

**REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES
TO PROVIDE LOCKBOX PROCESSING SERVICES FOR
THE DELAWARE DIVISION OF CORPORATIONS**

ISSUED BY THE DELAWARE STATE TREASURY

CONTRACT: TRE11002-CORPLBX

I. Overview

A. Introduction

1. The Secretary of State and the State Treasurer desire to establish a contractual relationship with a bank that has both Optical Character Recognition (OCR) and electronic (Financial EDI) lockbox payment capabilities to receive, process, and deposit State of Delaware, Division of Corporations business entity tax revenues. The majority of payments utilize OCR processing; however, electronic payments are an option available and will continue. The electronic payments must include ACH credit and debit options. A daily transmission will include both the lockbox payments and the ACH credit payments received. ACH debit payments require interface with the State of Delaware's payment gateway and general fund bank. This Request for Proposal (RFP) is issued pursuant to 29 *Del. C.* §§ 6981, 6982 and 6986.

2. The operations and collections specifications of this RFP have been established by the Department of State, Division of Corporations (the Division) and the cash management specifications have been established by the Delaware State Treasury (Treasury).

B. Overview

1. The Division administers Delaware's corporation franchise tax and alternative business entity taxes. These taxes are assessed as a condition of continued existence as a Delaware entity. The number of business entities formed in the State totals approximately 900,000 (i.e., 265,000 domestic corporations; 8,000 foreign corporations; 72,000 Limited Partnerships; 555,000 Limited Liability Companies).

2. Historical peak processing times are those surrounding March 1 and June 1. Historical trends indicate that additional staffing may be required to meet processing standards. Since the lockbox volume is exceptionally high at these times, a grace period of one or two days is typically given to both the business entities and the lockbox bank.

3. Domestic Corporations

a. All domestic corporations are required to file an Annual Franchise Tax Report and pay a filing fee of \$25 or \$50 with the report and a tax of not less than \$75 and not more than \$180,000. The report and tax payment are due on or before March 1. Lockbox volume surrounding the March 1 date would be heavy ACH payments.

b. Domestic corporations which pay \$5,000 or more annually are required to make estimated quarterly payments. Those estimated payments are due June 1, September 1, and December 1. There are approximately 10,000 domestic corporations making estimated payments throughout the year. Most quarterly payments do not exceed \$72,000. Quarterly corporations receive tax bills as a notice of their payments amount and due date. The Division prepares statements and mails them to the registered agent representing the corporation approximately six weeks prior to due dates. These statements are a 4x11-inch format including an OCR scan line that meets Bank Administration Institute lockbox standards.

4. Alternative Business Entities (LP/LLC)

a. Every domestic and foreign Limited Partnership (LP) and Limited Liability Company (LLC) formed in Delaware is required to pay an annual tax of \$250. This tax is due on or before June 1. Delaware law requires notification of this tax be mailed to the entities at least sixty days prior to the due date. Tax bills are prepared and sent to the registered agent representing the entity. These statements are a 4x11" format including an OCR scan line as described above. The volume increase of alternative entities has made the timeframe surrounding the June 1 due date the busiest time for lockbox processing.

b. Before implementing this service, the State will provide mailing instructions to all registered agents informing them of the new arrangement and any requirements associated with this lockbox service.

C. Timetable.

The estimated timetable for implementing this lockbox operation is:

July 28	RFP published
August 3	Pre-bid meeting (mandatory)
August 26	Deadline for submitting proposals
September 16	Contract awarded
December 16	Testing of all facets of production completed
January 1	Lockbox becomes fully operational

D. Transmittal letters.

Each proposal must be accompanied by a transmittal letter which briefly summarizes the proposing firm's interest in providing the required professional services. 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. Furthermore, the transmittal letter must attest to the fact that no activity related to this proposal contract will take place outside of the United States. The State of Delaware reserves the right to deny any and all exceptions taken to the RFP requirements.

II. Scope of Services

Lockbox Processing Specifications

A. General information

1. The bank will maintain a record of all certified, registered and courier mail from corporate taxpayers for a period of at least one year, and it will date-stamp all "return receipt requested" certified mail.
2. The bank will make any adjustments necessary to accommodate the use of new or modified forms by the Division within 60 days of written notice by the Division.
3. The bank will provide duplex (front and back) scanned copies of payment vouchers and checks processed in a digital format at the time the contract is implemented.
4. The Division expects the bank to fully perform each of these processing specifications. In a separate section of its proposal – Tab J – the bank will identify any exceptions, deviations or problems it would have with these specifications. In Tab J the bank must explain why it cannot comply with the Division's specifications, and must explain what alternatives are available to the Division – as well as the additional costs, if any, that are associated with those alternatives.

B. Remittance processing

1. All remittances will fall into one of eight check/invoice combinations or configurations (shown below). In terms of processing, there are two types of remittances -- processable and non-processable. Processable remittances are broken down into either standard processing or exceptional processing, as follows:
 - Processable remittances
 - Standard (requiring routine handling)*
 - Exceptional (requiring special handling)*
 - Non-processable remittances
2. The various configurations in which remittances will arrive at the bank's lockbox site are:
 - Single check, single invoice, partial payment
 - Single check, single invoice, full payment
 - Multiple invoice, single check, partial payment
 - Multiple invoice, single check, full payment
 - Multiple check, single invoice, partial payment
 - Multiple check, single invoice, full payment
 - Altered invoices (See exceptional handling)
 - Special handling, which includes correspondences with checks, unprocessable and/or unbalanced items, no check(s) with invoice
3. The bank will use the criteria provided in this section of the RFP to sort processable remittances and non-processable remittances, and to follow the procedures for handling each.
4. Processable remittances: standard handling. The bank will:

a. Ensure that the written and numerical figures on each check agree. If they do not agree, the bank will process the remittance using the written amount.

b. Ensure that the check amount and the invoice amount agree. Where they do not agree, the remittance will be processed using the check amount, and the bank will indicate the check amount on the invoice. If it is already written on the invoice, the bank will circle that amount and the remittance will be processed to completion.

c. Verify that checks have proper dates. Where the check is missing the date, checks will be stamped by the bank with the processing date. Stale-dated checks (that is, six months old or longer) are non-processable. Checks postdated within three (3) days of the processing date will be processed to completion. Checks dated more than three days in advance of the processing date are non-processable.

(1) Unsigned checks will be processed to completion using the standard processing procedure.

(2) Checks labeled "PAID IN FULL" will be processed to completion using the standard processing procedure.

d. Verify that the payee on each remittance is correct. Acceptable payees are: State of Delaware; Secretary of State; Division of Corporations; Franchise Tax Section; and any reasonable deviation of the above.

e. Add the amounts on each invoice from the "Total Payments Due" at the top of each invoice or in the "Amount Enclosed" section, and the amount of check(s). Where the amount of the check equals the amount of the invoices, process this transaction to completion as a standard remittance. Where the amounts do not agree, process as described in "Special Handling."

f. Handle multiple invoices as follows:

(1) With multiple invoices, corporations may enclose a cover letter with remittances listing each corporation and the amount each is paying.

(2) The check total amount must equal the total amount specified on the multiple invoice(s). The bank will not apply a payment to a corporation only in order to make the invoice total and check(s) total equal. Where the payment amounts specified on cover letters or invoices do not equal the amounts on the checks, return to the Division in special handling. Do not process.

g. Endorse and deposit all checks other than those treated as exceptional items in a timely fashion as described in Section IV-C (Cash Management Specifications) of this RFP.

h. Endorse each check and invoice with a unique lockbox number which can be used to identify batches and sequences during an audit of the lockbox operation. The lockbox number for each check should match the lockbox number for each invoice. The lockbox number will be included in the bank's daily data transmission, as described in Section V (Data Processing Specifications) of this RFP.

i. Capture from each remittance the MICR line of the invoice(s) and the check(s), and maintain this data for a period of not less than three years. The bank will provide occasional photocopies of specified checks from its storage files to the Division within 48 hours upon request.

j. Prepare advice(s) of credit at least two times daily showing the total dollar amount(s) deposited to the account. The bank will also prepare advice(s) of debit showing dollar amounts of returned deposit items on a daily basis. Both credit and debit advices should have front and back photocopies of the checks attached to them. Forward these advices via fax to the Division along with other turnaround material described in this section. (Do not send to Treasury.)

FAX CREDIT/DEBIT ADVICES TO:

**State of Delaware
Division of Corporations
ATTN: Cash Management Section
Fax: 302-739-2565**

k. Handle the batching of checks by:

(1) Ensuring that batches will not exceed 250 checks/invoices. If they do, the bank will divide a single large batch into smaller batches and run the batches consecutively. A batch number will be assigned to each batch to establish an audit trail, and this number will be encoded on each check as part of its endorsement. For every batch, a batch control record must be generated detailing the following elements:

- Bank control number
- Batch number
- Date
- Number of items in batch
- Total dollar amount of batch

Note: Batches should be as close to 250 as possible, but the bank should not in any circumstance hold work in order to achieve a 250 total.

(2) Comparing each batch of invoices to the processing extract to ensure that all forms are in sequential order.

(3) Segregating partial payment, full payment, and special handling invoice batches and processed separately. Each package will be marked on the outside with a label to show its contents and a list of batch numbers.

(4) Processing multiple batches separately after performing verification that check and invoices balance (see 4e above).

(5) Generating a daily overall batch record.

l. Reconcile both check and invoice totals daily prior to deposit.

m. Deliver all turnaround material daily to the Division via overnight courier service using account number provided by the Division. This includes:

- Credit/debit (returned check) advice
- Deposit advice
- Correspondences
- Non-processable items with explanations

5. Processable remittances: special handling. The bank will:

- a. Where the remittance indicates no payment is due or a credit balance, return the remittance with its envelope to the Division in special handling.
- b. Where the remittance includes multiple check(s) and/or invoice(s) totals that do not agree, return the item with its envelope to the Division in special handling.
- c. Where the remittance includes an invoice that has no OCR scan or where there is only correspondence accompanying the check, return the remittance to the Division in Special Handling.

6. Non-processable remittances

- a. Non-processable remittances are defined as:

- (1) Remittance payments for less than \$125.00 for foreign reports. However, where the amount paid equals the amount billed, this amount may be less than \$125.00, and the remittance will be processed as a standard remittance to completion.

- (2) Remittances with no checks enclosed. The bank will return the item to the Division as special handling with “NO CHECK” indicated on the envelope.

- (3) Remittances with checks drawn on banks which are not in the United States or Canada and payable in United States dollars.

- (4) Remittances that do not have a Delaware file number.

- (6) Remittances with stale-dated checks (more than six months old), and checks postdated more than three days in advance of the processing date.

- b. The bank will handle non-processable remittances by segregating them and then forwarding them unprocessed to the Division.

7. Items delivered by overnight courier must be recorded with a time-stamped date and processed that same date up to the respondent’s final cutoff time, which should be no earlier than 5:30 p.m., or the time which would be in the best interest of the State. The respondent must include its daily processing cutoff time as part of its proposal. Those items arriving after that time must be processed the next business day.

MAIL TO

**State of Delaware
 Division of Corporations
 ATTN: Ms. Theresa Fibelkorn
 Townsend Building
 401 Federal Street, Suite 4
 Dover, Delaware 19901**

Cash Management Specifications

A. General information.

1. While the Division has oversight for all lockbox processing, the State Treasurer’s Office retains primary responsibility for all cash management procedures. All State-contracted banks must contact the State Treasurer’s Office first to coordinate the implementation of new services to the lockbox, especially if these new services entail additional bank fees.

B. Funds availability. In order to achieve optimal funds availability for the State, the bank will:

1. Collect remittances from the assigned post office box(es) a minimum of ten (10) times daily, and by processing remittances on all shifts.
2. Deposit remittances a minimum of two times daily. The bank will provide an electronic reporting module to the Division that includes balance reporting, ACH transaction reports and daily bank statement history (activity) reports.
 - a. The bank will provide proper deposit and collection "cutoffs" in a fashion to achieve the optimal availability for both weekday and weekend processing for the State.
 - b. Availability must be provided as detailed in the availability schedule included with the respondent's bid proposal. Funds processed Saturday will be made available (usable) to the State Monday (or the next business day). Those items processed Sunday will receive at least ledger credit (preferably available credit) Monday (or the next business day).
3. Review the availability schedule, timetables and cut-off times on a continual basis to ensure maximum availability.
4. Report the total deposit amount to the designated lead bank by 3:00 p.m. local time or by a time mutually agreed upon where the State would achieve the best availability and maximum processing.
 - a. This figure can be reported via time-sharing terminal or touch tone telephone input.
 - b. The lead bank will provide a verification number which must be retained as a record of having reported the deposit. Failure to provide a total deposit figure to the lead bank on time may result in interest due to the State from the lockbox bank.
5. Redeposit all return deposit items one time, regardless of check amount. If the item is returned a second time it will be forwarded to the Division with the daily deposit tickets.
 - a. The bank will notify Treasury immediately when a check for more than \$2,500.00 is received, so that the lockbox account can be funded if necessary.

C. Funds transfers. In order to concentrate lockbox funds into the State's main collection account in the most efficient manner possible, the bank will:

1. Provide an ACH module to the Division that would allow the Division to transfer funds from its depository account at the lockbox bank to a State of Delaware cash concentration account.
2. Allow Treasury to initiate a non-repetitive federal wire transfer as a backup method of funds concentration.
 - a. In the event the ACH module or ACH transfer department is not functioning, the bank will immediately notify Treasury by telephone. Designated Treasury personnel will then notify the bank relationship officer to initiate a federal wire transfer from the lockbox bank to the concentration account.

Note: ACH transfers, the preferred method of funds concentration, will be initiated by the Division. Wire transfers, when necessary, will be initiated by the bank at the request of Treasury.

D. Reporting. The bank shall:

1. Provide a bank statement module to the Division that allows personnel to access all prior day activity and balances.

2. The bank will fax daily to the Division a remittance/payment advice for each electronic payment received. Such advice will include payment information, debit party information and credit party information as required by the Division.

E. Account analysis. In order to provide complete, accurate reporting of all cash management activities, the bank will:

1. Provide to Treasury a comprehensive monthly analysis of the Division's account. The analysis will indicate both compensating balance and fee-based compensation. (The State intends to pay fees for services rendered to the extent its budget will allow.)

a. The account analysis will indicate:

- Average ledger balance.
- Average collected balance (ACB). The dollar value of uncollected items will be determined by the availability schedule submitted with this bid proposal.
- Reserve requirements. Current rate is 10%. Only the actual Reserve requirement will be considered in this analysis.
- Average available balance (AAB).
- Earnings allowance rate (EAR). Equal to or greater than the 91-day Treasury Bill rate as determined by the previous month's weekly auctions.
- Earnings credit. This figure will be calculated using the formula:

$$\frac{(AAB) \times (EAR) \times (\text{Actual \# days in month})}{360 \text{ days}}$$

- Volume and unit price of each service (as listed on the bid form only).
- Total charge incurred.
- Earnings credit excess or deficit (earnings credit minus charges incurred).
- Excess or deficit compensating balances. This will be adjusted monthly by the OWC and bank to correct earnings credit excess or deficit.

b. The analysis will be received by the State Treasurer's Office by the 15th day of the month following the analysis month.

c. Compensating balances will be computed as:

$$\frac{(\text{Service charge incurred}) \times (360 \text{ days})}{(EAR) \times (\text{Actual \# days in month})}$$

2. Reduce the gross payment due by the amount of the earnings credit computed.
3. Provide a detailed monthly invoice analysis for services rendered, as listed in the bid form.

4. Provide a float analysis as requested to Treasury. The float analysis will provide:

- Float categories. Examples are: on us, immediate credit, 1-day, 2-day and 3-day (for weekends/holidays)
- Number of items for each category.
- Percentage of items for each category.
- Dollar amount of items for each category.
- Percentage of dollar amount of each item for each category.
- Item volume for each day of the month, along with the dollar amounts of these items. (This should be broken out by lockbox shift, if possible.)

F. Collateralization of deposits. In accordance with long-standing policies of the State's Cash Management Policy Board, all State of Delaware vendor banks are subject to the following collateralization requirements:

The financial institution shall:

1. Collateralize the State's total average monthly ledger balance(s) if, for any quarter during the most recent eight quarters, the bank has not met both of the following two criteria:

- Return on total average assets of 0.50 percent or greater.
- Average capital ratio (total equity to total assets) of 5.00 percent or greater.

2. When either criterion above is not satisfied, collateral must be pledged and shall consist of one or more of the following securities:

- U.S. Government securities.
- U.S. Government agency securities.
- Federal Home Loan Board letters of credit.
- State of Delaware securities.
- Securities of a political subdivision of the State of Delaware with a Moody's rating of "A" or better.

3. Ensure that the securities pledged as collateral (except for Federal Home Loan Board letters of credit) have a market value equal to or greater than 102 percent (102%) of the total average monthly ledger balance(s) (net of FDIC insurance limits) held in all accounts. The financial institution is required to make any necessary collateral adjustments by the third business day of the following month.

4. Ensure that securities pledged as collateral are housed at the Federal Reserve Bank - Boston.

5. Provide reports on a monthly basis to the State Treasurer's Office detailing the collateral pledged.

6. Provide a Call Report (Consolidated Report of Condition and Income, FFIEC 031) on a quarterly basis to the State Treasurer's Office.

Data Processing Specifications

A. The bank will be involved in electronic data processing as both a receiver of information from corporations and an originator of information to the Division.

B. As a receiver of electronic data, the bank will:

1. Adhere to the Division's EDI/EFT specifications in the receipt and processing of data from those corporations which elect to use this method of tax/fee payment. The CCD+ (Cash Concentration and Disbursement plus Addendum) standard convention has been provided to all corporations paying quarterly franchise taxes electronically.

C. As an originator of electronic data, the bank will:

1. Transmit all incoming ACH payments daily. The bank will combine the transmission of incoming ACH payments with incoming check payments so that the State will receive only one transmission daily of all its accounts receivables when both ACH and checks are processed.

2. Provide the ability for State's Department of Technology and Information (DTI) to retrieve all transactions processed daily by the bank's lockbox department via Secure File Transfer Protocol (SFTP). This requires the bank to do a "put" to the State's SFTP server. The bank must also provide the State with a fixed IP address, so that appropriate firewall rules can be implemented.

a. Format. The transmission must be in the following format:

- Record: 80 characters
- Block: 1 record (80 characters)

The Division prefers to use its already-existing customized format to make this daily transmission. Examples of a daily transmission and a description of the fields, characters and formats which are used in this transmission can be found in the RFP exhibits.

b. Content. The transmission must include the following data:

- Date. The date of data posting (MMDDYY), six digits set by the bank.
- Corporate file number. Captured from the OCR line on the invoice, seven digits.
- Dollar amount. The dollar circulation, invoice amount captured from OCR line on the invoice, nine digits (including cents).
- Payment identification. Captured from the OCR line and indicated by numeric value (one digit).
 - 1 = quarterly tax bill
 - 3 = foreign annual report
 - 4 = limited partnership tax bill
 - 6 = tax bills
 - 7 = limited liability tax bill
 - 8 = general partnership tax bill
- Dollar amount. Actual amount for which the item was processed. Keyed from the actual check, nine digits (including cents).
- Unique lockbox request number. A control number assigned to the invoice and check(s). In some cases this will be the batch number assigned by the

bank. The number of digits may vary. The bank's equipment may place this data on the data file or it may be keyed by the operator depending on the bank's capability. However, a unique number must be assigned, captured and transmitted for both the invoice and the check(s) processed.

- Serial number on check. (Only need last six digits).

c. Batches. There will be two batch ranges:

- One for single invoices
- One for multiple invoices

d. The data transmission must be as close to 7:00 p.m. each day as possible. The bank should specify its transmission time in its proposal.

Note: If the transmission time is too early it will not include some special delivery (Fed Ex, Airborne, etc.) items, and if it is too late there will not be enough time to handle corrections or resolve problems before midnight – when the mainframe computer goes down and the daily back-up process begins.

3. Provide a hard copy report of the data transmission, which will be sent to the Division.

a. There will be one additional digit on the scan line which need not be captured or transmitted to the Division. This digit will be used by the bank's OCR program to verify the mathematical accuracy of the captured data. This number is commonly referred to as the modulus ID check digit routine.

4. Provide daily electronic transmission of scanned invoices and checks via SFTP.

a. Images must be in single-page TIFF format.

b. A text file containing information necessary to link the images to their corresponding business entity must also be provided.

c. The bank will shred all processed invoices included in the daily transmissions.

D. Changes in programming initiated by the Division and Treasury will be instituted by the bank within 60 days of receiving written notice from the State.

III. Required Information

The following information shall be provided in each proposal in the order listed below. 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.

A. Minimum Requirements

1. Delaware business license:
Provide evidence of a Delaware business license or evidence of an application to obtain the business license.
2. Professional liability insurance:
Provide evidence of professional liability insurance in the amount of \$1,000,000.00.
3. (Any other minimum criteria required)

B. General Evaluation Requirements [Use one or more of the subsections below]

1. Experience and Reputation
2. Expertise (for the particular project under consideration)
3. Capacity to meet requirements (size, financial condition, etc.)
4. Location (geographical)
5. Demonstrated ability
6. Familiarity with public work and its requirements
7. Distribution of work to individuals and firms or economic considerations
8. Other criteria necessary for a quality cost-effective project

IV. Professional Services RFP Administrative Information

A. RFP Issuance

1. Obtaining Copies of the RFP

This RFP is available in electronic form [only] through the Delaware State Treasury website at <http://treasury.delaware.gov/> and the State of Delaware Procurement website at <http://www.bids.delaware.gov>. Paper copies of this RFP will not be available.

2. Public Notice

Public notice has been provided in accordance with *29 Del. C. § 6981*.

3. Assistance to Vendors with a Disability

Vendors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the Designated Contact no later than ten days prior to the deadline for receipt of proposals.

4. RFP Designated Contact

All requests, questions, or other communications about this RFP shall be made in writing to the State of Delaware. Address all communications to the person listed below; communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor. Vendors should rely only on written statements issued by the RFP designated contact.

Banking Services Manager James DiDonato
Delaware State Treasury
820 Silver Lake Blvd, Suite 100, Dover DE 19904
james.didonato@state.de.us

To ensure that written requests are received and answered in a timely manner, electronic mail (e-mail) correspondence is acceptable, but other forms of delivery, such as postal and courier services can also be used.

5. Consultants and Legal Counsel

The State of Delaware may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors' responses. Bidders shall not contact consultant or legal counsel on any matter related to the RFP.

6. Contact with State Employees

Direct contact with State of Delaware employees other than the State of Delaware Designated Contact regarding this RFP is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business in the State who require contact in the normal course of doing that business.

The State will communicate only with a single point of contact for each vendor.

7. Organizations Ineligible to Bid

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

8. Pre Bid Meeting

A mandatory pre-bid meeting will be held Wednesday, August 3, 2011 at 10:30 a.m. This face-to-face meeting will be held in the main conference room of the Department of State, located on the first floor of the Townsend Building, 401 Federal Street, Dover, Delaware 19901. There will not be a teleconference option for this meeting.

9. Exclusions

The Proposal Evaluation Team reserves the right to refuse to consider any proposal from a vendor who:

- a) Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
- b) Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
- c) Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
- d) Has violated contract provisions such as:

- 1) Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - 2) Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
- e) Has violated ethical standards set out in law or regulation; and
- f) Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

B. RFP Submissions

1. Acknowledgement of Understanding of Terms

By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules and exhibits hereto, and has fully informed itself as to all existing conditions and limitations.

2. Proposals

To be considered, all proposals must be submitted in writing and respond to the items outlined in this RFP. The State reserves the right to reject any non-responsive or non-conforming proposals. Each proposal must be submitted with three paper copies and one electronic copies on CD. One of the paper copies should be clearly labeled as "ORIGINAL."

All properly sealed and marked proposals are to be sent to the State of Delaware and received no later than 4:00 p.m. EST on August 26, 2011. The Proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), US Mail, or by hand to:

**Banking Services Manager James DiDonato
Delaware State Treasury
820 Silver Lake Blvd, Suite 100, Dover DE 19904**

Sealed containers (boxes or envelopes) should be clearly marked with the contract number, as found on the first page of this document. Any proposal submitted by US Mail shall be sent by either certified or registered mail. Proposals must be received at the above address no later than 4:00 p.m. EST on August 26, 2011. Any proposal received after this date shall not be considered and shall be returned unopened. The proposing vendor bears the risk of delays in delivery. The contents of any proposal shall not be disclosed as to be made available to competing entities during the negotiation process.

Upon receipt of vendor proposals, each vendor shall be presumed to be thoroughly familiar with all specifications and requirements of this RFP. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.

3. Proposal Modifications

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Changes, amendments or modifications to proposals shall not be accepted or considered after the hour and date specified as the deadline for submission of proposals.

4. Proposal Costs and Expenses

The State of Delaware will not pay any costs incurred by any Vendor associated with any aspect of responding to this solicitation, including proposal preparation, printing or delivery, attendance at vendor's conference, system demonstrations or negotiation process.

5. Proposal Expiration Date

Prices quoted in the proposal shall remain fixed and binding on the bidder at least through June 30, 2013. The State of Delaware reserves the right to ask for an extension of time if needed.

6. Late Proposals

Proposals received after the specified date and time will not be accepted or considered. To guard against premature opening, sealed proposals shall be submitted, plainly marked with the proposal title, vendor name, and time and date of the proposal opening. Evaluation of the proposals is expected to begin shortly after the proposal due date. To document compliance with the deadline, the proposal will be date and time stamped upon receipt.

7. Proposal Opening

The State of Delaware will receive proposals until the date and time shown in this RFP. Proposals will be opened only in the presence of the State of Delaware personnel. Any unopened proposals will be returned to Vendor.

There will be no public opening of proposals but a public log will be kept of the names of all vendor organizations that submitted proposals. The contents of any proposal shall not be disclosed to competing vendors prior to contract award.

8. Non-Conforming Proposals

Non-conforming proposals will not be considered. Non-conforming proposals are defined as those that do not meet the requirements of this RFP. The determination of whether an RFP requirement is substantive or a mere formality shall reside solely within the State of Delaware.

9. Concise Proposals

The State of Delaware discourages overly lengthy and costly proposals. It is the desire that proposals be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. The State of Delaware's interest is in the quality and responsiveness of the proposal.

10. Realistic Proposals

It is the expectation of the State of Delaware that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within the proposal. Proposals must be realistic and must represent the best estimate of time, materials and other costs including the impact of inflation and any economic or other factors that are reasonably predictable.

The State of Delaware shall bear no responsibility or increase obligation for a vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

11. Confidentiality of Documents

All documents submitted as part of the vendor's proposal will be deemed confidential during the evaluation process. Vendor proposals will not be available for review by anyone other than the State of Delaware/Proposal Evaluation Team or its designated agents. There shall be no disclosure of any vendor's information to a competing vendor prior to award of the contract.

The State of Delaware is a public agency as defined by state law, and as such, it is subject to the Delaware Freedom of Information Act, 29 *Del. C.* Ch. 100. Under the law, all the State of Delaware's records are public records (unless otherwise declared by law to be confidential) and are subject to inspection and copying by any person. Vendor(s) are advised that once a proposal is received by the State of Delaware and a decision on contract award is made, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except proprietary information.

Vendor(s) shall not include any information in their proposal that is proprietary in nature or that they would not want to be released to the

public. Proposals must contain sufficient information to be evaluated and a contract written without reference to any proprietary information. If a vendor feels that they cannot submit their proposal without including proprietary information, they must adhere to the following procedure or their proposal may be deemed unresponsive and will not be recommended for selection. Vendor(s) must submit such information in a separate, sealed envelope labeled "Proprietary Information" with the RFP number. The envelope must contain a letter from the Vendor's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not "public record" as defined by 29 *Del. C.* § 10002(d), and briefly stating the reasons that each document meets the said definitions.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State of Delaware will open the envelope to determine whether the procedure described above has been followed.

12. Multi-Vendor Solutions (Joint Ventures)

Multi-vendor solutions (joint ventures) will be allowed only if one of the venture partners is designated as the "**prime contractor**". The "**prime contractor**" must be the joint venture's contact point for the State of Delaware and be responsible for the joint venture's performance under the contract, including all project management, legal and financial responsibility for the implementation of all vendor's systems. If a joint venture is proposed, a copy of the joint venture agreement clearly describing the responsibilities of the partners must be submitted with the proposal. Services specified in the proposal shall not be subcontracted without prior written approval by the State of Delaware, and approval of a request to subcontract shall not in any way relieve Vendor of responsibility for the professional and technical accuracy and adequacy of the work. Further, vendor shall be and remain liable for all damages to the State of Delaware caused by negligent performance or non-performance of work by its subcontractor or its sub-subcontractor.

Multi-vendor proposals must be a consolidated response with all cost included in the cost summary. Where necessary, RFP response pages are to be duplicated for each vendor.

a. Primary Vendor

The State of Delaware expects to negotiate and contract with only one "prime vendor". The State of Delaware will not accept any proposals that reflect an equal teaming arrangement or from vendors who are co-bidding on this RFP. The prime vendor will be responsible for the management of all subcontractors.

Any contract that may result from this RFP shall specify that the prime vendor is solely responsible for fulfillment of any contract with the State as a result of this procurement. The State will make contract payments only to the awarded vendor. Payments to any-subcontractors are the sole responsibility of the prime vendor (awarded vendor).

Nothing in this section shall prohibit the State of Delaware from the full exercise of its options under Section IV.B.16 regarding multiple source contracting.

b. Sub-Contracting

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and major subcontractors must be identified by name. **The prime vendor shall be wholly responsible for the entire contract performance whether or not subcontractors are used.** Any subcontractors must be approved by State of Delaware.

c. Multiple Proposals

A primary vendor may not participate in more than one proposal in any form. Sub-contracting vendors may participate in multiple joint venture proposals.

13. Sub-Contracting

The vendor selected shall be solely responsible for contractual performance and management of all subcontract relationships. This contract allows subcontracting assignments; however, vendors assume all responsibility for work quality, delivery, installation, maintenance, and any supporting services required by a subcontractor.

Use of subcontractors must be clearly explained in the proposal, and subcontractors must be identified by name. Any sub-contractors must be approved by State of Delaware.

14. Discrepancies and Omissions

Vendor is fully responsible for the completeness and accuracy of their proposal, and for examining this RFP and all addenda. Failure to do so will be at the sole risk of vendor. Should vendor find discrepancies,

omissions, unclear or ambiguous intent or meaning, or should any questions arise concerning this RFP, vendor shall notify the State of Delaware's Designated Contact, in writing, of such findings at least ten (10) days before the proposal opening. This will allow issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of vendor's proposal upon which award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Designated Contact, in writing, no later than ten (10) calendar days prior to the time set for opening of the proposals.

a. RFP Question and Answer Process

The State of Delaware will allow written requests for clarification of the RFP. All questions will be consolidated into a single set of responses and posted as necessary on the State's website at <http://treasury.delaware.gov/> and at <http://bids.delaware.gov/>. An email will also be sent to each vendor's single point of contact. The deadline for asking questions is 4:00 PM, Tuesday, August 16, 2011. Vendors' names will be removed from questions in the responses released. Questions should be submitted in the following format. Deviations from this format will not be accepted.

Section and paragraph
Page number
Text of passage being questioned
Question

Questions not submitted electronically shall be accompanied by a CD and questions shall be formatted in Microsoft Word.

15. State's Right to Reject Proposals

The State of Delaware reserves the right to accept or reject any or all proposals or any part of any proposal, to waive defects, technicalities or any specifications (whether they be in the State of Delaware's specifications or vendor's response), to sit and act as sole judge of the merit and qualifications of each product offered, or to solicit new proposals on the same project or on a modified project which may include portions of the originally proposed project as the State of Delaware may deem necessary in the best interest of the State of Delaware.

16. State's Right to Cancel Solicitation

The State of Delaware reserves the right to cancel this solicitation at any time during the procurement process, for any reason or for no reason. The

State of Delaware makes no commitments expressed or implied, that this process will result in a business transaction with any vendor.

This RFP does not constitute an offer by the State of Delaware. Vendor's participation in this process may result in the State of Delaware selecting your organization to engage in further discussions and negotiations toward execution of a contract. The commencement of such negotiations does not, however, signify a commitment by the State of Delaware to execute a contract nor to continue negotiations. The State of Delaware may terminate negotiations at any time and for any reason, or for no reason.

17. State's Right to Award Multiple Source Contracting

Pursuant to 29 *Del. C.* § 6986, the State of Delaware may award a contract for a particular professional service to two or more vendors if the agency head makes a determination that such an award is in the best interest of the State of Delaware.

18. Notification of Withdrawal of Proposal

Vendor may modify or withdraw its proposal by written request, provided that both proposal and request is received by the State of Delaware prior to the proposal due date. Proposals may be re-submitted in accordance with the proposal due date in order to be considered further.

Proposals become the property of the State of Delaware at the proposal submission deadline. All proposals received are considered firm offers at that time.

19. Revisions to the RFP

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware's website at <http://treasury.delaware.gov/> and at <http://bids.delaware.gov/> . The State of Delaware is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents. By submitting an offer to the State, vendors have acknowledged receipt, understanding and commitment to comply with all materials, revisions, and addenda related to the RFP.

20. Exceptions to the RFP

Any exceptions to the RFP, or the State of Delaware's terms and conditions, must be highlighted and included in writing in the proposal. Acceptance of exceptions is within the sole discretion of the evaluation committee.

21. Award of Contract

The final award of a contract is subject to approval by the State of Delaware. The State of Delaware has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-

responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP.

Notice in writing to a vendor of the acceptance of its proposal by the State of Delaware and the subsequent full execution of a written contract will constitute a contract, and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

a. RFP Award Notifications

After reviews of the evaluation committee report and its recommendation, and once the contract terms and conditions have been finalized, the State of Delaware will award the contract.

The contract shall be awarded to the vendor whose proposal is most advantageous, taking into consideration the evaluation factors set forth in the RFP.

It should be explicitly noted that the State of Delaware is not obligated to award the contract to the vendor who submits the lowest bid of the vendor who receives the highest total point score, rather the contract will be awarded to the vendor whose proposal is the most advantageous to the State of Delaware. The award is subject to the appropriate State of Delaware approvals.

After a final selection is made, the winning vendor will be invited to negotiate a contract with the State of Delaware; remaining vendors will be notified in writing of their selection status.

C. RFP Evaluation Process

An evaluation team composed of representatives of the State of Delaware will evaluate proposals on a variety of quantitative criteria. Neither the lowest price nor highest scoring proposal will necessarily be selected.

The State of Delaware reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in a timely manner any and all information that the State of Delaware may deem necessary to make a decision.

1. Proposal Evaluation Team

The Proposal Evaluation Team shall be comprised of representatives of the State of Delaware. The Team shall determine which vendors meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 *Del. C.* §§ 6981 and 6982. The Team may negotiate with one or more vendors during the same period and may, at its discretion, terminate negotiations with any or all vendors. The Team shall

make a recommendation regarding the award to the Cash Management Policy Board, which shall have final authority, subject to the provisions of this RFP and 29 *Del. C.* § 6982, to award a contract to the successful vendor in the best interests of the State of Delaware.

2. Proposal Selection Criteria

The Proposal Evaluation Team shall assign up to the maximum number of points for each Evaluation Item to each of the proposing vendor's proposals. All assignments of points shall be at the sole discretion of the Proposal Evaluation Team.

The proposals all contain the essential information on which the award decision shall be made. The information required to be submitted in response to this RFP has been determined by the State of Delaware to be essential for use by the Team in the bid evaluation and award process. Therefore, all instructions contained in this RFP shall be met in order to qualify as a responsive and responsible contractor and participate in the Proposal Evaluation Team's consideration for award. Proposals which do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the Team.

The Team reserves the right to:

- Select for contract or for negotiations a proposal other than that with lowest costs.
- Reject any and all proposals or portions of proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in proposals received.
- Request modification to proposals from any or all vendors during the contract review and negotiation.
- Negotiate any aspect of the proposal with any vendor and negotiate with more than one vendor at the same time.

The Delaware State Treasury reserves the right to reject any or all bids in whole or in part, to make multiple awards, partial awards, award by types, item by item, or lump sum total, whichever may be most advantageous to the State of Delaware.

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the Evaluation Team to evaluate proposals:

FUNCTION	%	COMMENT
LBX Processing	35	
Post Office pickups	5	The number of daily trips bank makes to pick up State work from post office.
Mail sorting	5	Manual or automated? Fine sort or not? Bar code or not?
Processing capacity	10	What is the dollar and transaction volume of your largest in-house lockbox client?
Deposits	10	How many daily deposits made into the State's lockbox account? Cut off times for deposits? Express mail deliveries deposited date received? Weekends?
Post Office location	5	The location and proximity of the post office that is used.
Cash Management	30	
Availability of funds	10	Availability schedule, cut-offs and timetables and their impact on the State account.
Pricing	10	Is the bank's pricing for lockbox services competitive?
Payments	5	Method of invoicing, payment terms, mode of payment (ACH, check, wire).
Analysis statements	5	Is the bank's analysis statement thorough and user-friendly?
Bank Operations	35	
Dedicated govt group	10	Is there a section dedicated to serving governments? How experienced? Is there a dedicated customer service representative (CSR) for each account? CSR response time to State on lockbox discrepancies; research capabilities?
Quality Assurance	10	How does the bank monitor the quality of its lockbox work? Internal or external? How does the bank resolve error issues? Turn-around time on error resolution?
RFP Response	10	Is the bank's proposal thorough and accurate? Does it fully address needs?
Disaster Recovery Plan	5	How comprehensive is the Plan? How well does it safeguard State funds?

3. Proposal Clarification

The Evaluation Team may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Proposals may not be modified as a result of any such clarification request.

4. References

The Evaluation Team may contact any customer of the vendor, whether or not included in the vendor's reference list, and use such information in the evaluation process. Additionally, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for State of Delaware personnel for these visits.

5. Oral Presentations

Selected vendors may be invited to make oral presentations to the Evaluation Team. The vendor representative(s) attending the oral presentation shall be technically qualified to respond to questions related to the proposed system and its components.

All of the vendor's costs associated with participation in oral discussions and system demonstrations conducted for the State of Delaware are the vendor's responsibility.

D. Contract Terms and Conditions

1. General Information

- a. The term of the contract between the successful bidder and the State shall be for four years with three extensions for a period of one year for each extension.
- b. The selected vendor will be required to enter into a written agreement with the State of Delaware. 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.
- c. The selected vendor or vendors 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 to this RFP will be incorporated as part of any formal contract.
- d. The State of Delaware's standard contract will most likely be supplemented with the vendor's software license, support/maintenance, source code escrow agreements, and any other applicable agreements. The terms and conditions of these agreements will be negotiated with the finalist during actual contract negotiations.
- e. The successful vendor shall promptly execute a contract incorporating the terms of this RFP. No vendor is to begin any service prior to receipt a State of Delaware purchase order signed by two authorized representatives of the agency requesting service, properly processed through the State of Delaware Accounting Office and the Department of Finance. The purchase order shall serve as the authorization to proceed in accordance with the bid specifications and the special instructions, once it is received by the successful vendor.
- f. 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.

2. Collusion or Fraud

Any evidence of agreement or collusion among vendor(s) and prospective vendor(s) acting to illegally restrain freedom from competition by agreement to offer a fixed price, or otherwise, will render the offers of such vendor(s) void.

By responding, the vendor shall be deemed to have represented and warranted that its proposal is not made in connection with any competing vendor submitting a separate response to this RFP, and is in all respects fair and without collusion or fraud; that the vendor did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance; and that no employee or official of the State of Delaware participated directly or indirectly in the vendor's proposal preparation.

Advance knowledge of information which gives any particular vendor advantages over any other interested vendor(s), in advance of the opening of proposals, whether in response to advertising or an employee or representative thereof, will potentially void that particular proposal.

3. Lobbying and Gratuities

Lobbying or providing gratuities shall be strictly prohibited. Vendors found to be lobbying, providing gratuities to, or in any way attempting to influence a State of Delaware employee or agent of the State of Delaware concerning this RFP or the award of a contract resulting from this RFP shall have their proposal immediately rejected and shall be barred from further participation in this RFP.

The selected vendor will warrant that no person or selling agency has been employed or retained to solicit or secure a contract resulting from this RFP upon agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State of Delaware shall have the right to annul any contract resulting from this RFP without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

All contact with State of Delaware employees, contractors or agents of the State of Delaware concerning this RFP shall be conducted in strict accordance with the manner, forum and conditions set forth in this RFP.

4. Solicitation of State Employees

Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State of Delaware's employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with vendor, without prior written approval of the State of Delaware's contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor's proposal.

This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

5. General Contract Terms

a. Independent contractors

The parties to the contract shall be independent contractors to one another, and nothing herein shall be deemed to cause this agreement to create an agency, partnership, joint venture or employment relationship between parties. Each party shall be responsible for compliance with all applicable workers compensation, unemployment, disability insurance, social security withholding and all other similar matters. Neither party shall be liable for any debts, accounts, obligations or other liability whatsoever of the other party, or any other obligation of the other party to pay on the behalf of its employees or to withhold from any compensation paid to such employees any social benefits, workers compensation insurance premiums or any income or other similar taxes.

It may be at the State of Delaware's discretion as to the location of work for the contractual support personnel during the project period. The State of Delaware shall provide working space and sufficient supplies and material to augment the Contractor's services.

b. Non-Appropriation

In the event the General Assembly fails to appropriate the specific funds necessary to enter into or continue the contractual agreement, in whole or part, the agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

c. Licenses and Permits

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.

d. Notice

Any notice to the State of Delaware required under the contract shall be sent by registered mail to:

**Banking Services Manager James DiDonato
Delaware State Treasury
820 Silver Lake Blvd, Suite 100, Dover DE 19904**

e. Indemnification

1. General 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, solely or in part, to the State, its employees or agents.

2. 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.

f. Insurance

1. 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.
2. 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.
3. During the term of this contract, the vendor shall, at its own expense, carry insurance minimum limits as follows:

a.	Comprehensive General Liability	\$1,000,000
b.	Professional Liability/Misc. Error & Omissions/Product Liability	\$1,000,000/\$3,000,000

If the contractual service requires the transportation of departmental clients or staff, the vendor shall, in addition to the above coverages, secure at its own expense the following coverage:

a.	Automotive Liability (Bodily Injury)	\$100,000/\$300,000
b.	Automotive Property Damage (to others)	\$ 25,000

4. The vendor shall provide a certificate of insurance as proof that the vendor has the required insurance.

g. Performance Requirements

The selected Vendor will warrant that it possesses, or has arranged through subcontractors, all capital and other equipment, labor, materials, and licenses necessary to carry out and complete the work hereunder in compliance with any and all Federal and State laws, and County and local ordinances, regulations and codes.

h. Warranty

The Vendor will provide a warranty that the deliverables provided pursuant to the contract will function as designed for a period of no less than one (1) year from the date of system acceptance. The warranty shall require the Vendor correct, at its own expense, the setup, configuration, customizations or modifications so that it functions according to the State's requirements.

i. Costs and Payment Schedules

All contract costs must be as detailed specifically in the Vendor's cost proposal. No charges other than as specified in the proposal shall be allowed without written consent of the State of Delaware. The proposal costs shall include full compensation for all taxes that the selected vendor is required to pay.

The State of Delaware will require a payment schedule based on defined and measurable milestones. Payments for services will not be made in advance of work performed. The State of Delaware may require holdback

of contract monies until acceptable performance is demonstrated (as much as 25%).

j. Penalties

The State of Delaware may include in the final contract penalty provisions for non-performance, such as liquidated damages.

k. Termination for Cause.

If for any reasons, or through any cause, the Vendor fails to fulfil in timely and proper manner his obligations under the contract, or if the Vendor violates any of the covenants, agreements or stipulations of the contract, the State of Delaware shall thereupon have the right to terminate the contract by giving written notice to the Vendor of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination, In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the Vendor under the contract shall, at the option of the State of Delaware, become its property, and the Vendor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials which is useable to the State of Delaware.

l. Termination for Convenience

The State of Delaware may terminate the contract at any time by giving written notice of such termination and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other material prepared by the Vendor under the contract shall, at the option of the State of Delaware, become its property, and the Vendor shall be entitled to compensation for any satisfactory work completed on such documents and other materials which is useable to the State of Delaware. If the contract is terminated by the State of Delaware as so provided, the Vendor will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Vendor as covered by the contract, less payments of compensation previously made. Provided however, that if less than 60 percent of the services covered by the contract have been performed upon the effective date of termination, the Vendor shall be reimbursed (in addition to the above payment) for that portion of actual out of pocket expenses (not otherwise reimbursed under the contract) incurred by the Vendor during the contract period which are directly attributable to the uncompleted portion of the services covered by the contract.

m. Non-discrimination

In performing the services subject to this RFP the vendor will agree that it will not discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

n. Covenant against Contingent Fees

The successful vendor will warrant that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement of understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees, bona-fide established commercial or selling agencies maintained by the Vendor for the purpose of securing business. For breach or violation of this warranty the State of Delaware shall have the right to annul the contract without liability or at its discretion to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

o. Vendor Activity

No activity is to be executed in an off shore facility, either by a subcontracted firm or a foreign office or division of the vendor. The vendor must attest to the fact that no activity will take place outside of the United States in its transmittal letter. Failure to adhere to this requirement is cause for elimination from future consideration.

p. Work Product

All materials and products developed under the executed contract by the vendor are the sole and exclusive property of the State. The vendor will seek written permission to use any product created under the contract.

p. Contract Documents

The RFP, the purchase order, the executed contract and any supplemental documents between the State of Delaware and the successful vendor shall constitute the contract between the State of Delaware and the vendor. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: contract, State of Delaware's RFP, Vendor's response to the RFP and purchase order. No other documents shall be considered. These documents will constitute the entire agreement between the State of Delaware and the vendor.

q. Applicable Law

The laws of the State of Delaware shall apply, except where Federal Law has precedence. The successful vendor consents to jurisdiction and venue in the State of Delaware.

In submitting a proposal, Vendors certify that they comply with all federal, state and local laws applicable to its activities and obligations including:

- (1) the laws of the State of Delaware;
- (2) the applicable portion of the Federal Civil Rights Act of 1964;
- (3) the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
- (4) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- (5) that programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If any vendor fails to comply with (1) through (5) of this paragraph, the State of Delaware reserves the right to disregard the proposal, terminate the contract, or consider the vendor in default.

The selected vendor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

r. Scope of Agreement

If the scope of any provision of the contract is determined to be too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

s. Other General Conditions

- (1) **Current Version** – “Packaged” application and system software shall be the most current version generally available as of the date of the physical installation of the software.
- (2) **Current Manufacture** – Equipment specified and/or furnished under this specification shall be standard products of

manufacturers regularly engaged in the production of such equipment and shall be the manufacturer's latest design. All material and equipment offered shall be new and unused.

- (3) **Volumes and Quantities** – Activity volume estimates and other quantities have been reviewed for accuracy; however, they may be subject to change prior or subsequent to award of the contract.
- (4) **Prior Use** – The State of Delaware reserves the right to use equipment and material furnished under this proposal prior to final acceptance. Such use shall not constitute acceptance of the work or any part thereof by the State of Delaware.
- (5) **Status Reporting** – The selected vendor will be required to lead and/or participate in status meetings and submit status reports covering such items as progress of work being performed, milestones attained, resources expended, problems encountered and corrective action taken, until final system acceptance.
- (6) **Regulations** – All equipment, software and services must meet all applicable local, State and Federal regulations in effect on the date of the contract.
- (7) **Changes** – No alterations in any terms, conditions, delivery, price, quality, or specifications of items ordered will be effective without the written consent of the State of Delaware.
- (8) **Additional Terms and Conditions** – The State of Delaware reserves the right to add terms and conditions during the contract negotiations.

E. RFP Miscellaneous Information

1. No Press Releases or Public Disclosure

Vendors may not release any information about this RFP. The State of Delaware reserves the right to pre-approve any news or advertising releases concerning this RFP, the resulting contract, the work performed, or any reference to the State of Delaware with regard to any project or contract performance. Any such news or advertising releases pertaining to this RFP or resulting contract shall require the prior express written permission of the State of Delaware.

2. RFP Reference Library

The State of Delaware has made every attempt to provide the necessary information within this RFP. The State of Delaware will make the reference library available only to the winning bidder.

3. Definitions of Requirements

To prevent any confusion about identifying requirements in this RFP, the following definition is offered: The words *shall*, *will* and/or *must* are used to designate a mandatory requirement. Vendors must respond to all mandatory requirements presented in the RFP. Failure to respond to a mandatory requirement may cause the disqualification of your proposal.

4. Production Environment Requirements

The State of Delaware requires that all hardware, system software products, and application software products included in proposals be currently in use in a production environment by a least three other customers, have been in use for at least six months, and have been generally available from the manufacturers for a period of six months. Unreleased or beta test hardware, system software, or application software will not be acceptable.

F. Supplier Diversity Initiative

1. In accordance with Executive Order 14 (Increasing Supplier Diversity Initiatives within State Government), the State of Delaware is committed to supporting its diverse business industry and population. The successful vendor will be required to report on the participation by a minority and/or women owned business (MWBE) under this awarded contract. The reported data elements shall include but not be limited to:

- Name of State contract/project
- Name of the MWBE
- MWBE contact information (phone, email)
- Type of product or service provided by MWBE
- MWBE certifications for the subcontractor (State MWBE certification, Minority Supplier Development Council, Women’s Business Enterprise Council)

A template used for this reporting may be found at:

http://gss.omb.delaware.gov/omwbe/docs/subcontracting_report.xls

**EXHIBIT A
 BID SHEET**

Lockbox Services		Annual Volume	Per Item Charge	Total Annual Fee
Deposit item (pre-encoded)		180,000		
Deposit item (other)		20,000		
Deposit item – foreign checks		50		
Deposit items cleared		200,000		
Deposit items returned		200		
Deposit items returned – representment (re-clear)		200		
Deposit items returned – chargebacks		150		
Deposit batches/tickets (twice daily)		500		
Bank account maintenance (once monthly)		12		
Imaging: Transfers (per image)	1	200,000		
Imaging: Maintenance (once monthly)		12		
Imaging: Retrieval from archives (per image)		10,000		
ACH: Files input (sent to bank)		250		
ACH: Credit initiated		300		
ACH: Debits initiated	2	90,000		
ACH: Batches created and input		250		
ACH: Addenda records received		10		
ACH: Return items		2,000		
ACH: Notification of change (NOC)		2,000		
ACH: Web module maintenance (once monthly)		12		
ACH: Debit block on account (once monthly)		12		
Wire transfers in (repetitive)		50		
Wire transfers out (non-repetitive)		20		
LBX Processing: Maintenance		12		
LBX Processing: OCR Matched items		200,000		
LBX Processing: OCR Non-matched items		15,000		
LBX Processing: OCR Multiple items	3	35,000		
LBX Processing: OCR Misreads (Rejects)		18,000		
LBX Processing: Document destruction	4	250,000		
LBX Processing: Data transmission per record		270,000		
LBX Processing: Data transmission maintenance		12		
LBX Processing: OCR document misreads		18,000		
LBX Processing: Photocopies		50		
Treasury workstation maintenance		12		
Info Reporting: Previous day per item		3,000		
Info Reporting: Same day per item		2,000		
Info Reporting: Daily statement		250		
Info Reporting: Monthly module maintenance		12		
EDI: Fax per page (sent to the agency)	5	2,500		
Delivery/Courier service to the agency	6	250		
Overnight investment sweep (automatic)		12		
Total Annual Charge				

DO NOT ALTER THIS FORM. ANY OTHER PROPOSED SERVICES AND FEES SHOULD BE CONTAINED IN TAB J.

EXHIBIT A (continued)

This pricing bid form must be fully completed using the estimated volumes provided by the State. The form must be signed by two officials who are authorized to bind the bank to these prices and enter into contractual agreements.

Notes from bid sheet:

1. It is assumed that there will be one image per check.
2. Using data provided by the agency in its daily file transmission (volume = 250), the bank will initiate approximately 90,000 ACH debits. It is assumed the bank will not charge the State for both initiating the debits and receiving the resulting ACH.
3. Multiple items means a single check is accompanied by more than one invoice.
4. The volume for Document Destruction is the sum of the volumes for matched, non-matched and multiple OCR items.
5. Where the full detail cannot be viewed by Corporations using the bank’s online reporting tool, the bank will provide faxes containing full EDI detail to the agency.
6. The Division expects that its turnaround work – hard copy items that are returned to the agency from the lockbox site – will be delivered daily via courier, as described in Section II (Scope of Services). Consequently, there is not a line item on the bid sheet for mail preparation and postage.

I have read the Request for Proposal, fully understand its intent, and certify that the bank has adequate personnel and equipment to fulfill the requirements of the State of Delaware at the prices indicated above. I commit the bank to provide all lockbox banking services as detailed in the Request for Proposal.

Printed or typed name

Title

Signature

Date

EXHIBIT B PROPOSAL CHECKLIST AND FORMAT GUIDE

The vendor's proposal must contain the following information, which should be formatted and organized as described below:

- Tab A: One copy of the Request for Proposal.
- Tab B: Lockbox services bid form – completed and signed. (RFP Exhibit A)
- Tab C: Bank contact information, including:
 - ✓ Relationship officer, key cash management officers and conversion team officers.
 - ✓ Key bank addresses, telephone and fax numbers, and email addresses.
- Tab D: Proposed depository location and deadline for deposit.
- Tab E: Lockbox questionnaire. Please present your responses to the format and question order as presented in RFP Exhibit D.
- Tab F: Subcontractor questionnaire.
- Tab G: A sample of a demand deposit account statement.
- Tab H: Summary of the bank's plan to assist the agency in marketing a voluntary Electronic Data Interchange program.
- Tab I: Description of the bank's quality control procedure, including examples where needed.
- Tab J: Exceptional and additional services provided by the bank, including additional fees. (This section of the proposal should clearly identify any State specifications that the bank cannot meet, including suggested alternatives.)
- Tab K: A detailed narrative of the bank's plan to provide the services requested by the State.
- Tab L: References, including contact names, addresses and phone numbers.
 - ✓ Two government lockbox clients.
 - ✓ Two private sector lockbox clients.
- Tab M: Narrative describing how the bank could assist the Division in its efforts to increase the number of electronic payments it receives. Please include information about your current capabilities, as well as your recommendations for the Division.
- Tab N: Statement of Commitment and Non-Collusion. (RFP Exhibit E)
- Tab O: Most current availability schedule (that would apply to the State's account).
- Tab P: Workflow timing matrix.

Note: For those banks that already send the State Treasurer's Office their Call Reports on a routine basis, they must simply make sure that their most recent reports have been sent. Banks that have not previously provided Call Reports must send reports for the most recent eight quarters. They may be under separate cover; that is, they do not have to be included in the bound, formal portion of the bank's proposal.

**EXHIBIT C
HISTORICAL VOLUMES**

TOTAL NUMBER OF PAYMENTS BY TAX DEADLINE		Check Volume
June 1	May 23 – June 7	543,000
June 30	June 23 – July 7	8,000
September 1	August 23 – Sept 7	12,000
December 1	Nov 23 – Dec 7	12,000
March 1	Feb 15 – Mar 15	25,000
TOTAL		600,000

TYPE OF PAYMENT RECEIVED – MATCH VS NON-MATCH	Percent	Check Volume
Where check amount equals invoice amount	75%	450,000
Where check amounts does not equal invoice amount	25%	150,000
TOTAL		600,000

TYPE OF PAYMENT RECEIVED – SINGLE VS MULTIPLE	Percent	Check Volume
Where one check and one invoice is received	75%	450,000
Where more than one check is received	25%	150,000
TOTAL		600,000

TYPE OF PAYMENT RECEIVED – EDI PAYMENTS	Percent	Check Volume
Where EFT/EDI payment is made	1%	6,000
Where traditional check payment is made	99%	594,000
TOTAL		600,000

Note: The information in this exhibit is based on the volume of activity from the previous year. Actual volumes will change from year to year over the life of the lockbox contract.

EXHIBIT D QUESTIONNAIRE

This questionnaire comprises its own section of your proposal. Please respond in the same order as the questions are presented here, and relate your responses to the Division's lockbox whenever possible. It is mandatory that all questions – including those with multiple parts – be answered thoroughly.

Postal service

1. Do you use the city's main post office or a substation?
2. Do you offer 5- or 9-digit unique zip codes? For each zip code, provide the number of wholesale and retail users and the related monthly volume.
3. Is your zip code included in the first sort at the post office?
4. Do you or the post office perform the fine sort by box number?
5. If you perform the fine sort, describe the equipment used and its capability (e.g., can it read bar codes?).
6. How long does it take from mail pick up at the post office to delivery at the lockbox department?
7. Is mail picked up by your personnel or contract courier?
8. List your post office processing hours for each day of the week.
9. List your post office pickup schedule for each day of the week. Who ensures that this work is processed?
10. Do you offer the option of using a "caller box" to collect the Division's mail? If so, would you impose an additional fee for this service? In the context of this particular lockbox operation, what advantage would a caller box offer the State of Delaware?

Quality Assurance and Customer Service

1. Describe your lockbox customer service function, including the number of accounts each representative handles.
2. List the key quality control measures or techniques used. Does the bank compile routine quality assurance reports? Would the State receive this information?
3. Describe your error control procedures and how the State will interface with these procedures.

4. Phoenix-Hecht assigns a Quality Index Rating for many banks on a variety of specific functional areas. Please provide your bank's Quality Index Rating (A+, A, B, C or D) for the following areas:

- Wholesale lockbox.
- Wire transfers.
- Balance reporting.
- ACH services.
- Depository services.
- Internet delivery.
- Willingness to customize services.
- Customer service.

If your bank has not been assigned Quality Index Ratings, please explain why. In lieu of the P-H ratings, please provide other ratings and/or scores obtained from another source.

5. Will an audit trail be printed as a cross reference on each check and remittance document?

6. Is an audit trail maintained for all corrections made by the operator?

Lockbox processing

1. Where will the State's lockbox items be processed? Which retail branch of your bank is closest to the Division's headquarters on Federal Street in Dover?

2. Provide a flow chart and narrative to describe your method of lockbox processing as it would apply to the State's account, from receipt of mail at the lockbox through assignment of availability.

3. List the type and quantity of equipment used for your (wholesale and retail) lockbox processing.

4. If the same equipment is used for both wholesale and retail processing, how is the work prioritized?

5. List your peak processing periods and describe the method of accommodating these volume fluctuations.

6. For each work shift, provide the number of full- and part-time employees involved in the following lockbox functions:

- Supervision.
- Processing.
- Customer Service.
- Support (mail room, proofing, encoding, computers, clerical)

7. For the past six months, what was the average monthly (wholesale and/or retail) volume of customers, lockboxes, items and dollars processed?
8. How many deposits will our account receive each day?
9. Provide the expected percentage of daily deposits to our account for each deposit time with the corresponding availability cut-off times.
 - Deposit times.
 - Percent of daily mail.
 - Percent of deposit.
 - Availability cut-off.
10. What is the last cutoff time for your availability, and what post office pickup will ensure receiving this credit?
11. Describe how checks that are received after our deposit cutoff time will be handled.
12. Do you guarantee that all checks will be processed within a specific time after they are received at the bank? If so, what is the maximum time you guarantee and what happens if you fail to meet the deadline? If not, please provide an estimate of how long processing should take.
13. Where are checks MICR encoded?
14. Where is availability assigned?
15. If availability is not assigned separately for each item deposited, describe your bank's method of assignment.
16. Will our checks be assigned availability continuously as they are released for collection, or will assignment be made periodically on a batch basis during the day?
17. Provide a copy of the availability schedule that will be used for our account. Indicate if this is the same schedule used in the most recent Phoenix-Hecht lockbox model release and if different explain why it is not the same.
18. How frequently will your bank update our availability schedule?
19. Can you provide an availability end point analysis on a periodic basis? If so, explain how this report can be obtained and whether there is any charge for the report.
20. Provide the number of drawee banks in the geographic area serviced by our lockbox for which we will receive immediate availability on weekdays.
21. Provide the number of direct sends in the geographic area served by our lockbox that will be made on normal weekdays. Direct sends to:

- Correspondent banks.
- Federal Reserve Bank.
- Regional Check Process Centers (RCPCs).
- High dollar group sorts.

22. Can you combine multiple deposits into one daily ledger credit and provide separate information as to the amount and time of each deposit?

23. List the electronic payment formats your lockbox can accept, along with the timing of ledger credit and the transfer of payment information to us.

24. Describe any special or priority processing services you offer for key customers.

25. Do you separate ledger credits and related information for remittances processed on weekends and holidays?

26. Provide a holiday schedule for your lockbox department and your bank.

27. Does your bank's processor have the ability to capture images on CD-ROM and microfilm? Please specify all types.

28. Describe your bank's system recovery capability including the ability to restart from the middle of batch processing without the need to reenter previous transactions.

29. Describe your bank's processor software modification capability, including the following:

- Can it be modified to accept new data?
- What is the turnaround time?
- What are the testing requirements?

30. Can your bank's system accommodate multiple batch numbers for different types of processing (e.g., paid-as-billed, paid differently, etc.)?

31. How are out-of-balance problems detected and corrected?

32. If your bank uses image processing, provide the image retention period for customer service purposes.

33. Describe your bank's data transmission capability:

- For customized formats.
- For information from electronic payment formats included in the transmission.
- How many customers use the service?

34. Describe any plans you have for modifying your retail lockbox services, such as acquiring new hardware, over the next year.

35. Does your bank have a government banking group or division?

Lockbox information reporting

1. Describe the format your bank will use to provide lockbox deposit and balance information to us. Provide a sample.

2. For a normal weekday, at what time will we receive the deposit and float information for that day's deposits?

3. If the daily deposit and float information will not be the same as is reported on our account analysis, explain why. What reconciliation would be required?

4. In order to meet the daily reporting deadline, at what time will your bank cut off mail processing? Describe what happens to items that are not processed at the cutoff time.

5. Will your bank provide timely notification of payments received after cut-off in order to allow concentration of these funds?

Disaster Recovery Plan

1. How often is your Disaster Recovery Plan (DRP) tested?

2. Where is your principal backup site? How far is it from the main site where the Division's lockbox will be routinely processed?

3. Will you transport lockbox personnel daily from the main site to the backup site to provide continuity of operations, or will you use other personnel already assigned to the backup site?

4. What vendors, if any, do you use to provide backup and other DRP services? Please indicate any plans to change vendors.

5. Under what circumstances would you move the Division's lockbox operation to a backup site? What would be the effect of such a relocation on processing capacity and funds availability?

6. When a disaster occurs, at what point would you notify the Division?

**EXHIBIT E
STATEMENT OF COMMITMENT AND NON-COLLUSION**

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal submitted this date to the State of Delaware.

This is to further certify that the signed delivery of this bid represents the vendor's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions. This statement is signed by an official of the bank who is authorized to enter the bank into a legal agreement with the State of Delaware.

Please type the following information.

NAME OF BANK _____

ADDRESS OF BANK _____

AUTHORIZED OFFICIAL _____

TITLE OF OFFICIAL _____

PHONE NUMBER _____ FAX _____

SIGNATURE _____

FEDERAL TAX IDENTIFICATION NUMBER _____ DELAWARE BUS. LICENSE NUMBER _____

THIS PAGE MUST BE SIGNED AND NOTARIZED FOR YOUR BID TO BE CONSIDERED

SWORN TO AND SUBSCRIBED BEFORE ME this ____ day of _____, 2011.

Notary Public _____ My commission expires _____

City of _____ County of _____ State of _____

Name of Notary Public _____ Signature _____

EXHIBIT F SUBCONTRACTOR QUESTIONNAIRE

As described in this RFP, the proposal must include the following information about the subcontractor as it specifically relates to the State's account. Failure to provide this information may disqualify a proposal. Responses to this questionnaire should comprise its own section of the proposal.

- How long has the company been in business?
- What equipment will be used?
- What is its current processing volume (dollar and item)?
- What is its current unused capacity?
- How much experience does it have servicing government accounts?
- How much experience does the management team have?
- How many daily post office pickups does it make?
- Does it use a unique zip code?
- Does it use automated sorting equipment?
- What is the name of the subcontractor's parent organization, if any?

**EXHIBIT G
WORKFLOW TIMING MATRIX**

In order to gain a clear understanding of your bank’s workflow timing, please complete the following matrix. Assume that lockbox items are normal (non-exceptional).

TIME PICKED UP AT POST OFFICE	TIME SORTED AND PROCESSED AT LOCKBOX SITE	PRESENTED TO LOCAL CLEARING HOUSE OR FED FOR CLEARING
12:00 -- 2:00 a.m. ()		
2:00 -- 3:00 a.m. ()		
3:00 -- 6:00 a.m. ()		

Note: If you prefer, you may indicate in the parentheses the specific post office pickup time for each of the three periods. It will be assumed that the sort times and presentation times will be based on the specific pickup times you provide.

**EXHIBIT H
DATA TRANSMISSION SPECIFICATIONS**

FIELD	CHARACTERS	FORMAT	DESCRIPTION
Record type 1			
1	1	9(1)	Record type (always value of 1)
2	41	X(41)	Filler
3	6	X(6)	Deposit date (MMDDYY)
4	1	X(1)	Test/production indicator
5	32	X(32)	Filler
Record type 5			
1	1	9(1)	Record type (always value of 5)
2	6	X(6)	Batch date (MMDDYY)
3	3	9(3)	Batch number
4	12	9(10) V99	Total amount paid on 6 & W records
5	4	9(4)	Total number of 6 & W records
6	54	X(54)	Filler
Record type W			
1	1	X(1)	Record type (always value of W)
2	7	9(7)	File number (1st byte must be 0-6)
3	1	9(1)	Payment type (always value of 1)
4	6	9(6)	Filing date (MMDDYY)
5	9	9(9)	BTN
6	10	9(8)V99	Amount paid
7	46	X(46)	Filler
Record type 6			
1	1	9(1)	Record type (always value of 6)
2	7	9(7)	File number (1st byte must be 0-6)
3	1	9(1)	Payment type (must be 0-6)
4	6	9(6)	Filing date (MMDDYY)
5	9	9(9)	Service request number
6	6	9(6)	Check number
7	10	9(8)V99	Amount paid
8	10	9(8)V99	Amount due
9	10	X(10)	Sequence number
10	10	X(10)	Microfilm number
11	6	9(6)	Due date (MMDDYY)
12	4	X(4)	Filler
Record type 7			
1	1	9(1)	Record type (always value of 7)
2	6	9(6)	Filing date (MMDDYY)
3	3	9(3)	Batch number

EXHIBIT H (continued)

FIELD	CHARACTERS	FORMAT	DESCRIPTION
4	12	9(10) V99	Total amount paid on 6 & W records
5	4	9(4)	Total number of 6 & W records
6	54	X(54)	Filler
Record type 8			
1	1	9(1)	Record type (always value of 8)
2	5	9(5)	Total detail 6 & W records in transmission
3	12	9(10) V99	Total detail 6 & W records amt paid
4	62	X(62)	Filler
Record type 9			
1	1	9(1)	Record type (always value of 9)
2	6	9(6)	Total records on transmission
3	73	X(73)	Filler

