

REQUEST FOR PROPOSALS (RFP)

AGREEMENT NO. 1694

DELAWARE TRANSPORTATION AUTHORITY

Request for Proposals for Banking Services

I. INTRODUCTION

The Delaware Transportation Authority (“DTA” or the “Department”) is seeking proposals from qualified financial institutions (the “Bank(s)”) to provide the Authority with banking services. The contract will be for 3 years, with the option of two (2) one-year extensions. The services covered in the agreement include, but are not limited to, the following:

- Demand Deposit Accounts
- Cash collection
- Check processing
- Cash Management
- Merchant Services
- Electronic Funds Transfer (ACH/EFT)
- Real-time online account information and transfer capability
- Dedicated relationship management team
- Balance reporting as of the 10th of each month
- Risk Management/Data Security

Required Accounts

A minimum of 8 accounts will be required. All accounts will have deposits coming from various sources of cash, check, ACH, EFT, credit cards and account transfers. Additional accounts may be needed in the future. Accounts may also be consolidated in the future.

- (a) **Toll Account:** There will be daily deposits from 6 toll plazas, with deposit tickets differentiating the plazas. The deposit sources will be cash and checks.
- (b) **DMV Revenue:** This account will receive deposits from 4 locations, differentiated by deposit tickets. The deposits sources will be cash, checks and credit cards
- (c) **Motor Fuel Revenue:** This department will have 4 separate accounts.
 1. **Hauling Permits** This account will receive deposits in the form of Electronic Check, Credit Card, Cash or Check
 2. **Public Carrier** This account will receive deposits in the form Cash or Check
 3. **IRP** This account will receive deposits in the form of Credit Card, Cash, Check, ACH or Credit Card
 4. **IFTA** This account will receive deposits in the form of Cash, Check, ACH and Credit Card (Effective 2/24/2014)

(d) **Transcore**

1. **Pre-Paid** This account will require deposits daily from 3 toll plazas and 1 service center. It will be in the form of ACH, Cash, Checks and Credit Cards. Checks accepted at the service center are scanned into the account. Deposit ticket will differentiate the source.
2. **Transcore Violation** This account will receive deposits daily from 1 service center. Cash, Checks and Credit Cards are accepted; Checks are scanned into the account.

Anticipated RFP Action Dates

The preliminary schedule is shown below:

3/10/2014	Release RFP
3/31/2014	Proposals due at 3:00 p.m., EST
4/14/2014	Interviews by invitation, if any.
5/27/2014	Select Bank(s)
6/1-8/31/2014	Negotiate necessary documents
	Transition Team meet with all account holders
9/30/2014	Program available
10/1/2014	Internal Testing Begins
11/28/2014	Statements from first full month (10/14) with the new bank will be reconciled; Issues reported to bank
12/22/2014	All identified problems will have been corrected

Proposal Conditions

1. **Extension of Time.** The Authority reserves the right to extend the proposal due date. If a prospective bank needs an extension of time to prepare the proposal, a written request should be forwarded no later than five (5) days prior to the due date of this RFP and explain the circumstances necessitating the request. The request should be directed to Contract Administration for consideration. Extensions may be granted in the sole discretion of the Authority. In the event an extension request is granted, prospective bank(s) will be notified immediately.
2. **Addenda – Right to Withdraw RFP.** The Authority reserves the right to add to, amend, withdraw and/or cancel, in part or entirely, this RFP for any reason and at any time with no liability to any prospective proposer for any costs or expenses incurred in connection with the RFP or otherwise. If any part of the RFP is revised, addenda to the RFP will be provided to all firms provided a copy of the RFP.
3. **Public Record/Confidentiality.** Proposals submitted become a matter of public record as set forth therein. If a prospective bank believes any non-public information will be supplied in response to the RFP, the prospective bank shall take reasonable steps to identify and provide reasonable justification to the Authority regarding which data, if any. However, the prospective bank agrees as a condition of submitting a proposal that the Authority will not be held liable or accountable for any loss or damage which may result from a breach of confidentiality as may be related to the responses submitted.

The Authority will not consider any cost information and references submitted by the firm to be non-public, confidential or trade secret material. Simply stating that the document is confidential or making a blanket claim of confidentiality without proper supporting justification is also not a valid reason to declare the document confidential.

Contacts

Questions concerning submissions and procedures may be obtained from: Wendy B. Henry, Contract Administration, Telephone: (302) 760-2531. E-mail address: wendy.henry@state.de.us

Questions concerning Technical aspects of the submission may be directed to: Brian Motyl, TTF Administrator, Assistant Director, DelDOT, Telephone: (302) 760-2692. E-mail address: brian.motyl@state.de.us

II. GENERAL CONTRACT TERMS AND CONDITIONS

The selected vendor will be required to enter into a written agreement with the Delaware Transportation Authority. The State of Delaware reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the State of Delaware. Vendors will be required to sign the contract for all services, and may be required to sign additional agreements.

The selected vendor will be expected to enter negotiations with the State of Delaware, which will result in a formal contract between parties. Procurement will be in accordance with subsequent contracted agreement. This RFP and the selected vendor's response will be incorporated as part of any formal contract.

If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled, and an award may be made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.

In performance of the contract, the vendor will be required to comply with all applicable federal, state and local laws, ordinances, codes, and regulations. The cost of permits and other relevant costs required in the performance of the contract shall be borne by the successful vendor. The vendor shall be properly licensed and authorized to transact business in the State of Delaware as provided in 30 *Del. C.* § 2502.

Prior to receiving an award, the successful vendor shall either furnish the State of Delaware with proof of State of Delaware Business Licensure or initiate the process of application where required. An application may be requested in writing to: Division of Revenue, Carvel State Building, P.O. Box 8750, 820 N. French Street, Wilmington, DE 19899 or by telephone to one of the following numbers: (302) 577-8200—Public Service, (302) 577-8205—Licensing Department.

Information regarding the award of the contract will be given to the Division of Revenue. Failure to comply with the State of Delaware licensing requirements may subject vendor to applicable fines and/or interest penalties.

Indemnification

By submitting a proposal, the proposing vendor agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State of Delaware, its agents and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the vendor's its agents and employees' performance work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, ole or part, to the State, its employees or agents.

Proprietary Rights Indemnification

Vendor shall warrant that all elements of its solution, including all equipment, software, documentation, services and deliverables, do not and will not infringe upon or violate any patent, copyright, trade secret or other proprietary rights of any third party. In the event of any claim, suit or action by any third party against the State of Delaware, the State of Delaware shall promptly notify the vendor in writing and vendor shall defend such claim, suit or action at vendor's expense, and vendor shall indemnify the State of Delaware against any loss, cost, damage, expense or liability arising out of such claim, suit or action (including, without limitation, litigation costs, lost employee time, and counsel fees) whether or not such claim, suit or action is successful.

If any equipment, software, services (including methods) products or other intellectual property used or furnished by the vendor (collectively ""Products") is or in vendor's reasonable judgment is likely to be, held to constitute an infringing product, vendor shall at its expense and option either:

- (a) Procure the right for the State of Delaware to continue using the Product(s);
- (b) Replace the product with a non-infringing equivalent that satisfies all the requirements of the contract; or
- (c) Modify the Product(s) to make it or them non-infringing, provided that the modification does not materially alter the functionality or efficacy of the product or cause the Product(s) or any part of the work to fail to conform to the requirements of the Contract, or only alters the Product(s) to a degree that the State of Delaware agrees to and accepts in writing.

Insurance

The Vendor recognizes that it is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.

The vendor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State of Delaware.

III. SUBMISSION REQUIREMENTS

1. An “original” (so marked), and one ‘word searchable’ electronic copy (e.g. CD, flash drive) must be submitted. Proposals should be mailed or hand-delivered for receipt no later than 3:00 p.m. local time on March 31st, 2014 (“Closing Date”). All responses to the RFP become the property of the State. The Authority reserves the right to accept proposals after the date specified above. Should the office be closed at the time responses are due (i.e. an unexpected event or inclement weather) the submission due date shall be the following business day, at the time originally scheduled.
2. The Proposal may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), U.S. Mail, or by hand. Proposal shall be submitted to:

Wendy B. Henry
Contract Administration
Delaware Department of Transportation
800y Road, Dover, DE 19901

3. **In order to comply with the State of Delaware’s Freedom of Information Act**, firms responding to this Request for Qualifications **shall prepare and submit** one (1) electronic copy (e.g. CD, flash drive) of their response with any proprietary or confidential information redacted. This copy should be clearly marked as “Redacted Copy” and submitted along with the other copies. **This electronic copy is required even if the submission contains no proprietary or confidential information.** Firms should review Delaware’s Freedom of Information Regulations, section 6, Requests for Confidentiality, on the DelDOT Website www.deldot.gov and Section 10002(1) “Public record” of the Delaware Code, <http://delcode.delaware.gov/title29/c100/index.shtml> to determine what information may be considered proprietary or confidential and may be redacted from their Expression of Interest.
4. The proposers shall be responsible for any liability or cost incurred in connection with responding to this request for proposals. Proposals shall address all the questions posed by the Issuers in the order in which they appear in this request.

IV. TECHNICAL PROPOSAL FORMAT

The following information shall be provided in each proposal in the order listed below. A firm is expected to provide a response for each requirement listed in this RFP. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the State.

All technical proposals shall be prepared with a concise description of the firm’s capabilities to satisfy the minimum qualifications in the following section- **Submission Format**. Firms should format their proposals so that their responses correspond to the specific sections to the extent possible without unnecessary repetition.

1. **Please submit the firm’s mailing address, phone number, and an e-mail address for the firm’s point of contact person on Transmittal Letter.** Future contacts by the Authority will be done via e-mail, whenever possible. The transmittal letter must briefly summarize the proposing firm’s interest in providing the required services. It must be signed by the person authorized to commit your firm to the services being offered in your response to this RFP. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP, which the applicant may have taken in

presenting the Proposal. The State reserves the right to deny any and all exceptions taken to the RFP requirements.

2. Proposals should be simply and economically prepared and should not include extraneous marketing materials or other information not specifically requested to be provided.
3. The proposal response must include the information set forth below. For ease of review, please present the response in the order shown below, utilizing the sections and numbering approach consistent with this RFP.

A. Bank Information

General Information – State the name of your bank, address, telephone number, and the name, title and e-mail address of the person who will serve as the Authority’s key contact with your bank.

Please provide your firm’s capital position as of the date of your most recently published statement of financial position including total capital, equity capital, excess net capital and daily average uncommitted capital. Also, please provide the aforementioned information for the three most recently completed fiscal years in a tabular presentation:

- (a) Total Bank Capital;
- (b) Total Equity Capital;
- (c) Uncommitted Excess Net Capital;
- (d) Daily Average Uncommitted Capital; and
- (e) Risk Based Capital Ratios; Tier 1 and Leverage Ratios

Please identify any SEC, IRS, MSRB or state law enforcement agency litigation, investigation or action in which your bank is currently involved, or has been involved, since January 1, 2010.

Provide references, including names, titles, addresses, and phone numbers from at least 3 other entities for which the bank has provided similar services. Government references are preferred, if available.

B. Pricing

Provide a price schedule for the proposed services using AFP Service Codes. Include any one-time or set-up charges, research fees, and all other fees that will be charged, even if already in place or listed elsewhere in the proposal. Also, how will the customer be notified of any price changes? Can the pricing change during the contract term and if so is the potential increase capped and at what amount?

C. Account Servicing Requirements

- (a) Ability to provide a dedicated Relationship Manager Team with toll-free number
- (b) Ability to provide balances as of the 10th and reported by the 11th of each month
- (c) Ability to provide a transfer of reported funds by 15th of each month to current external bank account, and remaining balance transfer at the end of the month. Depending on balance, possible transfer at the beginning of the month
- (d) Ability to transfer BAI file nightly. BAI needs to be in banking standard format with regular bank number and recon reference ID.
- (e) Provide ideas for overnight investing of funds
- (f) Ability to provide bank statements available by 6th business day of the month

D. Online Access

Describe the online access and security measures for this relationship. Describe risk management procedures and organization security structure and approach.

E. Deposit Supplies

Describe the ordering and pricing of deposit supplies.

F. Present a detailed term sheet of all material covenants and/or requirements that you would like to include in the Banking Agreement. Provide a form of preferred Banking Agreement as a separate appendix.

G. Please describe requirements for account servicing and opening/closing of accounts.

H. Provide any additional information that you believe to be relevant to this RFP and your capabilities to provide the services requested.

V. EVALUATION PROCESS

1. All proposals submitted in response to the RFP shall be reviewed by a selection committee, which may consist of staff members from the Authority. The Committee shall determine the firms that meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §6982. The Committee may interview at least one of the qualified firms but may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms.
2. **Award.** The Authority reserves the right not to award a contract to any bank(s). If the Authority decides to award a contract(s), the Authority will award a contract(s) to the qualified bank(s) whose proposal the Authority determines best meets the needs of the Authority. The Authority reserves the right to award a contract(s) other than to the lowest priced proposal. The RFP scoring process includes the three main components below:

Category	Weighted Percentage
Price	35%
Service and Experience	35%
Financial Strength	20%
Risk Management	10%

3. **Ownership of Materials Submitted.** All material submitted becomes the property of the Authority and will not be returned.
4. **Proposers' Costs.** The Authority shall not be responsible for any costs incurred by the prospective bank(s) in connection with this RFP. Banks shall bear all costs associated with proposal preparation, submission and attendance at presentation interviews, or any other activity associated with this RFP or otherwise.

5. **Use of Proposal Ideas.** The Authority reserves the right to use any or all proposer service ideas presented. Selection or rejection of the proposal does not affect this right.
6. **Clarification.** The Authority reserves the right to contact any or all proposers for clarification regarding information presented in proposal responses.

The Authority is not liable for any cost incurred by the consultant in the preparation or presentation of the Proposals.

The Authority will affirmatively insure individuals and businesses will not be discriminated against on the grounds of race, creed, color, sex, or national origin in consideration for an award. Minority business enterprises will be afforded full opportunity to submit bids/proposals in response to this invitation.

Delaware Transportation Authority
State of Delaware
By: Shailen Bhatt
Secretary
Dover, DE
March 10, 2014