated herein-

## **B. CONTRACT PERIOD, DEFAULT, CANCELLATION OR TERMINATION**

1. The Contract term shall commence on October 1, 2024 and shall continue until 11:59 p.m. on September 30, 2028 (the "**Contract Period**"). The Contract may provide for a limited extension beyond the stated period at the option of the STO. The Contract shall terminate at the end of the Contract Period or upon any extension(s) thereof, termination or cancellation by either party under the terms of the Contract, or any other event that causes this contractual relationship between the STO and the Contractor to cease. Due to the nature of the services, the Contractor shall continue processing any transactions already delivered by the State as well as any transactions returned from the ACH Operator for a reasonable period of time after expiration or termination of the Contract unless other arrangements are made by the STO. All associated services included in this Contract must continue to be provided during this transitional time, at the prices set forth by the Contract.

2. If, in the sole discretion of the STO, the STO concludes that the Contractor has substantially defaulted in any manner in performing any of the contractual terms and conditions, and such default is not cured by the next “banking day” (as that term is defined in [Section 400.4-104, RSMo](#) (as amended)) or, at the discretion of the STO, in some other commercially reasonable period of time after notice of such default is given to the Contractor, the STO may immediately terminate the Contract and withdraw all State of Missouri funds on deposit with the Contractor.
3. The STO may terminate the Contract, in whole or in part, at any time for a breach of any contractual obligation. Should the STO exercise its right to terminate the Contract for such a reason, the termination shall become effective on the date specified in a written notice of termination sent to the Contractor.
4. The STO reserves the right to terminate the Contract, in whole or in part, at any time, for the convenience of the State of Missouri, without penalty or recourse, by giving written notice to the Contractor at least 120 days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all documents, data, reports, supplies, and accomplishments prepared, furnished or completed by the Contractor pursuant to the terms of the Contract shall, at the option of the STO, become property of the State of Missouri. The Contractor shall be entitled to receive just and equitable compensation for the work completed pursuant to the Contract prior to the effective date of termination.
5. The Contractor may terminate the Contract by giving written notice to the STO at least 120 days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all documents, data, reports, supplies, and accomplishments prepared, furnished or completed by the Contractor pursuant to the terms of the Contract shall, at the option of the STO, become property of the State of Missouri. The Contractor shall be entitled to receive just and equitable compensation for the work completed pursuant to the Contract prior to the effective date of termination.
6. The Contractor further agrees and understands that any payment due under the terms of the Contract shall be made only (a) after the successful completion of all requirements set forth in the Contract; and (b) after approval and acceptance by the STO of the Contractor’s performance, services and/or supplies required by the terms of the Contract.
7. No provision in this document or in the Contractor’s proposal shall be construed,

expressly or impliedly, as a waiver by the STO of any existing or future right and/or remedy available by law in the event of any claim of default or breach of Contract.

8. Any written notice to the Contractor shall be deemed sufficient when presented to an authorized employee of the Contractor at its address as listed on the signature page of the Contract, or deposited in the United States mail, postage prepaid, and addressed to the Contractor at its address as listed on the signature page of the Contract, or at such address as the Contractor may have requested in writing.

### **C. LIABILITY AND RESPONSIBILITY**

1. The Contractor shall be liable to the STO for any loss of funds as a result of the Contractor's failure to properly execute a Contract obligation when such error is within the Contractor's control. This includes system and/or processing down time that is not restored in a timely manner.
2. The Contractor shall compensate the State of Missouri for the loss of any and all interest that results from any error or omission by Contractor or from the Contractor's failure to execute a transfer request on the date requested, unless due to an error not within the Contractor's control. The compensation shall be for a timeframe not exceeding the period beginning with the date of the failure, error, or omission and ending with the date of actual transfer or error correction or omission correction. The compensation must be in the form of a reimbursement equal to the average of the daily Federal Funds interest rate (as reported on Bloomberg) plus five (5) basis points for the period and amount in question computed on a daily basis.
3. The Contractor agrees that it will indemnify and hold the STO and the State of Missouri harmless from any third party claims for damage resulting from any negligent act or omission or willful misconduct on the part of the Contractor or its related or affiliated entities, or on the part of any subcontractor or other person employed by or under the supervision of the Contractor.
4. The Contractor shall defend, protect, and hold harmless the STO and the State of Missouri, its officers, agents and employees against all claims, demands, lawsuits, and liability resulting from copyright and/or patent infringement concerning the Contractor's performance or products produced under the terms of the Contract.
5. The Contractor shall be deemed to have exercised ordinary care if the Contractor has followed established procedures agreed to under the Contract in executing a transfer. The



Contractor agrees that it shall be deemed not to have exercised ordinary care if it has deviated from these established procedures agreed to under the Contract in executing a transfer without prior written authorization from the STO.

#### **D. RECORDS, ACCESS AND CONFIDENTIALITY**

1. The Contractor shall maintain financial and accounting records and supporting evidence pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified by the STO.
2. All such reports, records, tapes, files or other materials developed or acquired by the Contractor as a specified requirement of the Contract shall become property of the STO.
3. The Contractor shall permit reasonable access by the STO during the Contract period and any extension periods, and for an eighteen- (18) month period beyond the end of the Contract, for purposes of performing audit procedures relating to any aspect of the services provided by the Contractor to the STO in connection with the Contract.
4. Any and all information supporting the Contract and any and all tapes, files and data files maintained by the Contractor for such purpose shall be provided to the STO, or a designated STO representative, at no cost to the STO or designated representative, upon request by the STO, at the end of the Contract Period.
5. In addition to the reports specifically required by the Contract, the Contractor must provide, for an agreed price, additional financial and analytical reports as the STO may request.
6. The STO reserves the right to reject or request changes in all reports, systems, on-line inquiry features, and procedures.
7. If the STO requests a service be performed on a specific day, and that day is not a banking day, the Contractor must provide the service on the next banking day, unless otherwise indicated by the STO or by mutual agreement between the Contractor and the STO.
8. The Contractor shall maintain complete confidentiality of all data and all records, including, but not limited to, information regarding any tax report or return, and any

personally identifiable information of any person, relating to services performed under the Contract, and Contractor shall also secure such data against breaches, leaks, loss, alteration, harm, theft, access, viewing, knowledge of or about, disclosure, transmission, copying, and theft by any and all third parties. No list, report or other materials generated from data covered under the Contract may be disclosed or transferred by the Contractor to any other person or entity. Specifically, the Contractor affirms that it shall abide by all applicable state and federal laws, rules and regulations regarding the confidentiality of such information, including, but not limited to 26 USC 7213 and [Sections 32.057 RSMo](#), and [407.1500 RSMo](#). The Contractor shall take any and all steps necessary, in the discretion of the STO, or in accordance with industry best practices in the absence of any direction give or preference expressed by the STO, to ensure that its employees, subcontractors and/or any other persons under the Contractor's control with access to such information (1) are aware of and abide by such laws, rules and regulations regarding the confidentiality of such information and (2) are aware of the potential for criminal prosecution for failing to abide by such laws, rules and regulations. The Contractor agrees to indemnify and hold harmless the State of Missouri for any damages, costs, fees or other liability (including counsel fees) arising as a result of the Contractor's failure to comply with the applicable laws, rules, regulations, or terms of the Contract regarding the confidentiality and security of the data and records provided to the Contractor under the Contract.

#### **E. COMPLIANCE WITH APPLICABLE LAWS**

1. The Contract shall be construed according to the laws of the State of Missouri. To the extent that a provision of the Contract is determine by final order or judgement of a court to be contrary to the Constitution or laws of the State of Missouri or of the United States, such provisions(s) shall be severable from the Contract. However, the remaining provisions of the Contract shall remain in force between the parties unless terminated by consent of both the Contractor and the STO.
2. The Contractor shall comply with all local, state and federal laws and regulations related to the performance of the Contract, to the extent that the same may be applicable, and must be registered with and maintain good standing with the Missouri Secretary of State, the Division of Finance of the Missouri Department of Commerce and Insurance, and/or any other Missouri State office or agency, and any other federal office or agency, as may be required by law or regulation.
3. The Contractor represents itself to be independent of the State of Missouri. The Contractor shall not represent itself or its employees to be an employee, agent, or representative of the State of Missouri. Therefore, the Contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers

compensation, employee insurance, minimum wage requirements, overtime, etc., and agrees to indemnify, save, and hold the State of Missouri, its officers, agents, and employees, harmless from and against, any and all loss, cost (including attorney fees), and damage of any kind related to such matters.

4. In connection with the furnishing of supplies or performance of work under the Contract, the Contractor agrees to comply with the Fair Labor Standard Act, Fair Employment Practices, Equal Employment Opportunity Act, the Americans With Disabilities Act (ADA), and all other applicable federal and state laws, regulations, and executive orders to the extent that the same may be applicable and further agrees to insert the foregoing provision in all subcontracts awarded hereunder. If the Contractor is found to be in violation of any applicable state, federal or local law or regulation, the STO shall have the right to cancel the Contract immediately without penalty or recourse. In addition, the Contractor shall agree to fully cooperate with any audit or investigation from any federal, state or local law enforcement agency.
5. Contractors with the State of Missouri must comply with Article XIII of [Executive Order No. 87-6](#) pertaining to discrimination and affirmative action. Failure to comply may result in appropriate action including cancellation of the Contract resulting from this RFP.
6. The Contractor shall only employ personnel authorized to work in the United States in accordance with applicable federal and state laws. This includes, but is not limited to, the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) and INA Section 274A.

If the Contractor is found to be in violation of this requirement or the applicable state, federal, and local laws and regulations, and if the Missouri State Treasurer's Office has reasonable cause to believe that the Contractor has knowingly employed individuals who are not eligible to work in the United States, the STO shall have the right to cancel the contract immediately without penalty or recourse and suspend or debar the Contractor from doing business with the STO. The STO may also withhold up to twenty-five percent of the total amount due to the Contractor.

The Contractor shall agree to fully cooperate with any audit or investigation from federal, state, or local law enforcement agencies.

Pursuant to [Section 285.530, RSMo](#), if the Contractor meets the definition of a "business entity" under [Section 285.525, RSMo](#) (a "section 285.525 business entity"), the Contractor must affirm the Contractor's enrollment and participation in the E-Verify federal work authorization program with respect to employees hired after enrollment in the program who are proposed to work in connection with the services requested herein.

The Contractor should complete the applicable portions of **Appendix M** Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization. The applicable portions of **Appendix M** must be submitted prior to an award of a contract. In accordance with Section 285.530.2 RSMo, the Contractor shall renew their Affidavit of Work Authorization annually. A valid affidavit of Work Authorization is necessary to award any new contracts.

If the Contractor's business status changes to become a business entity as defined in Section 285.525 RSMo pertaining to Section 285.530 RSMo, then the Contractor shall, prior to the performance of any services as a business entity under the Contract: (a) enroll and participate in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services required herein; and (b) provide to the STO the documentation required in **Appendix M** entitled Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization affirming Contractor's enrollment and participation in the E-Verify federal work authorization program; and (c) submit to the STO a completed, notarized Affidavit of Work Authorization as provided in **Appendix M**.

7. Contractors with the State of Missouri must comply with [Executive Order No. 04-09](#) pertaining to outsourcing of employment. Failure to comply may result in appropriate action including cancellation of the Contract resulting from this RFP.
8. The STO will not contract for goods or services with a Contractor if the Contractor or any affiliate of the Contractor fails to properly pay or to collect and remit taxes owed to the State of Missouri. The Contractor's failure, or the failure of any affiliate to the Contractor, to maintain good standing with the State of Missouri Department of Revenue may result in appropriate action including cancellation of the Contract resulting from this RFP.
9. The parties are advised and acknowledge that pursuant to the Missouri Sunshine Law, Sections 610.010 *et seq.*, upon execution of the Contract, the Contract (including any and all materials provided by all bidders in the RFP process) and all records related to the Contract may be considered to be open records and may be made available in response to public information requests under the Missouri Sunshine Law.

The STO shall have no obligation to contact or inform the Contractor or any bidder prior to providing any and all documents in response to a public records request, and Contractor hereby waives, releases, and holds STO harmless from any and all claims Contractor may have against STO for releasing or disclosing the same.

## F. ASSUMPTION OF LIABILITY, INSURANCE AND INDEMNIFICATION

1. The Contractor shall be responsible for any and all claims, actions, liability injury or damage (including court costs and attorneys' fees) incurred as a result of the Contractor's breach of the Contract, negligence or willful misconduct in providing any service rendered under the terms and conditions, requirements or specification of the Contract. In addition to the liability imposed upon the Contractor for personal injury, bodily injury (including death) or property damage suffered as a result of the Contractor's performance under the Contract, the Contractor assumes the obligation to save, hold harmless, defend, and indemnify the State of Missouri, including its agencies, employees, and assigns, from every claim, expense, action, liability, injury or damage arising out of any negligent act or any willful misconduct of the Contractor. The Contractor also agrees to save, hold harmless, defend, and indemnify the State of Missouri, including its agencies, employees, and assigns, for any negligent act or omission or willful misconduct committed by any subcontractor or other person employed by or under the supervision of the Contractor under the terms of the Contract. However, the Contractor shall not be responsible for any injury or damage occurring solely as a result of any negligent act or omission or willful misconduct committed by the STO or the State of Missouri, including its agencies, employees and assigns. This provision is not intended to waive any claim of sovereign immunity to which a public entity is entitled under Missouri or federal law.
2. The Contractor understands and agrees that the State cannot save and hold harmless and/or indemnify the Contractor or its employees against any liability incurred or arising as a result of any activity of the Contractor or any activity of the Contractor's employees related to the Contractor's performance under the Contract. Therefore, the Contractor shall maintain adequate liability insurance to protect the State of Missouri, its agencies, its employees, its assigns, its clients, and the general public against any loss, damage, and/or expense related to its performance under the Contract. The insurance coverage shall include, but shall not necessarily be limited to, general liability, errors and omissions, professional liability, etc. **The State of Missouri shall be a named party on the policy and written evidence of the insurance coverage shall be provided by the Contractor to the STO (such as a certificate of insurance).** The evidence of insurance shall include, but shall not necessarily be limited to: effective dates of coverage, limits of liability, insurers' names, policy numbers, endorsement by representatives of the insurance company, etc. Evidence of self-insurance coverage or of another alternate risk financing mechanism may be utilized provided that such coverage is verifiable and irrevocably reliable. The evidence of insurance coverage must be submitted before or upon award of the Contract. In the event the insurance coverage is in any way changed, the STO must be notified by the Contractor immediately.

## G. PROPOSAL ACCEPTANCE OR REJECTION

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

#### **H. PROPOSAL PREPARATION COSTS**

The STO will not reimburse any bidder responding to this RFP for costs incurred in preparing documentation, making presentations, or any other costs incurred as a result of this RFP.

#### **I. INSTALLATION AND CONVERSION COSTS**

Any equipment installation, software or data file conversions, or any other costs associated with start-up and implementation shall be the responsibility of the Contractor.

#### **J. REPLACEMENT EQUIPMENT AND TRAINING**

1. As requested by the STO, the Contractor shall provide periodic training or retraining of STO, or, when appropriate, personnel of other State agencies, in the use and operation of the equipment, software, or systems provided under the Contract.
2. In the event that the Contractor's systems or any of its components are rendered permanently or indefinitely inoperative, the Contractor must have the capability to reconstruct necessary data files and operate on replacement equipment within one (1) calendar day of any such occurrence. Failure to comply with this provision shall give the STO the right to terminate this contract immediately, or at a time of the STO's sole choosing, but such termination shall not release Contractor from any duties, obligations, expenses, liability, or performance owed under the Contract, including those provision relating to transmission of any data back to the STO upon the termination of the Contract.

#### **K. SUBSTITUTION OF PERSONNEL**

The STO's agreement to the Contract is predicated, in part and among other considerations, on the utilization of the specific individual(s) and/or personnel qualification(s) as identified and/or described in the Contractor's proposal. In the event that any of the specific individuals and/or personnel qualifications change, the Contractor must immediately notify the STO. The Contractor further agrees that any substitution of individuals or personnel qualifications made

pursuant to this paragraph must be equal to or better than originally proposed and that the notification of a substitution shall not be construed as an acceptance by the STO of the substitution's performance potential.

#### **L. REVIEW OF SERVICES**

The STO will conduct regular service reviews with the Contractor. Such reviews will include a review of the quality of services and discussion of any specific concerns of the STO or the Contractor, and will be documented in a mutually agreed upon format.

#### **M. ASSIGNMENT**

The Contractor shall not assign any interest in the Contract nor transfer any interest, whatsoever, in the same (whether by assignment or notation) without prior written consent of the STO, which may be withheld at the STO's sole discretion.

#### **N. JURISDICTION**

Each party irrevocably and unconditionally (i) submits to the exclusive jurisdiction of any United State Federal or Missouri State court sitting in Cole County, Missouri, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under the Agreement or relating in any way to the Agreement or any Transaction under the Agreement; and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

#### **O. CONFLICT OF INTEREST**

The Contractor covenants that it presently has no interest and shall not acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the services hereunder. The Contractor further covenants that no person having any such known interest shall be employed by the Contractor or conveyed an interest, directly or indirectly, in the Contract.

#### **P. ESTIMATED VOLUMES**

Any statistics or estimates of workload in this RFP are for informational purposes only and do not imply that they accurately represent expected future activity.

## **Q. COLLATERAL**

Collateral acceptable to the STO will be required on the total of any compensating balances and any other funds (collected and uncollected) in STO and State accounts covered by this Contract in excess of FDIC insurance coverage. Funds in sweep repurchase agreements must be secured in accordance with Article IV, Section 15 of the Missouri Constitution by United States Treasury obligations or obligations of United States government agencies or instrumentalities. All products or services offered must be appropriately collateralized or secured in accordance with Missouri law. The [acceptable collateral listing](#) is subject to change.



## IV. COMPENSATION

### A. METHOD OF COMPENSATION

1. The Contractor must uphold all service and pricing commitments. All costs bid are firm, fixed costs for the duration of the contract period (including available renewal periods).
2. The STO shall strive to maintain an average daily collected balance with the Contractor throughout the service period sufficient to compensate the Contractor for services provided which are the responsibility of the STO. The level of compensating balance shall be based upon the volume of services provided, agreed-upon prices, earnings credit rate (ECR), and required reserves. Balances will be reviewed monthly and adjusted as needed to approximate the level of service activity. Any excess balance from the previous month shall be carried forward and used to pay for the next month's services. Any deficit balance from the previous month will be covered by future earnings. Any excess or deficit position with the Contractor shall carry forward month to month and year to year, so long as the STO maintains services with the Contractor unless otherwise agreed to by the STO.
3. The ECR on balances maintained in all accounts shall be quoted at a spread from the average of the yields from the regular 3-month Treasury Bill auctions of the preceding month. (See Pricing Table 2 in **Appendix I**) The ECR shall be verified with the STO before preparation of an account analysis.
4. End of day balances in the account(s) (DDAs, repos, or other products) with the Contractor shall not be assessed charges for reserve requirements, FDIC insurance premiums, or any similar balance related charges.
5. If balances are swept into repurchase agreement account(s), they shall be included in determining the compensating balance on deposit with the Contractor, and the Contractor will enter into a Master Repurchase Agreement with the STO.
6. STO reserves the right to pay Contractor on a direct fee-for-service basis.
7. STO will accept proposals for both direct fee-for-service and compensating balance pricing.

### B. PRICE ADJUSTMENTS

1. All prices included in the proposal are effective for the entire period of the Contract, including available renewal periods, unless otherwise specified below.
2. If included in the proposal, the Contractor may request an adjustment for changes in pass-through charges. The Contractor shall submit documentation verifying such rates when requesting adjustment.
3. Prices for any changes or additional services during the contract period (including the available renewal periods) shall be negotiated between the STO and the Contractor, documented in writing, and signed by both parties.

### **C. CHANGE IN METHOD OF COMPENSATION**

The STO currently compensates contractors on a compensating balance basis. During the term of the Contract, the STO specifically reserves the right to switch from the compensating balance format described in this section (Section IV) to a direct fee-for-service format.

There shall be no change to the prices indicated in this proposal should there be a subsequent change to a direct fee-for-service method.

## V. PROPOSAL CONTENTS AND SELECTION

### A. GENERAL CONSIDERATIONS

1. Each of the mandatory requirements contained in Section II.B. must be initialed by the authorized bank officer signing the bid to indicate the bidder's acceptance to perform the requirement as stated.
2. Bidders must prepare concise and complete written responses to each of the specific questions for bidders contained in Section II.C. Responses should be numbered in the same manner as the questions and will be used in evaluating each bidder's proposed method of performance. The responses to the questions shall also be submitted in Microsoft Word format or Portable Document Format (PDF) to facilitate the evaluation process.
3. Bidders are free to recommend any changes to approach or systems which they believe would be beneficial or cost-effective to the State. This can include recommendations for enhancing, streamlining, or eliminating redundant or superfluous processing or reporting, and opportunities for integrating services or systems. Bidders should note, however, that proposals will be evaluated, and the Contractor will be chosen, on the basis of the Contractor's commitment to meet and deliver the mandatory service requirements at the most competitive price. Thus, recommendations which increase the cost of a proposal beyond that necessary to meet and deliver the mandatory service requirements may place the bidder at a competitive price disadvantage relative to bidders who price their proposals strictly in terms of the mandatory service requirements. The State is the final and sole arbiter of whether such alternative solution proposals meet the State's requirements and are cost effective.
4. **Bidders may submit more than one proposal.** Additional proposals may be prepared in an abbreviated form following the same format as the primary proposal (which shall be labeled as such), but containing only that information that differs in a substantive way from that contained in the primary proposal. Each proposal must be bound separately and prepared in accordance with Part B of this section.
5. Bidders may submit a proposal that does not satisfy all of the specific mandatory requirements of the RFP by offering an alternative solution to the approach depicted in the RFP. Such proposals must be clearly identified by the bidder as "Alternative Solution Proposals." In all cases to be considered for evaluation, alternative solution proposals must clearly meet the intent of the mandatory requirements of the RFP, be cost effective,

as well as meeting the overall objectives of the procurement and the State's needs as stated in Section II, the Scope of Services. Alternative solution proposals must be prepared in accordance with Part B of this section. The State shall be the final and sole arbiter of whether such alternative solution proposals meet the State's requirements and are cost effective.

## 6. Eligibility Requirements for Bidders

- a. In addition to the requirements detailed elsewhere in this RFP, all bidders must include in their proposals a certified statement attesting to the following:
  - (1) The bidder is either a federal government or state government chartered financial institution.
  - (2) The bidder has a depository banking facility in the State of Missouri. The mere presence of an ATM or other similar machine does not satisfy this criteria.
  - (3) The bidder is a federally insured financial institution.
  - (4) The bidder is currently in compliance with all applicable federal law, rules, regulations, and guidelines, including those requiring Bidder be Well Capitalized.
  - (5) The bidder has a Community Reinvestment Act (CRA) rating of "satisfactory" or better for the most recent examination conducted.
  - (6) The bidder has sufficient equity capital to hold the compensating balances required by the bidder's proposal.
- b. If the bidder intends to utilize the services of a related financial institution (i.e., a bank within the same holding company as the bidder or to subcontract any of its obligations to a separate financial institution) in the bidder's proposed method of performance, the bidder must also include a certified statement attesting to the information described in item numbers (1) to (6) immediately above for any additional institution(s). The bidders must also provide copies of the most recent Annual Report, Call Report, CRA Statement, and CRA Public Disclosure for for Bidder and each such related institution. (Submit these copies only in the original Volume I of the proposal.)
- c. All bidders who intend to submit responses to this RFP **must attend** (be dialed in) the Bidders conference on April 16, 2024. The bidder's conference will be held by conference call. Please see I.B. for details.

- d. All Bidders must be prepared to schedule and deliver a presentation to the STO at the Bidders conference. The presentation, if scheduled, will encompass a review of the bidder's systems, the processes to be used in handling the State's accounts and deposits, and an introduction to the staff who will be involved in servicing the STO's Contract and such staff's relationship with the Bidder. Presentations may be scheduled with the top two (2) or three (3) successful Bidders at the STO's sole discretion. Presentations are currently scheduled to occur **May 15, 2024** and may be in person or by teleconference (method of presentation and assigned presentation time will be relayed to bidders after receipt of proposals). The STO is in no way obligated to schedule bidder presentations, and the STO can select a proposal without viewing a presentation from the bidder. All costs surrounding the presentations are the bidder's sole responsibility.
7. Bidders are advised that upon execution of a contract, all information submitted in response to this Request for Proposal may be considered an open record under Missouri Law and may be made available in response to public information requests. See section III.E, Item 9.

## **B. FORMAT AND SUBMISSION OF PROPOSAL**

1. The selection procedure for this procurement requires that evaluation of the proposed method of performance be completed before considering a bidder's pricing proposal. Consequently, each proposal must be submitted in two (2) volumes as indicated below.
  - a. Volume I – Proposed Method of Performance
    - (1) This volume must contain sufficient information to enable the evaluators to evaluate the proposal in accordance with the mandatory requirements and the evaluation criteria listed in section V, part D. It should be prepared in a clear and concise manner and should address all appropriate aspects of this RFP **except pricing**.
    - (2) This volume should be organized into distinctive sections as outlined below.
      - I. Cover or Transmittal Letter
      - II. Eligibility Certification (see V.A.6.)
      - III. Acceptance of Mandatory Requirements (see Section II.B.)
      - IV. Responses to Specific Questions (see Section II.C.)
      - V. Disaster Recovery (see Section II.C.16.)
      - VI. Community Investment (see V.H., and **Appendix L**)
      - VII. Desired Contracts and Agreements (see Part II.C.19.c.)
      - VIII. Completed applicable portions of the Business Entity Certification,

Enrollment Documentation, and Affidavit of Work Authorization  
(see section III.E.6 and **Appendix M**)

- b. Volume II – Pricing Proposal
  - (1) This volume must contain the completed pricing tables (**Appendix I**) as well as any other charges or pricing applicable to the STO with volume assumptions included. (If volume assumptions are not included and documented, the Contractor will not be able to charge more than the extended cost on the pricing table for any single year during the contract period.)
  - (2) This volume should be organized into distinctive sections as outlined below.
    - I. Completed Pricing Tables (**Appendix I**)
    - II. Other Supplemental Pricing Information (including documentation of any volume assumptions made)
  - (3) **This volume must be submitted in a separate, sealed envelope, clearly labeled “Pricing Proposal” on the outside of the envelope.** (Only the original copy of this volume is required.)
2. Proposals must be priced, signed by a bank officer with authority to bind the Contractor to the State by contract, sealed, and returned (in the volumes indicated and with all necessary attachments) to the STO by **11:00 a.m. CST, May 1, 2024**.
  - a. In addition to the original proposal, the bidder should include five (5) hard copies of Volume I of the proposal. Only the original copy of Volume II is required.
  - b. Volume I of the proposal shall be submitted in a three- (3) ring loose-leaf binder. Volume II shall be submitted in a separate folio or folder, sealed, and clearly labeled as “Pricing Proposal” on the outside of the sealed envelope or folio. Proposals shall be prepared on 8 ½ x 11 inch paper using a legible font.
  - c. In addition to the above, bidders are required to submit one CD-ROM or flash drive containing the bidder’s entire proposal(s). (If any discrepancies between the hard (paper) copy and the electronic copy are discovered, the hard (paper) copy will prevail.)
3. The bidder shall respond to this RFP by submitting all data required. Failure to submit such data shall be deemed sufficient cause for disqualification of a proposal from further consideration for award.

### C. CLARIFICATION OF REQUIREMENTS

1. Any and all questions regarding specifications, requirements, competitive procurement process, etc., must be directed in writing to Jocelyn Oligschlaeger, Director of Banking via email to [STORFP@treasurer.mo.gov](mailto:STORFP@treasurer.mo.gov) . This is the only method of communications that will be accepted. The deadline to submit questions is April 24, 2024.
2. **Bidders are cautioned not to contact employees of the STO, employees of other State agencies, members of the General Assembly, or any members of the evaluation committee concerning this procurement during the competitive procurement and evaluation process. Such contact may cause the bidder's proposal to be rejected.**
3. The bidder is advised that the STO's only official position is that which is stated in writing and issued by the STO as a RFP and any amendments thereto. No other means of communication, whether oral or written, shall be construed as a formal or official response or statement.

### D. EVALUATION PROCESS

1. After determining that a proposal satisfies the mandatory requirements stated in this RFP, the comparative assessment of the relative benefits and deficiencies of the proposal in relationship to the published evaluation criteria shall be made by using subjective judgment. The award of a contract resulting from this RFP will be based on the evaluation criteria stated below:

<b>Price</b>	<b>50%</b>
<b>Proposed Method of Performance</b>	<b>20%</b>
<b>Experience, Quality and Reliability</b>	<b>25%</b>
<b>Community Investment</b>	<b>5%</b>

*Any cost-effective suggestions to improve current systems may be used to select one bidder over another if scoring is tied.*

2. After an initial screening process, if deemed necessary, the STO and the evaluation committee may ask a bidder to clarify or verify elements of the bidder's proposal to develop a more comprehensive assessment of the proposal. Such a request will be delivered via email to the officer signing the proposal, and will generally require a **response in 48 hours**.

3. The STO reserves the right to consider historic information and facts, whether gained from the bidder's proposal, question and answer conferences, references, or any other source, in the evaluation process.
4. It is the solely bidder's responsibility to submit information related to the evaluation categories and the STO is under no obligation to solicit such information if it is not included with the bidder's proposal. Failure of the bidder to submit such information may cause an adverse impact on the evaluation of the bidder's proposal, up to and including rejection of the bidder's proposal.
5. In the event that only one (1) proposal is received in response to this RFP, the STO reserves the right to cancel the bid process or to negotiate the terms and conditions, including the price, as proposed in the sole bidder's proposal. In addition, as part of such negotiations, the STO reserves the right to require supporting cost, pricing and other data from the bidder in order to determine the reasonableness and acceptability of the proposal.

## **E. PRICING**

1. The bidder must complete the pricing tables (**Appendix I**) of this RFP and submit them with the proposal in a separate sealed envelope or folio. Any pricing involved in providing required services must be reflected on the pricing tables. All costs must be portrayed.
  - a. The bidder must quote a firm, fixed price for each identified transaction, multiply it by the indicated volume, and state an estimated annual cost for each transaction.
  - b. For any service listed that has no charge or does not apply, insert zero for the unit price and estimated annual cost.
  - c. Where appropriate, the bidder must quote a firm, fixed price for providing a system.
  - d. The bidder must include a proposed ECR or the direct-fee-for-service as defined in section IV, part A, Method of Compensation.
2. Any cost and/or pricing data submitted or related to the bidder's proposal including any cost and/or pricing data related to contractual extension options, whether required or voluntary, shall be subject to evaluation if deemed by the STO to be in the best interests of the State of Missouri.



3. The Total Package Price will be determined by adding together the annual transaction charges (i.e., the extended transaction charge prices, if any, factored in the calculation) and calculating the required compensating balance by applying any spread bid from the ECR or the direct-fee-for-service.

#### **F. PROPOSED METHOD OF PERFORMANCE**

1. Proposals will be evaluated based on the bidder's distinctive plan for performing the requirements of the RFP.
2. The bidder must initial mandatory items listed in Section II.B. and must present written responses to the questions posed in section II.C.

#### **G. COMMUNITY INVESTMENT**

1. All bidders must complete and include with their proposal the Community Investment Questionnaire located in **Appendix L**.
2. Proposals must include the bidder's most recent Community Reinvestment Act (CRA) Summary Statement and CRA Public Disclosure received from the bidder's rating regulatory agency with the completed **Appendix L** from item number 1 above.

## VI. GLOSSARY OF TERMS

Term or Abbreviation	Definition
1. <b>ACH</b>	Automated Clearing House.
2. <b>ACH Operator</b>	The central clearing facility that receives entries from the ODFIs and distributes entries to the RDFIs.
3. <b>Alternative Solution</b>	A proposed method or procedure to meet the needs or intent of the mandatory requirements of the request for proposal (RFP).
4. <b>ANSI ASC X12</b>	American National Standards Institute, Accredited Standards Committee X12. The X12 committee was chartered to develop uniform standards for inter-industry electronic exchange of business transactions-electronic data interchange (EDI).
5. <b>BAI</b>	Bank Administration Institute.
6. <b>Bank</b>	A financial institution.
7. <b>Banking Day</b>	The standard day of operation of the federal reserve system.
8. <b>Bidder</b>	The business entity or organization responding to the request for proposal submitted to the STO. (If awarded the contract, the bidder may also be known as the “Contractor”.)
9. <b>Check</b>	Any written document instructing a bank to pay money from the payor’s account.
10. <b>CCD</b>	Cash Concentration and Disbursement.
11. <b>Collected Balance</b>	The difference between ledger balances and deposit float.
12. <b>Collection Accounts</b>	Depository Accounts maintained by the STO for agencies with an office outside of Jefferson City. The agencies deposit monies received locally, report the deposits to the state account system, and the STO initiates ACH debits to the accounts to consolidate funds for investment.
13. <b>Community Investment</b>	The contribution a financial institution makes to the community it serves.

Term or Abbreviation	Definition
14. <b>Contract</b>	Collectively refers to: the Depository Contract, Pledge Agreement, and Contract for Electronic Banking Services; the RFP and any amendments, appendixes, attachments, exhibits, excel files, diagrams, or other documents affixed thereto issued by the State Treasurer’s Office; the Contractor’s response to the RFP including any and all attachments and additional responses.
15. <b>Contractor</b>	The business entity or organization that is awarded the Contract to perform the services specified within the request for proposal. (The Contractor may also be referred to as the “bidder” prior to contract award.)
16. <b>CRA</b>	Community Reinvestment Act.
17. <b>Crosswalk</b>	A document that demonstrates the mapping of the STO assigned account numbers to the Contractor’s demand deposit accounts.
18. <b>CST</b>	Central Standard Time.
19. <b>CTX</b>	Corporate Trade Exchange.
20. <b>Custodial Services</b>	Custody services provided for the safekeeping of securities owned by the STO.
21. <b>Daylight Overdraft Limit</b>	An intra-day overdraft limit approved by the financial institution.
22. <b>DCI</b>	The Department of Insurance, Financial Institutions, and Professional Registration located in Jefferson City.
23. <b>DDA</b>	Demand Deposit Account.
24. <b>Delete</b>	To stop or remove a transaction from an outgoing ACH origination file as to prevent the transaction from leaving the Contractor’s facility and the State’s bank account.
25. <b>DFI</b>	Depository Financial Institution.
26. <b>DHSS</b>	The Department of Health and Senior Services of the State of Missouri, located in Jefferson City.
27. <b>Direct Deposit Accounts</b>	An account with no checking privileges. At a minimum, account holders should be able to have paychecks direct deposited and

<b>Term or Abbreviation</b>	<b>Definition</b>
	make withdrawals by automated teller machine (ATM) or debit card.
28. <b>Division of Finance</b>	The state agency responsible for oversight of financial institutions within the State of Missouri. A division of the Department of Insurance and Commerce.
29. <b>Disbursement</b>	The act of paying out funds.
30. <b>DOC</b>	The Department of Corrections of the State of Missouri, located in Jefferson City.
31. <b>DOR</b>	The Department of Revenue of the State of Missouri, located in Jefferson City.
32. <b>DSS</b>	The Department of Social Services of the State of Missouri, located in Jefferson City.
33. <b>DYS</b>	The Division of Youth Services, a division of the Department of Social Services of the State of Missouri, located in Jefferson City.
34. <b>EBT</b>	Electronic Benefits Transfer.
35. <b>ECR</b>	Earnings Credit Rate.
36. <b>ERP</b>	Enterprise Resource Planning system.
37. <b>Experience, Quality and Reliability</b>	The terms applied to the knowledge, practice and dependability of a proposed bidder to perform those specific requirements identified within the request for proposal (RFP).
38. <b>FDIC</b>	Federal Deposit Insurance Corporation.
39. <b>FFIEC</b>	Federal Financial Institution Examination Council.
40. <b>FTP</b>	File Transfer Protocol.
41. <b>Hot Site</b>	Alternative processing location in the event of an event that interrupts processing and/or service at the primary processing location.
42. <b>IDC</b>	One of the nationally recognized statistical rating organizations (NRSRO's) recognized by the Securities and Exchange

Term or Abbreviation	Definition
	Commission, which provides credit ratings of U.S. financial institutions.
43. <b>IP</b>	Internet Protocol.
44. <b>Ledger Balance</b>	The bank balance that reflects all accounting entries that affect a bank balance, regardless of any deposit float.
45. <b>LOI</b>	Letter of Indemnity. An indemnification agreement requesting the return of funds sent by ACH outside of the NACHA reversal window.
46. <b>Lottery</b>	The Missouri Lottery, located in Jefferson City.
47. <b>Mandatory Requirements</b>	Those specific methods or procedures required by the State Treasurer's Office (STO) and defined in Section II. B. of the request for proposal (RFP) to ensure that the State of Missouri's needs are met by the Contractor.
48. <b>MDC</b>	The Missouri Department of Conservation located in Jefferson City, Missouri.
49. <b>NACHA</b>	National Automated Clearing House Association. The governing body responsible for oversight and rulemaking surrounding ACH processing.
50. <b>NOC</b>	Notification of Change.
51. <b>NSRSO</b>	Nationally Recognized Statistical Rating Organizations recognized by the Securities and Exchange Commission.
52. <b>OA</b>	The Office of Administration of the State of Missouri located in Jefferson City.
53. <b>OASI</b>	Old Age and Survivors Insurance.
54. <b>OCC</b>	Office of the Comptroller of the Currency.
55. <b>ODFI</b>	Originating Depository Financial Institution.
56. <b>Online/On-line</b>	A system connected to the Internet.

<b>Term or Abbreviation</b>	<b>Definition</b>
57. <b>PEP +</b>	An ACH processing product utilized by many financial institutions.
58. <b>PPD</b>	Prearranged Payment or Deposit.
59. <b>PR</b>	The Division of Professional Registration which is responsible for licensing and oversight of specified professions within the State of Missouri located in Jefferson City. A division of the Department of Insurance and Commerce.
60. <b>Prenote</b>	A prenotification entry sent prior to the initiation of the first ACH entry. Sent to a receiver's account providing notice that one or more entries will be initiated based on the receiver's authorization.
61. <b>Pricing</b>	The dollar amount affixed by the bidder to a prescribed service or requirement of the State Treasurer's Office included in the request for proposal. All costs bid are firm, fixed costs for the duration of the contract period.
62. <b>Proposal</b>	The official request document submitted by bidders to acknowledge their interest in performing services for the STO and documenting their ability to perform the services requested in the STO's Request for Proposal.
63. <b>Proposed Method of Performance</b>	The distinctive plan for performing the requirements of the request for proposal (RFP) as defined by the bidder.
64. <b>RDFI</b>	Receiving Depository Financial Institution.
65. <b>Reasonable Fee</b>	The reasonable cost or limitation placed upon a service to be performed in execution of a duty.
66. <b>Repurchase Agreement (Repo)</b>	The sale of a security by a dealer to an investor with an agreement to buy the security back from the investor at a specific time and at a price that will result in a pre-determined yield to the investor.
67. <b>Resend</b>	Reinitiation of a returned ACH transaction.
68. <b>Reversal</b>	A credit or debit ACH entry that reverses or corrects an erroneous entry.
69. <b>RFP</b>	Request for Proposal.

Term or Abbreviation	Definition
70. <b>SDC</b>	The State Data Center of the State of Missouri, a section within the Office of Administration (OA) located in Jefferson City.
71. <b>Secure FTP</b>	The secured version of FTP, also known as FTPS, and using SSL certifications to secure transfers.
72. <b>SFTP</b>	SSH File Transfer Protocol, uses SSH keys to secure transfers.
73. <b>SNA</b>	Systems Network Architecture.
74. <b>SOS</b>	The Office of the Missouri Secretary of State located in Jefferson City.
75. <b>SSH</b>	Secure Shell.
76. <b>SSL</b>	Secure Sockets Layer.
77. <b>State</b>	The State of Missouri.
78. <b>STO</b>	The Office of the Missouri State Treasurer located in Jefferson City, Missouri.
79. <b>STO Account Number</b>	STO assigned 7-digit account numbers applicable to the STO routing number.
80. <b>Timely Manner</b>	A reasonable period of time for a desired outcome to occur or to be accomplished.
81. <b>TXP</b>	Tax Payment banking convention.
82. <b>Well Capitalized</b>	As determined by the FDIC, an insured depository institution is "well capitalized" if it significantly exceeds the required minimum level for each relevant capital measure.
83. <b>WIC</b>	A nutritional program for women, infants and children operated by the Missouri Department of Health and Senior Services.
84. <b>Wire</b>	A wire transfer initiated through the FedWire system.

<b>Term or Abbreviation</b>	<b>Definition</b>
85. <b>ZBA</b>	Zero balance account. An account that may have deposit and/or disbursement activity, in which the balance in the account is maintained at zero by automated daily transfers of funds to and from a master account at the same financial institution.



## **VII. APPENDICES**

- A. List of Demand Deposit Accounts Required
- B. Crosswalk from STO Assigned Account Numbers
- C. Significant Activity Indicators
- D. Flowchart for Funding Flows and Account Relationships
- E. Sample Collection Entry Report
- F. File Transmission Information
- G. Sample Depository Contract, Pledge Agreement, and Contract for Electronic Banking Services
- H. Sample Return Item Notification
- I. Pricing Tables
- J. File Total Information
- K. Sample Transaction Totals Correspondence
- L. Community Investment Questionnaire
- M. Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization

## **Appendix A**

### List of Demand Deposit Accounts Required

(This data is located in the associated Excel file.)

## **Appendix B**

Crosswalk from STO Assigned Account Numbers

(This data is located in the associated Excel file.)

## **Appendix C**

### Significant Activity Indicators

(This data is located in the associated Excel file.)

## **Appendix D**

Flowchart for Funding Flows and Account Relationships

(This data is located in the associated Excel file.)

## **Appendix E**

### Sample Collection Entry Report

(This data is located in the associated Excel file.)

## **Appendix F**

### File Transmission Information

## Appendix F

### File Transmission Information

The State of Missouri has identified the following options for file transmissions under this RFP.

*The following options are listed from most desirable to least desirable.*

#### **Secure FTP connection:**

A secure FTP connection utilizing Secure Sockets Layer (SSL) technology may also be used to transmit and receive files from remote nodes. This option does not provide the level of automation and integration with the mainframe batch scheduling software and requires more human intervention. A minimum of 128-bit encryption for both the FTP control connection and FTP data connection is required. Network connectivity may be accomplished by purchasing a dedicated data circuit terminating on the outside of the State firewall or via the Internet. The Contractor is responsible for purchasing and FTP client for their remote node that is compatible with the FTP server on an IBM mainframe at the Missouri State Data Center (SDC) and for all costs associated with network connectivity.

The Contractor may also connect to the MoveIt DMZ FTP server maintained by the SDC to receive and store files. Task automation is available through the MoveIt Central piece.

#### **Site to Site Virtual Private Network connection (VPN):**

Site-to-Site VPN will require a minimum of AES-128 bit encryption. AES-256 bit encryption is the preferred method. The Contractor is responsible for any equipment and any other costs associated with the site-to-site VPN.

#### **Direct Link:**

Direct Link using Enterprise Extender requires the remote end (the Contractor) to supply a router for this connection. The router may need to run CISCO's SNA switch (CISCO's name for Enterprise Extender) to allow SNA to be encapsulated in IP and shipped to the SDC, if the remote end system cannot perform the IP encapsulation. The link will connect to an Extranet at the SDC for IP security reasons. The Contractor is responsible for obtaining its router, the SNA switch and any associated costs.



## **Appendix G**

Sample Depository Contract, Pledge Agreement  
and Contract for Electronic Banking Services

## Appendix G

### STATE OF MISSOURI

#### DEPOSITORY CONTRACT, PLEDGE AGREEMENT AND CONTRACT FOR ELECTRONIC BANKING SERVICES

**THIS DEPOSITORY CONTRACT, PLEDGE AGREEMENT AND CONTRACT FOR ELECTRONIC BANKING SERVICES is entered into between the State Treasurer of Missouri (“State Treasurer”) and \_\_\_\_\_, of \_\_\_\_\_ city, Missouri (“Bank”) (collectively, the “Parties”).**

WHEREAS, pursuant to the provisions of Article IV, Section 15 of the Constitution of Missouri, as amended, and Chapter 30, RSMo, as amended, Bank has been selected by the State Treasurer as a depository of state moneys and a provider of banking services (Electronic Banking Services); and

WHEREAS, the Parties intend to secure the deposit of state moneys by pledging collateral securities and perfecting a security interest in and creating a lien upon same as contemplated and permitted by state law including the provisions above and Chapter 400 RSMo, as amended, which are hereby incorporated into this Agreement; and

WHEREAS, the Parties desire to incorporate the State Treasurer’s 2024 Request for Proposals for Electronic Banking Services and Bank’s Response to same into this comprehensive Depository Contract, Pledge Agreement and Contract for Electronic Banking Services;

NOW THEREFORE, the Parties hereby agree as follows:

1. The State Treasurer will from time to time deposit moneys with Bank on demand deposit. Such deposits, in aggregate, shall not exceed the amount of Bank’s equity capital as shown by Bank’s most recent financial statement. Bank shall not at any time accept additional deposits of state funds when same could cause the total amount of state funds on deposit with Bank to exceed Bank’s equity capital.
2. Bank agrees to safely keep the demand deposits made hereunder, to promptly collect all checks, drafts and other instruments of exchange deposited with it under this Depository Contract, Pledge Agreement and Contract for Electronic Banking Services, the State Treasurer’s Request for Proposals, and Bank’s response (all of which shall hereby be collectively known as the “Electronic Banking Services Contract”), and to pay out of the accounts of the State Treasurer such sums as the State Treasurer may draw by check, Automated Clearing House (ACH), wire transfer, or book transfer, upon written, verbal, or electronic instruction by an authorized employee of the State Treasurer against the balances of said accounts.
3. The Parties acknowledge and agree that, pursuant to this Electronic Banking Services Contract, the State Treasurer may have more than one demand deposit account at Bank, and additionally agree that individual demand accounts may be overdrawn as long as combined total balances are positive. The State Treasurer and Bank further acknowledge and agree that the parties will

attempt to minimize the occurrence of daylight overdrafts and associated costs through the utilization of appropriate operational procedures.

4. In addition to any services or responsibilities undertaken in this Electronic Banking Services Contract, Bank will provide the State Treasurer with (a) ACH and Wire Transfer Services; (b) Balance Reporting Services; (c) Account Activity Analysis and Reporting; (d) Periodic Quality Review Meetings; (e) Additional Service Requirements, all as set forth in and in accordance with the State Treasurer's Request for Proposals for Banking Services and Bank's Response to same, including any amendments made from time to time in writing, which are hereby incorporated.
5. In return for the services to be performed by Bank under this Electronic Banking Services Contract the State Treasurer agrees to maintain sufficient amounts so that earnings on the average of the collected balances appearing in the accounts at the close of business for Bank on each day during the accounting period shall be equal to the estimated costs incurred for services rendered. Details regarding the fees for services under this Electronic Banking Services Contract, the requisite compensating balance for such services, the calculation and adjustment of the compensating balance, the earnings credit rate on accounts of the State Treasurer, the daily treatment of balances in the accounts of the State Treasurer, and all other matters concerning the compensation of Bank under this Electronic Banking Services Contract are specifically set forth in the Request for Proposals for Banking Services and Bank's Response to same.
6. To secure the moneys deposited under this Electronic Banking Services Contract, Bank will deposit securities of the kind and character specified in Chapter 30, RSMo, as amended ("Securities"), in an amount specified by the State Treasurer, which shall be at least equal in market value to one hundred percent of the aggregate amount on deposit with Bank hereunder less the amount thereof, if any, which is insured by the Federal Deposit Insurance Corporation, or any successor federal government agency or entity established by law to insure deposits. The Securities shall be delivered to, receipted for and retained by the State Treasurer or by banks or trust companies or other safe depositaries that the Governor, State Auditor and State Treasurer agree upon, at the expense of Bank. Bank does hereby grant, bargain, convey and pledge a security interest in any and all Securities deposited with the State Treasurer or their designated custodian(s) in accordance with the terms of this Electronic Banking Services Contract. In every pledge and transfer of Securities hereunder, Bank shall take all steps necessary to effect a perfected first priority security interest in the Securities in favor of the State Treasurer by ensuring that the State Treasurer has "control" of the Securities under Sections 400.8-106 and 400.9-106 RSMo, as amended, or where applicable, under any state or federal law or regulation governing perfection of security interests in the Securities in favor of the State Treasurer. In addition to the rights and remedies given to the State Treasurer hereunder, including the Request for Proposals for Banking Services, the State Treasurer shall have the rights and remedies of a secured party under Chapter 400, RSMo, as amended.
7. The State Treasurer, the Governor or the State Auditor may, from time to time, inspect the Securities or book entry receipts for the Securities or request an accounting of the Securities to determine that they are kept and maintained as required by this Electronic Banking Services

Contract. The necessary expenses incidental to the deposit and inspection of the Securities shall be paid by Bank (such expenses could reasonably include certain photocopying, reports, and delivery of the information to the appropriate parties). If, at any time, or for any reason, the State Treasurer, Governor or State Auditor determine that the Securities given by Bank do not satisfactorily secure the deposits made or to be made hereunder, the State Treasurer, Governor or State Auditor may require that additional or substitute Securities be given and Bank shall furnish such additional or substitute Securities as are satisfactory to the State Treasurer, Governor or State Auditor, as appropriate.

8. Bank shall not at any time withdraw any of the Securities without the written consent of the State Treasurer, but with such consent Bank (a) shall be permitted to withdraw Securities to the extent that the market value of the Securities remaining on deposit exceeds the amount required under this Electronic Banking Services Contract; and (b) shall be permitted to withdraw Securities upon the delivery of Securities in substitution for those to be withdrawn, so long as the market value of the Securities remaining on deposit equals or exceeds the amount required under this Electronic Banking Services Contract.
9. Bank shall render statements or reports to the State Treasurer showing the daily balance, account activity, or other information regarding the accounts of the State Treasurer at all times and in every manner specified in this Electronic Banking Services Contract.
10. In the event that Bank defaults in any manner in performing any of the terms and conditions of this Electronic Banking Services Contract, or if Bank fails to safely keep the moneys deposited with it, the State Treasurer shall be authorized forthwith, without notice, advertisement or demand, and at public or private sale, to convert into money the Securities deposited by Bank or as many of them as may be necessary to pay the whole amount of the moneys deposited with Bank. The State Treasurer may purchase any or all of the Securities sold at any such sale.
11. If at any time during which there are state moneys on deposit under this Electronic Banking Services Contract, Bank comes under investigation (other than the ordinary review of financial institutions), management or control of the Federal Deposit Insurance Corporation (“FDIC”) or any other federal governmental entity authorized by law to implement the provisions of the Financial Institutions Reform and Recovery Act (“FIRREA”) or any similar or successor federal law, Bank shall so notify the State Treasurer and shall further notify the FDIC or other appropriate federal agency or entity of the existence and terms of this Electronic Banking Services Contract. Bank or any successor, assignee or transferee in whole or part of the Bank’s interests under this Electronic Banking Services Contract agrees to be bound exclusively by the terms of this Electronic Banking Services Contract and Missouri law, and further agrees that the terms of this Electronic Banking Services Contract shall not be preempted by federal law without advance written notice to the State Treasurer detailing the specific provisions of this Electronic Banking Services Contract which may be subject to preemption and the specific provisions of federal law which purport to authorize preemption.
12. If at any time during which there are state moneys on deposit under the Electronic Banking Services Contract, Bank comes under investigation (other than the ordinary review of financial institutions), management or control of any State regulatory agency, Bank shall so notify the State Treasurer and shall further notify the State agency or entity of the existence and terms of

this Electronic Banking Services Contract. Bank or any successor, assignee or transferee in whole or part of the Bank's interests under this Electronic Banking Services Contract agrees to be bound exclusively by the terms of this Electronic Banking Services Contract and Missouri law, and further agrees that the terms of this Electronic Banking Services Contract shall not be preempted by any state or federal law without advance written notice to the State Treasurer detailing the specific provisions of this Electronic Banking Services Contract which may be subject to preemption and the specific provisions of state or federal law which purport to authorize preemption.

13. Bank shall not transfer, by assignment, subcontract or otherwise, any interest or duty in this Electronic Banking Services Contract, including the services or responsibilities described in the Request for Proposals for Banking Services and Bank's Response to same, without the prior written consent of the State Treasurer.
14. The State Treasurer shall not be liable in the event of loss, destruction or theft of equipment, software or technical literature provided by Bank, under lease or otherwise, pursuant to this Electronic Banking Services Contract.
15. Bank must maintain the capability to reconstruct necessary data files in the event of destruction, and to operate on substitute equipment within one (1) calendar day if Bank's equipment is rendered inoperative.
16. Bank shall permit reasonable access by the State Treasurer or the State Auditor for purposes of performing audit procedures relating to any aspect of services provided by Bank to the State Treasurer in connection with this Electronic Banking Services Contract.
17. Bank must maintain the complete confidentiality of all records relating to services performed under this Electronic Banking Services Contract in accordance with state and federal laws, rules and regulations. No listing, report or other material generated from data covered by this Electronic Banking Services Contract may be disclosed or transferred by Bank to any other person.
18. By execution of this Electronic Banking Services Contract, Bank attests that it is aware of and in compliance with the requirements of the Americans with Disabilities Act ("ADA"), as amended, as well as all regulations pertinent thereto, as well as all other state and federal laws, regulations, and executive orders, including but not limited to Executive Orders No. 87-6 and No. 07-13. Specifically, Bank attests that it has taken all appropriate steps to facilitate the participation of people with disabilities in programs and activities undertaken on behalf of the State Treasurer. Bank acknowledges that failure to comply with the provisions of the ADA constitutes sufficient cause to terminate this Electronic Banking Services Contract. Bank further acknowledges and agrees to indemnify and otherwise hold the State Treasurer harmless for any derivative liability for discrimination by Bank under the ADA.

This Electronic Banking Services Contract and all aforementioned components listed in paragraph 1 above, representing the full and complete agreement between the Parties shall remain in force and effect from October 1, 2024 until September 30, 2028, or until such later date as designated by the State Treasurer, provided, however, that each party reserves the right to terminate this Electronic

Banking Services Contract, at any time, by giving one hundred twenty days (120) written notice to the other party of its intent to do so. Details regarding the rights and responsibilities of the Parties with respect to termination of this Electronic Banking Services Contract are set forth in the Request for Proposals for Banking Services and Bank's Response to same. This Electronic Banking Services Contract shall continue in effect until terminated in accordance with the provisions of the Request for Proposals for Banking Services and Bank's Response to same. This Electronic Banking Services Contract shall not be deemed to supersede the Depositary Contract and Pledge Agreement entered into between Bank and the State Treasurer on or about \_\_\_\_\_.

**There is attached hereto a certified copy of the Resolution adopted by the \_\_\_\_\_ (Board of Directors of Depositary / Loan Committee of Depositary's board of directors) authorizing the execution and delivery of this Depositary Contract, Pledge Agreement and Contract for Electronic Banking Services by the officers of Depositary, whose names are affixed on behalf of Depositary.**

IN WITNESS WHEREOF, the parties have executed this Electronic Banking Services Contract in duplicate as of the dates below noted.

**STATE TREASURER**

\_\_\_\_\_  
Vivek Malek  
State Treasurer

\_\_\_\_\_  
Date

**BANK**

\_\_\_\_\_  
Officer

\_\_\_\_\_  
Date

**CERTIFIED COPY OF RESOLUTION  
AUTHORIZING EXECUTION OF STATE OF MISSOURI  
DEPOSITARY CONTRACT, PLEDGE AGREEMENT AND CONTRACT FOR  
ELECTRONIC BANKING SERVICES**

I, \_\_\_\_\_, certify that I am the assistant secretary of \_\_\_\_\_, a \_\_\_\_\_ corporation, in actual possession of records and seal of said corporation, and that the following is a true copy of a resolution regularly adopted by the \_\_\_\_\_ (Board of Directors / Loan Committee of the Board of Directors) of the corporation on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at which a quorum of said \_\_\_\_\_ (Board / Loan Committee) was present and participating:

“**WHEREAS**, this corporation has been selected by the State Treasurer as one of the depositaries for moneys of the State of Missouri, as provided by law; and

“**WHEREAS**, the Depositary Contract, Pledge Agreement and Contract for Electronic Banking Services required to be executed by such depositaries in connection with deposits of such moneys has been duly considered;

“**NOW, THEREFORE, BE IT RESOLVED**, that [insert two (2) applicable officer names and titles], be and hereby are jointly and severally authorized and empowered to execute and deliver to the State Treasurer of Missouri, on behalf of this corporation, the Depositary Contract, Pledge Agreement and Contract for Electronic Banking Services required in connection with deposits of state moneys and to pledge the assets of this corporation to secure deposited moneys as provided by the Depositary Contract, Pledge Agreement and Contract for Electronic Banking Services and the laws of Missouri, and to do all things necessary in carrying out the provisions of the Depositary Contract, Pledge Agreement and Contract for Electronic Banking Services.”

Given under my hand and the seal of the corporation at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(BANK SEAL)

\_\_\_\_\_  
Assistant Secretary

## **Appendix H**

### Sample Return Item Notification

(This data is located in the associated Excel file.)



**Appendix I**  
Pricing Tables

## Appendix I

### Pricing Tables

#### Instructions to Bidders

1. Bidders must complete and return Pricing Tables I & II in this Appendix in Volume II of their proposal.
2. Each service listed shall be priced, and the cost extended by the bidder to complete the Estimated Annual Cost for the service.
3. For any service listed that has no charge or does not apply, insert zero (0) for the unit price and the estimated annual cost.
4. Additional service costs that apply to the services requested in this RFP may be included in the applicable section of the pricing page. The bidder shall adequately identify the service, the volume shall be estimated, and the fixed price extended to the Estimated Annual Cost. The volume estimate shall be documented in an addendum to the pricing page. Additional pricing items added by the bidder, which do not include adequate documentation of the service or the volume estimate may be disallowed by the STO as a chargeable item, or may be capped at the extended Estimated Annual Cost each year.
5. The prices quoted are firm, fixed prices applicable for the term of the contract (including renewal periods). They will not be renegotiated. The Contractor may request pricing adjustments for changes in pass-through charges. Documentation verifying the rate changes must be submitted when requesting a pricing adjustment.
6. Any equipment installation, software or data file conversions, or any other costs associated with start-up and implementation shall be the responsibility of the Contractor.

(The Pricing Tables are located in the associated Excel file.)

## **Appendix J**

### File Total Information

(This data is located in the associated Excel file.)

## **Appendix K**

### Sample Transaction Totals Correspondence

# Appendix K

## Sample Transaction Totals Correspondence

Sent: Tuesday, March 10, 2020 2:50:52 AM  
To: banking  
Subject: STO ACH TOTALS FOR 03/10/2020

```
*****
*
*           THIS IS AN AUTOMATED MESSAGE FROM           *
*           CONTRACT BANK                               *
*           --DO NOT REPLY--                             *
*
*****
*
* ORIGINATED BY      SETTLEMENT      DEBIT      CREDIT *
*                   DATE            AMOUNT     AMOUNT *
*
* FEDERAL RESERVE    03/10/2020      160.00     23,922,939.48 *
* CONTRACT BANK      03/10/2020     4,174.07     2,211,481.99 *
*
*   **TOTALS**      03/10/2020     4,334.07     26,134,421.47 *
*
*****
*****
*****
```

**Note:**

The information contained in this message may be privileged and confidential and protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer.

```
*****
*****
```

## **Appendix L**

### Community Investment Questionnaire

## Appendix L

### COMMUNITY INVESTMENT QUESTIONNAIRE

1. Briefly describe your institution's primary market emphasis and strategy for the next five years (e.g., retail banking, wholesale banking, full service, small business, middle market, Fortune 500, etc.) both overall and specific to Missouri.
2. Identify your institution's primary market area in Missouri. What percentage of your institution's current loan portfolio is in this area?
3. Please provide the following information for Missouri:

Total Assets	\$	_____
Loans in Missouri	\$	_____
Deposits in Missouri	\$	_____
Non-Missouri Loans	\$	_____
Non-Missouri Deposits	\$	_____
4. Describe your institution's financial participation (e.g., lending, equity) in local community economic development efforts in Missouri.
5. Describe your institution's participation in small business and agricultural lending programs in your primary market area in Missouri. Provide statistics on the number and dollar amount of loans provided under these programs in Missouri.
6. Describe your institution's efforts to attract deposits or banking relationships with non-banked and under-banked customers in Missouri.
7. Describe any financial literacy programs your institution offers in Missouri. Who is your target audience?
8. Describe your institution's check cashing policy for checks issued by the State of Missouri for non-customers.
9. How many full-time individuals does your institution employ in the State of Missouri?
10. Provide your institution's current Community Reinvestment Act (CRA) rating, your Federal Financial Institutions Examination Council (FFIEC) ID, and the agency providing the review (OCC, FDIC ...). For confirmation purposes, indicate your financial institution's five-digit FDIC Certificate Number.

## **Appendix M**

**Business Entity Certification, Enrollment Documentation,  
and Affidavit of Work Authorization**



**APPENDIX M**

**BUSINESS ENTITY CERTIFICATION, ENROLLMENT DOCUMENTATION,  
AND AFFIDAVIT OF WORK AUTHORIZATION**

**BUSINESS ENTITY CERTIFICATION:**

**The vendor must certify their current business status by completing either Box A or Box B or Box C on this Exhibit.**

**BOX A:** To be completed by a non-business entity as defined below.

**BOX B:** To be completed by a business entity who has not yet completed and submitted documentation pertaining to the federal work authorization program as described at <http://www.uscis.gov/e-verify>

**BOX C:** To be completed by a business entity who has current work authorization documentation on file with a Missouri state agency including Division of Purchasing.

**Business entity**, as defined in section 285.525, RSMo, pertaining to section 285.530, RSMo, is any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term “**business entity**” shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term “**business entity**” shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit. The term “**business entity**” shall not include a self-employed individual with no employees or entities utilizing the services of direct sellers as defined in subdivision (17) of subsection 12 of section 288.034, RSMo.

Note: Regarding governmental entities, business entity includes Missouri schools, Missouri universities (other than stated in Box C), out of state agencies, out of state schools, out of state universities, and political subdivisions. A business entity does not include Missouri state agencies and federal government entities.

**BOX A – CURRENTLY NOT A BUSINESS ENTITY**

I certify that \_\_\_\_\_ (Company/Individual Name)  
**DOES NOT CURRENTLY MEET** the definition of a business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo as stated above, because: (check the applicable business status that applies below)

- I am a self-employed individual with no employees; **OR**

- The company that I represent employs the services of direct sellers as defined in subdivision (17) of subsection 12 of section 288.034, RSMo.

I certify that I am not an alien unlawfully present in the United States and if \_\_\_\_\_ (Company/Individual Name) is awarded a

contract for the services requested herein under \_\_\_\_\_ (RFP Number) and if the business status changes during the life of the contract to become a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo then, prior to the performance of any services as a business entity, \_\_\_\_\_ (Company/Individual Name) agrees to complete Box B, comply with the requirements stated in Box B and provide the Division of Purchasing with all documentation required in Box B of this exhibit.

\_\_\_\_\_  
 Authorized  
 Representative's Name  
 (Please Print)

\_\_\_\_\_  
*Authorized  
 Representative's  
 Signature*

\_\_\_\_\_  
 Company Name (if  
 applicable)

\_\_\_\_\_  
 Date

***(Complete the following if you DO NOT have the E-Verify documentation and a current Affidavit of Work Authorization already on file with the State of Missouri. If completing Box B, do not complete Box C.)***

**BOX B – CURRENT BUSINESS ENTITY STATUS**

I certify that \_\_\_\_\_ (Business Entity Name) **MEETS** the definition of a business entity as defined in section 285.525, RSMo pertaining to section 285.530.

\_\_\_\_\_  
 Authorized Business Entity  
 Representative's Name  
 (Please Print)

\_\_\_\_\_  
*Authorized Business Entity  
 Representative's Signature*

\_\_\_\_\_  
 Business Entity Name

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 E-Mail Address

As a business entity, the vendor must perform/provide each of the following. The vendor should check each to verify completion/submission of all of the following:

- Enroll and participate in the E-Verify federal work authorization program (Website: <http://www.uscis.gov/e-verify>; Phone: 888-464-4218; Email: [e-verify@dhs.gov](mailto:e-verify@dhs.gov)) with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services required herein;

AND

- Provide documentation affirming said company's/individual's enrollment and participation in the E-Verify federal work authorization program. Documentation shall include EITHER the E-Verify Employment Eligibility Verification page listing the vendor's name and company ID OR a page from the E-Verify Memorandum of Understanding (MOU) listing the vendor's name and the MOU signature page completed and signed, at minimum, by the vendor and the Department of Homeland Security – Verification Division. If the signature page of the MOU lists the vendor's name and company ID, then no additional pages of the MOU must be submitted;

AND

- Submit a completed, notarized Affidavit of Work Authorization provided on the next page of this Exhibit.

(this area intentionally left blank)

**AFFIDAVIT OF WORK AUTHORIZATION:**

The vendor who meets the section 285.525, RSMo, definition of a business entity must complete and return the following Affidavit of Work Authorization.

Comes now \_\_\_\_\_ (Name of Business Entity Authorized Representative) as \_\_\_\_\_ (Position/Title) first being duly sworn on my oath, affirm \_\_\_\_\_ (Business Entity Name) is enrolled and will continue to participate in the E-Verify federal work authorization program with respect to employees hired after enrollment in the program who are proposed to work in connection with the services related to contract(s) with the State of Missouri for the duration of the contract(s), if awarded in accordance with subsection 2 of section 285.530, RSMo. I also affirm that \_\_\_\_\_ (Business Entity Name) does not and will not knowingly employ a person who is an unauthorized alien in connection with the contracted services provided under the contract(s) for the duration of the contract(s), if awarded.

***In Affirmation thereof, the facts stated above are true and correct. (The undersigned understands that false statements made in this filing are subject to the penalties provided under section 575.040, RSMo.)***

<i>Authorized Representative's Signature</i>	Printed Name
Title	Date
E-Mail Address	E-Verify Company ID Number

Subscribed and sworn to before me this \_\_\_\_\_ of \_\_\_\_\_. I am  
(DAY) (MONTH, YEAR)  
commissioned as a notary public within the County of \_\_\_\_\_, State of  
(NAME OF COUNTY)  
\_\_\_\_\_, and my commission expires on \_\_\_\_\_.  
(NAME OF STATE) (DATE)

<i>Signature of Notary</i>	<i>Date</i>
----------------------------	-------------

***(Complete the following if you have the E-Verify documentation and a current Affidavit of Work Authorization already on file with the State of Missouri. If completing Box C, do not complete Box B.)***

**BOX C – AFFIDAVIT ON FILE - CURRENT BUSINESS ENTITY STATUS**

I certify that \_\_\_\_\_ (Business Entity Name) **MEETS** the definition of a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo and have enrolled and currently participates in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services related to contract(s) with the State of Missouri. We have previously provided documentation to a Missouri state agency that affirms enrollment and participation in the E-Verify federal work authorization program. The documentation that was previously provided included the following.

- ✓ The E-Verify Employment Eligibility Verification page OR a page from the E-Verify Memorandum of Understanding (MOU) listing the vendor’s name and the MOU signature page completed and signed by the vendor and the Department of Homeland Security – Verification Division
- ✓ A current, notarized Affidavit of Work Authorization (must be completed, signed, and notarized within the past twelve months).

Name of **Missouri State Agency** to Which Previous E-Verify Documentation Submitted: \_\_\_\_\_

**Date** of Previous E-Verify Documentation Submission: \_\_\_\_\_

Previous **Bid/Contract Number** for Which Previous E-Verify Documentation Submitted: \_\_\_\_\_ (if known)

\_\_\_\_\_  
 Authorized Business Entity  
 Representative’s Name (Please  
 Print)

\_\_\_\_\_  
*Authorized Business Entity  
 Representative’s Signature*

\_\_\_\_\_  
 Business Entity Name

\_\_\_\_\_  
 Date

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
E-Verify MOU Company ID  
Number

**FOR STATE OF MISSOURI USE  
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By:

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Buyer

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Date