REQUEST FOR PROPOSAL FOR LOCAL BANKING SERVICE & STATEWIDE AUTOMATED TELLER MACHINE SERVICES

ISSUED BY THE OFFICE OF THE STATE TREASURER
CONTRACT NUMBER: TRE26202-LOCBANKSATM

Overview

By this request for proposal (the "RFP"), the Office of the State Treasurer ("OST"), on behalf of the Cash Management Policy Board (the "Board"), is seeking proposals from qualified financial institutions and other qualified service providers ("Vendors") interested in providing Local Banking Services and/or Statewide Automated Teller Machine ("ATM") Services to the State of Delaware ("State") as detailed in **Appendix B**.

The services contemplated under this RFP are organized into two service categories:

1. Local Banking Services- selected Vendor(s) will provide local banking services to State agencies, local school districts, and other eligible State entities in accordance with the requirements established by OST and the Board, including applicable collateralization requirements and the Cash Management Policy Board Guidelines (the "Guidelines").
2. ATM Services- selected Vendor(s) will provide ATM services at designated State facilities, which may include ATM equipment, transaction processing, cash management and replenishment, monitoring, maintenance and repair, settlement and reconciliation, reporting, implementation and transition support, and other related services as applicable.

The State intends to select one Vendor with multiple local branches in all three counties to serve as the State's primary, but not exclusive, over-the-counter ("OTC") collection bank. The State reserves the right to issue multiple awards to ensure sufficient geographic coverage and service availability for the State's local banking needs.

Statewide ATM Services may be awarded separately from Local Banking Services. Vendors may submit proposals for Local Banking Services, Statewide ATM Services, or both, subject to the requirements applicable to each service category. The State reserves the right to award the two service categories to the same Vendor or to separate Vendors, as determined to be in the best interests of the State.

Individual State entities may utilize awarded Local Banking Vendor(s) in accordance with OST-established banking procedures and applicable contract requirements. OST will maintain centralized oversight and administration of the resulting local banking and ATM Services relationships.

This RFP is issued pursuant to 29 Del. C. §§ 6981, 6982(b), and 6986.

Timetable

The tentative timetable for this RFP process is as follows:

EVENT	DATE
RFP Published	October 30, 2026
Deadline for Vendor Questions	November 16, 2026 at 4:00pm
Deadline for State Responses – Q&A Closed & Published	December 4, 2026 at 4:00pm
Deadline for Vendor Proposal Submission	December 23, 2026 at 4:00pm
Estimated Finalist Presentations (In Person)	January 25–29, 2027
Estimated Board Approval	February 24, 2027
Estimated Contract Negotiation Begin	March 5, 2027
Target Contract Execution	September 28, 2027.
Target Award Posting	October 15, 2027
Target Implementation and Transition to Begin	October 15, 2027, or promptly following Award
Target Service Commencement	December 22, 2027

There will be no pre-bid meeting associated with this RFP.

This RFP is not an offer. The State reserves the right to cancel this RFP or modify the above RFP dates at any time, and for any reason.

Vendors are expected to fully inform themselves of, and by submitting a proposal shall be deemed to have read, understood and unconditionally and irrevocably accepted, all conditions, requirements, and specifications of this RFP and all attachments and exhibits, subject only to the exception process provided for herein.

Proposal to Remain Open

Vendors that submit a proposal in response to this RFP shall be deemed automatically to have consented and irrevocably agreed to keep any such proposal open for nine (9) months after the deadline for Vendor proposal submissions, or for such additional period as the State and any Vendor may agree upon. Rates and fees quoted in a proposal shall remain fixed and binding on the Vendor.

Contract Term

The original term of the contract between each successful Vendor and the State shall be five (5) years, with the option for two (2) additional two-year extension periods.

Designated Contact:

This RFP process will be managed primarily by the Director of Operations and Fund Management (the "Designated Contact"):

Name: Brennon A. Fountain
Title: Deputy State Treasurer
Address: 820 Silver Lake Boulevard, Suite 100
City / State: Dover, DE
Zip code: 19904
Email: Treasury_RFP@delaware.gov
Phone: (302) 672-6703

Submission of Written Questions

All questions about the RFP shall be submitted through the State's Bonfire procurement portal ton or before 4:00 p.m., prevailing Eastern time, on **November 16, 2026.**

Questions should be directly tied to the RFP and asked in consecutive order from beginning to end, following the organization of the RFP. Each question should begin by referencing the RFP title, page number and section in question, and subject number to which it relates.

The State will provide written responses to questions from prospective Vendors no later than 4:00 p.m. Eastern time on **December 4, 2026**. The final question-and-answer document will be posted through Bonfire and will be placed on https://mmp.delaware.gov/Bids.

Background

The Cash Management Policy Board
The Board has statutory authority over the investment and deposit of State funds, including the selection of financial institutions that provide banking and investment services to the State. The Board consists of nine (9) members, including five (5) Delaware citizens appointed by the Governor. The remaining four (4) members serve ex officio and include the State Treasurer, the Secretary of Finance, the Secretary of State, and the Controller General.

The Board maintains two standing committees: the Investment Subcommittee and the Banking Subcommittee ("BSC"). The BSC is authorized to review, address, and make recommendations to the full Board regarding banking services and related matters.

The Board meets at least four times annually, and each standing committee also meets at least four times per year.

The Board establishes policies governing the investment and deposit of State funds through the Guidelines, attached as **Appendix C**. The Guidelines govern, among other matters, the State's bank accounts, collection and disbursement accounts, collateralization requirements, and the financial institutions authorized to hold State funds.

OST serves as the administrative arm of the Board and coordinates all meetings of the Board and its committees. OST also has primary responsibility for providing transaction and cash management services that ensure sound fiscal stewardship over the State's financial assets, systems, and processes.

OST is responsible for the design, implementation, management, and continuous improvement of the State's banking structure and manages the State's relationships with Board-approved financial institutions and other service providers supporting State banking and related financial services.

Generally, OST-procured banking and related financial services are made available to departments, agencies, local school districts, and other entities within the executive, legislative, and judicial branches of State government. Other State entities responsible for State funds may also utilize OST-procured banking services, including public and charter schools and State colleges.

Scope of Services

OST seeks to enter into agreements with qualified financial institutions and other qualified service providers to provide Local Banking Services and/or ATM Services to the State.

State agencies and other eligible State entities utilize local banking accounts to support operational banking needs, including the deposit of coin, currency, and checks, as well as disbursement and other treasury management services, as applicable. OST also oversees ATM services at designated State facilities to support access to cash and related transaction services.

The State's current local banking structure includes multiple Board-approved financial institutions that provide local branch banking services throughout Delaware. M&T Bank currently serves as the State's primary OTC collection bank, with TD Bank and Citizens Bank serving as additional financial institutions providing OTC and related local banking services under the State's existing contracts.

Through this RFP, the State intends to select a Vendor to serve as the State's primary, but not exclusive, OTC collection bank and may issue additional awards to ensure sufficient geographic coverage and access to local banking services throughout New Castle, Kent, and Sussex Counties. State entities requiring local banking services may select from the financial institutions awarded contracts through this procurement, subject to applicable OST policies and procedures.

ATM Services may be awarded separately from Local Banking Services. Vendors may submit proposals for Local Banking Services, ATM Services, or both, subject to the requirements applicable to each service category.

OST maintains centralized oversight and administration of the State's local banking and ATM service relationships. Within OST, the Reconciliation and Transaction Management Division facilitates the establishment and administration of local banking accounts, while the Operations and Fund Management Division oversees the implementation and administration of additional treasury management services and related service relationships available under the resulting contracts.

The overarching goal of this RFP is to engage Vendors that can provide reliable, secure, responsive, and cost-effective Local Banking and ATM Services, while supporting sufficient branch access, consistent service standards, transparent pricing, and compliance with applicable State requirements.

Selected Vendors will also be required to provide appropriate reporting, participate in periodic meetings with OST and/or the Board, and perform other related banking services as reasonably requested.

Detailed requirements for the Scope of Services requested under this RFP are outlined in **Appendix B**.

Minimum Requirements to Apply

Proposals that do not meet the following minimum requirements, or that do not comply with the specifications or material terms and conditions of this RFP, may be considered non-responsive and rejected. Vendors must clearly demonstrate in their proposals how they meet the minimum qualifications applicable to the service category or categories for which they are submitting a proposal:

1. Minimum Requirements Certification. The Vendor must affirmatively certify in the Transmittal Letter (Tab A) that it meets each of the minimum requirements identified in this section applicable to the service category or categories for which it is submitting a proposal. The Vendor must identify the applicable section(s) of its proposal containing supporting information for each minimum requirement.
2. Timely Submission. The Vendor must timely submit a complete proposal in accordance with the proposal deadline and submission requirements set forth in this RFP.
3. Relevant Experience. The Vendor submitting a proposal for Local Banking Services must have at least (5) five years' experience providing banking services to governmental or other public-sector entities. Vendors submitting a proposal for ATM Services must have at least five (5) years' experience providing ATM, transaction-processing, cash-management, or related services to governmental, institutional, commercial, or similarly complex organizations.
4. Local Branch Presence. The Vendor must maintain a physical branch presence within the State sufficiently to support the local banking needs contemplated by this RFP. Vendors seeking consideration as the State's primary OTC collection bank must demonstrate branch coverage in New Castle, Kent, and Sussex Counties. Vendors seeking consideration for additional local banking awards must identify the counties and geographic areas in which they maintain branch locations and can provide the required services.
5. ATM Service Capability – ATM Services Only. Vendors submitting a proposal for ATM Services must demonstrate the operational capability and resources necessary to support the State's ATM program, including, as applicable, ATM equipment, transaction processing, cash management and replenishment, monitoring, maintenance and repair, settlement and reconciliation, reporting, implementation and transition support, and related services.
6. Compliance with RFP Requirements. The Vendor must substantially comply with the proposal submission requirements and other material terms and conditions of this RFP applicable to the service category or categories for which it is submitting a proposal.

OST does not wish to dissuade an otherwise qualified Vendor from submitting a proposal based on the foregoing minimum requirements if legitimate business reasons or industry practices mitigate or eliminate the need for any such requirement. **A Vendor who fails to meet a minimum requirement must explain in detail in its response the reason or reasons why OST should**

excuse non-compliance. OST shall have absolute discretion to accept or reject any such explanation and waive any minimum qualification requirement.

RFP Issuance and Submission of Proposals

A. RFP Issuance

1. Public Notice

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

2. Obtaining Copies of the RFP

This RFP is available in electronic form only and as a courtesy, may be found at the following websites:

https://treasurer-delaware.bonfirehub.com/projects
http://treasurer.delaware.gov/requests-proposals/
https://nast.org/state-careers-and-rfps/
https://mmp.delaware.gov/Bids

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 Contacts no later than ten days prior to the deadline for receipt of proposals.

3. RFP Designated Contact

All requests, other than Vendor questions submitted through the RFP question-and-answer process described below, questions, or other communications about this RFP shall be made in writing to the Designated Contacts. Communications must be submitted electronically to the following email address: Treasury_RFP@delaware.gov.

4. Vendors and Legal Counsel

OST may retain professional services or legal counsel to assist in the review and evaluation of this RFP and the Vendors' responses. Vendors shall not contact OST's professionals or legal counsel on any matter related to the RFP unless so instructed in writing by the Designated Contacts. Vendors who make contact in violation of this provision may be disqualified from participation in the RFP process. Exceptions exist only for Vendors currently doing business with the State who require contact with such professionals or legal counsel in the ordinary course of business.

5. Contact with Other State Employees

Direct contact with State employees other than the Designated Contacts regarding this RFP is expressly prohibited without prior written consent from the primary Designated Contact. Vendors who directly contact a State employee in violation of this provision may be disqualified from participation in the RFP process. Exceptions exist only for Vendors currently doing business with the State who require contact with State employees in the ordinary course of business.

6. Organizations Ineligible to Bid

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity currently debarred or suspended from conducting business in the State or any other jurisdiction for any reason may be deemed ineligible to respond to this RFP.

7. Exclusions

The State reserves the right to refuse to consider any proposal from a Vendor who itself or its officers or staff:

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 integrity or honesty;

c) Has been convicted or has had a civil judgment entered for a violation of any state or federal antitrust statute;

d) Has failed:

   i. Without good cause to perform under a consulting contract; or

   ii. To perform satisfactorily in accordance with terms of any consulting contract;

e) Has violated ethical standards set out in law or regulation; and

f) Any other cause determined by OST or the Board to be serious and compelling, and which undermines confidence in the Contractor's ability to perform independently under any resulting consulting contract.

8. No Press Releases or Public Disclosure

OST reserves the right to pre-approve any news or broadcast advertising releases concerning this RFP, the resulting contract, the work performed, or any reference to the State 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 OST.

9. RFP Not an Offer

This RFP does not constitute an offer by OST, the Board or the State.

B. Submission of Proposals

1. Proposal Content

Each proposal must be submitted in writing and respond to the items outlined in this RFP. OST reserves the right to reject any non-responsive or non-conforming proposals.

Each Vendor must clearly identify whether its proposal is for Local Banking Services, ATM Services, or both service categories. Vendors submitting proposals for both service categories must clearly distinguish the services, pricing, qualifications, and other information applicable to each category.

The State discourages overly lengthy and costly proposals and prefers that they be prepared in a straightforward and concise manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a fully responsive proposal are not desired.

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 shall have no responsibility or liability for a Vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.

A Vendor should describe in detail on **Attachment 3** any areas where it will be unable to provide services as requested or required herein. In addition, if a Vendor is able to provide the services exactly as requested or required but believes that there would be benefits (such as cost savings or improved service) to making adjustments to the services outlined, the Vendor should describe the adjustments and the benefits on **Attachment 3**. Acceptance or rejection of any or all exceptions is within OST's sole discretion.

Vendor must respond to all mandatory requirements presented in this RFP. The words "shall," "will," and "must" are used herein to designate mandatory requirements. Failure to respond to a mandatory requirement may, in OST's sole discretion, result in the disqualification of a Vendor from the RFP process.

2. Proposal Delivery

All proposals must be received no later than **4:00 p.m., prevailing Eastern Time, on December 28, 2026** (the "Proposal Deadline"). Responses received after the Proposal Deadline will not be considered. Vendors must upload their proposals to the State's Bonfire procurement portal prior to the Proposal Deadline and submit **one (1) paper copy** to OST, also to be received by the Proposal Deadline. The paper copy must be placed in a spiral-bound book or three-ring binder.

The proposal package delivery address is:

Client:	State of Delaware
Name:	**Brennon A. Fountain**
Title:	Deputy State Treasurer
Address:	820 Silver Lake Boulevard, Suite 100
City/State:	Dover, DE
ZIP:	19904
Email:	Treasury_RFP@delaware.gov

Upload your proposal at: https://treasurer-delaware.bonfirehub.com/projects

Important Notes:

Logging in and/or uploading the file(s) does not mean the response is submitted. Vendors must successfully upload all the file(s) and must click the submit button before the proposal due date and time.

Vendors will receive an email confirmation receipt with a unique confirmation number once the submission has been finalized. This will confirm that the proposal has been submitted successfully.

Each submitted item of requested information will only become visible to the State after the proposal due date and time.

If the file is mandatory, you will not be able to complete your submission until the requirement is met.

Uploading large documents may take significant time depending on the size of the file(s) and your internet connection speed. The maximum upload file size is 1000 MB.

Minimum system requirements: Internet Explorer 11, Microsoft Edge, Google Chrome, or Mozilla Firefox (Windows & Mac). Java Script must be enabled.
Please contact Bonfire directly at Support@GoBonfire.com for technical questions or issues related to your submission.

Any proposal received after the Proposal Deadline shall not be considered.

Vendors are directed to clearly print "PROPOSAL ENCLOSED" and "CONTRACT NO. TRE26202-LOCBANKSATM on the outside of the bid submission package.

Any proposal received after the Proposal Deadline shall not be considered and shall be returned unopened. Vendor will bear the risk of delays in delivery.

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 Proposal Deadline.

4. Proposal Costs and Expenses

The State is not responsible for and will not pay any costs incurred by any Vendor in responding to this RFP, including, but not limited to, costs associated with proposal preparation, printing, and delivery, the interview/presentation process and contract negotiations.

5. Late Proposals

Proposals will be date and time stamped upon receipt. Proposals received after the Proposal Deadline will not be opened or considered.

6. Proposal Opening

Proposals will be opened only in the presence of OST personnel. Any unopened proposals will be returned to the proposing firm. OST staff will create a public log containing the names of all Vendors that submitted proposals and the dates and times of OST's receipt of each proposal. Unless required by applicable law, the contents of any proposal shall not be disclosed prior to contract award.

7. Rejection of Individual Proposals

Pursuant to 29 *Del. C.* § 6981(m), an individual proposal may be rejected if (a) the proposal is deemed non-responsive because it fails to meet the material requirements of this RFP, (b) the Vendor or the proposal is deemed not responsible under the factors listed in § 6981(n)(2), or if the proposal is deemed not advantageous to the State.

OST shall have the authority and discretion to determine whether an RFP requirement is material, or a mere formality or non-substantive requirement, whether a particular firm is responsible, and whether a proposal is advantageous to the State. If OST rejects an individual proposal, the determination shall be in writing and will set forth the basis for the determination. A copy of the determination shall be promptly sent to the proposing Vendor. The final determination shall be made part of the procurement file.

8. Confidentiality of Documents

Subject to applicable law or the order of a court of competent jurisdiction to the contrary, all documents submitted as part of a Vendor's proposal will be treated as confidential during the evaluation process and will not be available for review by anyone other than OST, the Board, the Evaluation Team and their counsel. There shall be no disclosure of any Vendor's information to a competing Vendor prior to award of the contract unless such disclosure is required by law or by order of a court of competent jurisdiction.

The State and its constituent organizations are required to comply with the State of Delaware Freedom of Information Act, 29 *Del. C.* § 10001, *et seq.* ("FOIA"). FOIA requires that the State's records are public records (unless otherwise declared by FOIA or

other law to be exempt from disclosure) and are subject to inspection and copying by any person upon written request. Once a proposal is received by the State and a decision on a contract award is made, the content of selected and non-selected Vendor proposals will likely become subject to FOIA's public disclosure obligations.

The State wishes to create a business-friendly environment and procurement process. As such, the State respects that Vendors desire to protect intellectual property, trade secrets and other confidential business information (collectively referred to herein as "confidential business information"). If a Vendor feels that it cannot submit a proposal without including confidential business information, it must adhere to the following procedure or such proposal may be deemed unresponsive, may not be recommended for selection, and any applicable protection for the Vendor's confidential business information may be lost.

In order to allow the State to assess its ability to protect confidential business information, Vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

Vendors may submit portions of a proposal considered to be confidential business information in a separate, sealed envelope labeled "Confidential Business Information" and include the specific RFP number. The envelope must contain a letter from the submitting Vendor's legal counsel describing the information contained in the documents, representing in good faith that the information is protected from disclosure under FOIA, and briefly stating the reasons that such information is exempt under FOIA.

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine whether the procedure described above has been followed. A Vendor's allegation as to its confidential business information shall not be binding on the State; rather, the State shall independently determine the validity of any Vendor designation as set forth in this section. Any Vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, Vendors assume the risk that confidential business information included within a proposal may enter the public domain.

9. Sub-Contracting

Subcontracting is not permitted without OST's prior written consent. Any Vendor that submits a proposal contemplating the use of independent contractors or a subcontractor shall identify the purpose for such use, as well as the scope of work and other terms for any such arrangement. All independent contractors and subcontractors must agree in writing to be bound by the terms of the Professional Service Agreement (the "PSA").

10. Discrepancies and Omissions

Vendors are fully responsible for the completeness and accuracy of their proposals, and for examining this RFP and all attachments, exhibits and addenda. Failure to do so will be at the sole risk of Vendors. Should a Vendor find discrepancies, omissions, or unclear or ambiguous language in this RFP, Vendor should seek clarification from OST pursuant

to the question-and-answer process detailed below. Protests based on any discrepancies, omissions, or unclear or ambiguous language will be disallowed if the same have not been timely raised in and preserved through the question-and-answer process below.

11. RFP Question and Answer Process

OST will allow written requests for clarification of the RFP. Vendors must submit written questions through OST's Bonfire procurement portal by **4:00 p.m., prevailing Eastern time, on November 16, 2026**. Questions submitted by email will not constitute a submission through the RFP question-and-answer process.

All questions will be consolidated and answered in a single response that will be posted through the OST's Bonfire procurement portal and on the State's websites at https://mmp.delaware.gov/Bids **by 4:00 p.m., prevailing Eastern time, on December 4, 2026,** or such other date and time as may be prescribed by OST. Vendor names will not be attributed to questions in OST's response.

Vendors shall identify the applicable RFP section, page number, and subject matter when submitting each question through Bonfire. Questions should be sufficiently specific to allow the OST to identify the provision for which clarification is requested.

12. State's Right to Reject Proposals

OST and the Board reserve 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 RFP specifications or contained in a Vendor's response), to assess the merits and qualifications of each proposal and Vendor, to solicit new or modified proposals on the same project, as OST and the Board may deem necessary or appropriate or in the best interest of the State. The State may award Local Banking Services and ATM Services separately and may issue one or more awards within a service category, as permitted by this RFP and applicable law.

13. State's Right to Cancel Solicitation

The State reserves the right to cancel this solicitation at any time during the procurement process, for any reason, or for no reason at all. The State makes no commitments, expressed or implied, that this process will result in a contract with any Vendor.

A Vendor's participation in this RFP process may result in the State selecting the Vendor to engage in discussions and negotiations of a formal contract. The commencement of such negotiations does not signify, and may not be interpreted as, a commitment by the State to execute a contract or continue negotiations. The State may terminate negotiations at any time and for any reason, or for no reason at all.

14. State's Right to Award Multiple Source Contracting

Pursuant to 29 *Del. C*. § 6986, the State may award multiple contracts to two or more Vendors if the Board makes a determination that such action is necessary or appropriate or in the best interest of the State.

15. Notification of Withdrawal of Proposal

Vendor may modify or withdraw its proposal by written request, provided that both the proposal and subsequent request is received by the Designated Contacts prior to the Proposal Deadline. A withdrawn proposal may be revised and re-submitted and will be considered timely as long as the revised proposal is received by the Proposal Deadline.

All proposals received prior to, and which have not been withdrawn by, the Proposal Deadline shall become firm offers and shall not be revocable after that time.

16. Revisions to the RFP

If it becomes necessary to revise any part of the RFP, an addendum will be posted through Bonfire and https://mmp.delaware.gov/Bids.

17. Exceptions to the RFP

Any exceptions to the RFP or any attachments, exhibits or addenda, along with corresponding explanations and alternatives, must be noted and explained on **Attachment 3** and submitted with a proposal by the Proposal Deadline. Vendors that fail to timely and otherwise adequately preserve and assert exceptions shall be deemed to have waived all such exceptions and related arguments. The State has absolute discretion with respect to the acceptance or rejection of exceptions.

18. Exceptions to the PSA

Attached hereto as **Appendix A** is OST standard form of PSA and related exhibits. The terms of the PSA will govern the contractual relationship between a Vendor and the State. Any exceptions to the PSA, along with corresponding explanations and alternatives, must be noted and explained on **Attachment 3**. Vendors shall provide a redlined version of the PSA redline version reflecting all requested changes and copies of all form documents that they want OST to consider. Vendors that fail to timely and otherwise adequately preserve and assert exceptions to the PSA shall be deemed to have waived all such exceptions and related arguments. The State has absolute discretion with respect to the acceptance or rejection of PSA exceptions.

19. Award of Contract

The issuance of a contract award ("Award") is subject to approval by OST and the Board. OST and the Board have the sole right to select the successful Vendor and approve the issuance of any Award and the terms of any PSA. OST and the Board may (a) approve the issuance of an Award to a Vendor other than the Vendor who submitted the lowest priced proposal, (b) issue multiple Awards, or (c) withdraw the RFP and issue no Award. No Award or contract resulting from this RFP process shall be effective unless and until authorized by OST and the Board.

An Award, if any, will be communicated to the successful Vendor and published only after (a) OST and the Board authorize the issuance of an Award, and (b) OST and each such Vendor execute a formal PSA on terms acceptable to OST and the Board. No Vendor will acquire any legal or equitable rights or privileges until the occurrence of both events.

The Award, the PSA and all attachments and exhibits, including all pricing information, and amounts and other details concerning any payments made to a successful Vendor shall be matters of public record subject to disclosure under FOIA.

Proposal Requirements and Evaluation

A. Required Information

1. Vendors shall provide the following information with their proposals in the order listed below. Failure to respond to any request for information within this RFP may result in rejection of the proposal. The proposal will be presented in a spiral-bound book or 3-ring binder, with each completed attachment identified in its own tab.

   Tab A: Transmittal Letter. Provide a transmittal letter certifying the Vendor's compliance with each of the Minimum Requirements identified in this RFP applicable to the service category or categories for which the Vendor is submitting a proposal and identifying where supporting information is located within the proposal. Any exception to a Minimum Requirement must be explained as provided in the **Minimum Requirements to Apply** section.

   Tab B: Questionnaire(s). Provide a detailed set of responses to the questions posed in **Attachment 1**. All Vendors must respond to **Attachment 1** and shall respond to the questions applicable to the service category or categories for which they are submitting a proposal. Questions that are not applicable shall be identified as "Not Applicable," with a brief explanation where requested. Responses should be both complete and concise.

   Tab C: Confidential Information Form. Vendors should identify any material information that is considered confidential using the form of **Attachment 2**. Any information not within this form is automatically subject to FOIA.

   Tab D: Exception Form. Provide a detailed listing of any exceptions to the RFP, including all attachments and appendices, including the PSA and its exhibits, using the form included as **Attachment 3**. Successful Vendors who do not take exceptions as required are deemed to have consented and irrevocably agreed to the terms of the RFP.

   Tab E: Business References. Provide at least three business references using the form provided in **Attachment 4**.

2. Prior to Award, the successful Vendor shall furnish OST with proof of (i) all necessary business licenses, including a valid State business license, (ii) certification(s) necessary to perform services identified herein, and (iii) proof of insurance required under the PSA attached hereto as **Appendix A**.

B. Proposal Evaluation

1. Initial Screening

The Designated Contacts and/or designated OST staff shall perform an initial screening of all proposals submitted by qualified Vendors and evaluate them for timeliness and compliance with the minimum qualifications and other requirements set forth herein. The initial screening shall include written determination of each proposal's responsiveness under 29 *Del. C.* § 6981(n)(1). OST shall have discretion with respect to any such determination. Proposals that pass the initial screening shall be forwarded to the Evaluation Team (as defined below) for scoring and evaluation as provided herein applicable to the service category or categories proposed.

2. The Evaluation Team

An evaluation team ("Evaluation Team") that may be composed of representatives from OST, the Board and other State entities will evaluate qualified Vendor proposals meeting all RFP requirements based on the quantitative and qualitative criteria set forth below. Neither the lowest price nor highest scoring proposal will necessarily be selected. OST may, in its discretion remove or add members of the Evaluation Team.

3. Evaluation Criteria

Vendors must review the evaluation criteria below and provide responses that address the criteria. The Evaluation Team will not be able to make assumptions about the Vendors' capabilities; therefore, responses should be detailed and concise within the proposal.

The State has outlined the services it will require in the Scope of Services above and Appendix B. In formulating responses, Vendors are encouraged to suggest additional or modified services in their proposals if such additional or modified services will provide a benefit to the State.

Proposals that are responsive and otherwise meet submission requirements of the RFP will be evaluated and scored based on the criteria and points system set forth in the table below. The results of scoring shall be documented by each member of the Evaluation Team.

Local Banking Services and ATM Services will be evaluated as separate service categories. A Vendor submitting proposals for both categories will receive a separate evaluation and score for each category. Vendors will be evaluated only against the criteria applicable to the service category for which they are being considered.

Evaluation Criteria – Local Banking Services

Evaluation Criteria for Proposals	**Point Value**
Operational & Service Requirements including ability to fulfill the Scope of Services, bank and branch locations, deposit and disbursement services, treasury management capabilities, reconciliation, and overall service delivery	35

Technical, Security & Reporting Requirements including online reporting and access, data security, DTI requirements, system capabilities, internal controls, and technical infrastructure	15
Experience, Qualifications & Customer Service including relevant governmental and institutional banking experience, relationship management approach, references, financial strength, controls, and qualifications of personnel	20
Implementation Plan including quality and scope of the implementation approach, experience and qualifications of the implementation team, transition planning, and identified efficiencies or opportunities	15
Pricing including overall pricing structure, service and rate schedules, earnings credit or interest arrangements, and applicable discounts	15
TOTAL POINTS	**100**

Evaluation Criteria – ATM Services

Evaluation Criteria for Proposals	**Point Value**
Operational & ATM Service Requirements, including ATM equipment, cash-management and replenishment capabilities, transaction processing, monitoring, maintenance, settlement and reconciliation, service levels, and overall service delivery	30
Technical, Security & Reporting Requirements, including system capabilities, transaction security, monitoring, reporting, cybersecurity, DTI requirements, internal controls, and technical infrastructure	20
Experience, Qualifications & Customer Service, including relevant ATM program experience, relationship management, references, financial and operational capacity, controls, and qualifications of personnel.	15
Implementation Plan, including transition approach, equipment/site implementation, testing, cash-management setup, implementation team, continuity planning, and stabilization support	15
Pricing, including recurring fees, transaction fees, equipment costs, cash-management/replenishment costs, maintenance, implementation charges, pass-through costs, and other applicable fees	20
TOTAL POINTS	**100**

4. Proposal Clarification

Prior to scoring, the Evaluation Team may communicate with a Vendor in order to clarify uncertainties or gain better understanding of a proposal. The Evaluation Team may require or permit Vendors to modify or supplement their proposals as a result of such communication. Vendors must provide all requested information in a timely manner, which shall mean on or before any deadline established by the Evaluation Team.

5. Communication with References and Past or Present Clients

The Evaluation Team may communicate with all references provided by a Vendor on **Attachment 4** and may use information gained thereby in the evaluation process. In addition, the Evaluation Team may communicate with any known past or present client of a Vendor outside of the reference list, and any information gained may be used in the evaluation process. Vendors that submit a proposal in response to this RFP shall be deemed to have (a) waived any confidentially or other restrictions that may limit in any way a reference or client's ability to convey information relevant to the evaluation process and (b) to all such communications with references or clients.

6. Oral Presentations

The Evaluation Team, after initial scoring and consultation with OST and/or the Board, may invite selected Vendors to make virtual or in-person oral presentations for one or both service categories, as applicable, to the Evaluation Team. Presentations are tentatively scheduled for the week of **January 25-29, 2027**. *Any costs associated with oral presentations will be borne by the Vendor.* The State requests that all individuals who are expected to be assigned to this engagement be in attendance.

The Evaluation Team may request that finalists submit best and final pricing proposals as part of oral presentations and revise scoring based on such pricing or other information received in connection with oral presentations. The reasons for and results of any such re-scoring shall be documented in writing and made part of the procurement file.

7. Formal Contract

A Vendor selected as a finalist and invited via written notification from OST (the "Invitations") to enter into negotiations will be expected to enter into a formal contract with OST in the form of the PSA attached here to as **Appendix A** (the "Contract"). The PSA shall control over any Vendor forms submitted for consideration. Vendor's attempt to negotiate pricing or other material Contract terms that were not disclosed and detailed in the Vendor's response or in connection with an oral presentation may result in the termination of negotiations with, and/or the disqualification of, such Vendor.

OST may require the Vendor with whom the agency is negotiating to execute a truth-in-negotiation certificate stating that the rates and other costs supporting the compensation are accurate, complete and current at the time of contracting. Pursuant to 29 *Del. C.* § 6982(b)(3), the Contract must provide that the original Contract price and any additions thereto shall be adjusted to exclude significant sums where OST determines that the contract price was increased due to inaccurate, incomplete or noncurrent rates or costs. All such Contract adjustments shall be made within 1 year following the end of the Contract.

A. Modification of PSA

OST, in its discretion, may consider and accept proposed modifications or additions to the PSA, whether or not raised in an exception, subject to necessary Board approval.

B. Time Frame

A Vendor who receives an Invitation must execute a Contract within twenty (20) business days from the date of the Invitation, unless such period is extended by OST, in its discretion. If no Contract has been executed by the applicable deadline, OST may in its discretion cancel the Invitation and enter negotiations with another Vendor.

C. Inception of Services

Absent OST's prior written request or approval, no Vendor is to begin providing services prior to the issuance of an Award.

D. Cancelation of Award

If a Vendor that receives an Award fails to commence providing consulting services when due under the Contract, OST, without liability, may cancel and annul the Award and terminate any Contract. In such event, an Award under this RFP may be made to another Vendor.

E. Collusion or Fraud

Vendors may not restrain competition by agreement to offer a fixed price, or otherwise. By responding to this RFP, each Vendor shall be deemed to have represented and warranted that: (i) its proposal is not made in connection with any competing Vendor submitting a separate response to this RFP; (ii) its approval is in all respects fair and without collusion or fraud; (iii) 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 (iv) no employee or official of the State, the Board or OST participated directly or indirectly in the Vendor's proposal preparation.

If at any time, whether prior to or after the issuance of an Award, OST determines that any of the foregoing representations was untrue when made or subsequently became untrue, OST may, without liability, cancel and annul the Award and terminate any Contract. In such event, an Award under this RFP may be made to another Vendor.

F. Lobbying and Gratuities and Contingency Fees

As required by 29 *Del. C.* § 6903(b), the successful Vendor is deemed to have sworn under oath that the Vendor has not employed or retained any company or person to solicit or secure a Contract by improperly influencing OST or the Board in this procurement process. In addition, the Vendor represents and warrants that it has not directly or indirectly paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working primarily for Vendor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from an Award or Contract.

For breach or violation of the foregoing oath, representation or warranty, OST, in its discretion and without liability, shall have the right to cancel and annul any Award and terminate any Contract, or deduct from the Contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

G. Solicitation of State Employees

During the RFP process and for the term of the Contract, Vendor shall not, directly or indirectly, solicit any employee of OST to leave OST's employ in order to accept employment with the Vendor, its affiliates, or any person acting in concert with Vendor, without prior written approval of OST. VIII. Attachments and Appendices

The following items are provided for use in your response. Attachments are required forms to be submitted with your proposal as described in this RFP. Appendices are provided as additional detail or information to assist in your proposal response.

Attachments

Attachment 1	Vendor Questionnaire	
Attachment 2	Confidential Information Form	
Attachment 3	Exception Form	
Attachment 4	Business References	
Attachment 5	Requirements Matrix	(Attached excel file)
Attachment 6	Schedule of Fees	(Attached excel file)

Appendices

Appendix A	Form of Professional Services Agreement
Appendix B	Scope of Services
Appendix C	Cash Management Policy Board Guidelines

Attachment 1: Vendor Questionnaire

CONTRACT NUMBER: TRE26202-LOCBANKSATM Vendors shall respond to each question in the order presented below. Responses should be clear, concise, and sufficiently detailed to allow the State to evaluate the Vendor's capabilities. Where applicable, Vendors should identify any limitations, additional costs, dependencies, or requirements associated with the proposed service.

If a question is not applicable to the Vendor's proposed services, the Vendor shall indicate "Not Applicable" and provide a brief explanation.

SERVICE CATEGORY
Vendor shall indicate the service category or categories for which it is submitting a proposal:

☐ Local Banking Services
☐ ATM Services
☐ Both Local Banking Services and ATM Services

Vendors shall respond to all questions applicable to the selected service category or categories. Where a question is not applicable, the Vendor shall indicate "Not Applicable" and provide a brief explanation, as appropriate.

A. VENDOR BACKGROUND, EXPERIENCE AND FINANCIAL STRENGTH

1. Firm Background

- Provide a brief history of the Vendor, including the year established, ownership structure, and primary lines of business.
- Identify any pending or announced mergers, acquisitions, divestitures, ownership changes, or other material organizational changes that may affect the Vendor's ability to provide the services contemplated by this RFP.

2. Government and Public-Sector Experience

- Describe the Vendor's experience providing the service category or categories proposed under this RFP, including Local Banking Services and/or ATM Services, to governmental and other public-sector entities.
- Identify experience serving state governments, political subdivisions, school districts, courts, colleges, or other public institutions.
- Describe the size and complexity of public-sector relationships that are comparable to the State of Delaware.
- Describe any experience supporting decentralized organizations in which multiple agencies or operating units receive services under centralized oversight or administration.

3. Financial Strength

- Provide the Vendor's current long-term and short-term credit ratings from Standard & Poor's, Moody's, Fitch, or other recognized rating agencies, as applicable.

- If the Vendor is not rated by one or more of these organizations, provide other evidence demonstrating financial strength and stability.

- For Vendors proposing Local Banking Services, provide the following most recently reported regulatory capital measures, as applicable:
    - Common Equity Tier 1 Capital Ratio
    - Tier 1 Capital Ratio
    - Total Risk-Based Capital Ratio
    - Tier 1 Leverage Ratio

- Provide an electronic copy of the Vendor's most recent applicable FDIC Call Report or equivalent regulatory filing.

4. Community Reinvestment and Delaware Presence

- Provide the Vendor's current Community Reinvestment Act rating, if applicable.

- Describe the Vendor's current or proposed operational presence in Delaware, including:
    - Number of employees
    - Number and geographic distribution of branch locations
    - Community reinvestment activities
    - Financial education or financial literacy initiatives
    - Other community-based programs or investments within the State

B. RELATIONSHIP MANAGEMENT AND CUSTOMER SERVICE

1. Relationship Management Team

- Identify the proposed primary relationship manager for the State.
- Identify the primary contact(s) responsible for routine day-to-day service requests.
- Identify the proposed treasury management and/or ATM service, implementation, and technical contacts that would support the State.

  For each individual identified above, provide:

    - Name
    - Title
    - Office location
    - Telephone number
    - Email address
    - Years of relevant experience
    - Years with the Vendor
    - Experience serving government or public-sector clients in connection with the services proposed

2. Customer Service Model

- Describe the Vendor's proposed customer service model for OST and participating State agencies.

- Describe the chain of command and escalation process for service issues.
- Identify normal customer service hours and emergency or after-hours support, including applicable time zones.
- Describe expected response and resolution times for routine, urgent, and critical issues.

3. Relationship Reviews

- Describe the frequency and format of relationship review meetings the Vendor would provide to OST.
- Identify the types of reporting, service metrics, issue tracking, and recommendations that would typically be presented during relationship reviews.

C. LOCAL BRANCH BANKING AND GEOGRAPHIC COVERAGE- LOCAL BANKING SERVICES ONLY

1. This RFP requires Vendors to identify their physical branch presence throughout New Castle, Kent, and Sussex Counties.

- Provide the total number of full-service branch locations maintained by the Vendor within the State of Delaware.
- Provide the number of full-service branches located in:
  - New Castle County
  - Kent County
  - Sussex County

Provide a current list of all Delaware branch locations, including:

- Branch name
- Street address
- County
- Days and hours of operation
- Availability of teller services
- Availability of night-depository services
- Availability of coin and currency deposit services
- Any material service limitations applicable to the branch

2. Statewide Service Coverage

- Describe the Vendor's ability to provide branch banking services throughout all three Delaware counties.
- Identify any geographic areas within Delaware where the Vendor has limited or no branch coverage.
- Describe any alternative service arrangements the Vendor can provide where branch access is limited.
- Identify any branch-specific restrictions that may affect State agencies' ability to make over-the-counter deposits.

D. ACCOUNT ESTABLISHMENT, STRUCTURE AND ADMINISTRATION- LOCAL BANKING SERVICES ONLY

1. Account Establishment

- Describe the process for establishing new State accounts.
- Identify documentation required from OST and participating State agencies to open an account.
- Describe the expected turnaround time for establishing a new account and related services.
- Describe the process for adding or changing treasury management services after account opening.

2. Centralized Account Oversight

- Can the Vendor support a centralized operating structure under which OST authorizes the opening, modification, and closing of State accounts?
- b. Describe how the Vendor would ensure that individual State agencies cannot independently open or close accounts without appropriate OST authorization.
- c. Describe the reporting available to OST to identify all accounts maintained by State entities under the relationship.

3. Low-Activity and Deposit-Only Accounts

- Describe account structures available for low-activity or deposit-only accounts.
- Identify any reduced-fee or simplified account structures available for accounts with limited activity.
- Describe fraud-control services appropriate for accounts with limited activity.
- Identify any services that the Vendor recommends for these accounts and explain the associated cost.

E. PHYSICAL DEPOSIT AND OVER-THE-COUNTER SERVICES-LOCAL BANKING SERVICES ONLY1. Branch Deposit Processing

- What is the applicable ledger cutoff time for deposits made at branch locations?
- Describe the types of deposits accepted at branch locations, including:
    - Checks
    - Currency
    - Loose coin
    - Rolled coin
    - Mixed deposits
- Identify any limitations applicable to cash, coin, or check deposits.
- Describe requirements for deposit tickets, deposit bags, or other deposit documentation.
- Can currency and checks be included in the same deposit bag?
- Are there limits on the number of deposit tickets that may be included in a single deposit bag?
- Are there limits or restrictions on the amount of loose or rolled coin that may be deposited at a branch location?

2. Deposit Verification

- Are deposits verified at the time they are presented at the branch?
- If verification occurs after the depositor leaves the branch, describe the verification process and timing.

- If a deposit is adjusted, describe how the State agency is notified.
- Identify any de minimis threshold below which deposit discrepancies are written off rather than adjusted.

3. Night Depository Services

- Describe the Vendor's night-depository services.
- Identify any branches that do not offer night-depository services.
- Describe deposit verification and crediting procedures for night deposits.
- Identify any special equipment, bags, keys, credentials, or other requirements associated with night-depository services.

4. Courier Deposits

- Can deposits be transported to a branch or other deposit location by a third-party courier?
- Describe any special procedures applicable to courier-delivered deposits.
- Describe the process for researching and resolving deposit discrepancies when a third-party courier is utilized.

5. Banking Supplies

- Can deposit bags, deposit tickets, coin wrappers, or other banking supplies be ordered through the Vendor?
- If so, can the related charges be included on the State's quarterly account analysis statement or other consolidated billing?
- Identify any charges associated with these supplies.
- Indicate whether such charges are pass-through charges or include a Vendor markup.

F. DEPOSIT IDENTIFICATION, RECONCILIATION AND RETURNED ITEMS – LOCAL BANKING SERVICES ONLY

1. Deposit Identification

- Can a unique deposit identification number or location code be assigned to each depositing State entity?
- Can the identifier be utilized across multiple deposit types?
- Describe any formatting or character limitations applicable to deposit identifiers.
- Can daily deposits be reported separately by location or depositing entity?
- Can OST receive consolidated reporting while individual agencies receive reporting limited to their own activity?

2. Deposit Reconciliation

- Describe the Vendor's deposit reconciliation services.
- Describe how deposit information can be transmitted or made available to OST and participating agencies.
- Identify the data elements available for reconciliation.
- Describe any automated reconciliation tools available.

3. Returned Items

- Describe the Vendor's returned-item processing.
- Can returned checks be automatically redeposited or represented, where permitted?
- Does the Vendor provide Represented Check Entry services?
- Can users access electronic images of returned items?
- How quickly are returned-item images and information available?
- Can the Vendor provide an electronic returned-item file or report?
- Identify the data elements included in returned-item reporting.

4. Funds Availability

- Describe the Vendor's funds-availability policy for deposited items.
- Explain how availability is calculated.
- Identify the availability applicable to on-us items.
- Provide the proposed availability schedule for the State.

G. CHECK DISBURSEMENTS, POSITIVE PAY AND FRAUD CONTROLS – LOCAL BANKING SERVICES ONLY

1. Positive Pay

- Describe the Vendor's positive pay and payee positive pay services.
- Describe options for transmitting check issuance files.
- Can individual check issues be entered manually outside a standard batch transmission?
- How quickly are newly issued or voided items made available across the Vendor's systems, including branch teller systems?
- Does the Vendor confirm receipt and successful processing of issue files?
- Describe available confirmation methods.

2. Exception Processing

- How are State users notified when a positive pay exception is identified?
- Can automated email or other electronic alerts be provided?
- At what time are exception items normally available?
- What is the decision deadline for accepting or rejecting exception items?
- What default action occurs if no decision is made by the deadline?
- Can OST or individual agencies establish a "do not pay" default?

3. Stale-Dated, Duplicate and Fraudulent Items

- Describe how stale-dated checks are identified and processed.
- Describe how duplicate presentment, including duplicate mobile deposit, is detected.
- Describe how these items are reported to State users.
- Describe the Vendor's process for responding to suspected fraudulent checks or unauthorized transactions.
- Describe the recourse available to a State agency if a fraudulent item posts to an account.

4. Check Cashing

- Will the Vendor cash checks drawn on State accounts maintained by the Vendor when presented by a non-account holder?
- If yes, identify any identification requirements or limitations.
- Is a check-cashing agreement required?
- Identify any fee charged to the State or to the payee.

5. Stop Payments

- Describe available stop-payment options and applicable terms.
- Does the system verify whether a check has already been paid before accepting a stop-payment request?
- Is reporting available identifying stop payments approaching expiration?
- Where positive pay is utilized, can an issued check be cancelled or voided rather than placing a separate stop payment?

H. COMMERCIAL ONLINE BANKING, USER ADMINISTRATION, SECURITY AND REPORTING – LOCAL BANKING SERVICES ONLY

1. Commercial Online Banking Platform

This RFP requires a multi-level OST/agency/user hierarchy with delegated responsibility for end-user administration.

- Describe the commercial online banking platform proposed for the State.
- Provide an overview of the services and functionality available through the platform, including:

    - Balance and transaction reporting
    - Account statements and check images
    - Treasury management services
    - Fraud-prevention and exception-management services
    - Account reconciliation
    - User and administrative functionality
    - Alerts and notifications
    - Other applicable commercial banking services

- Describe the platform’s account and organizational hierarchy.
- Can the platform support a structure in which:

    - OST maintains enterprise-level oversight
    - Individual State agencies operate within the OST relationship
    - Agency users are associated with their respective agencies?

2. Delegated Agency Administration

The State seeks to minimize routine centralized user administration while maintaining OST oversight and control.

- Can OST designate authorized administrators within an individual State agency?
- Once OST establishes the agency, associated accounts, and initial entitlements, can authorized agency administrators independently:

    - Add new users
    - Modify existing users
    - Disable or remove users
    - Assign users to authorized accounts
    - Assign or modify roles and entitlements within limits established by OST
    - Perform permitted credential or password administration?

- Can OST establish boundaries that prevent agency administrators from granting access to:

    - Unauthorized accounts
    - Unauthorized transaction types
    - Unauthorized services
    - Permissions exceeding those established by OST?

- Can OST retain enterprise-level authority to review, modify, suspend, or revoke permissions established by an agency administrator?
- Identify any user-administration activities that cannot be delegated to an agency administrator and would continue to require action by OST or the Vendor.

- Describe any dual-control or segregation-of-duties capabilities available for administrative changes.

3. User Entitlements

- Describe the levels of user access and transaction authority available within the commercial online banking platform.
- Can user entitlements be established by:

    - Individual account
    - Service
    - Transaction type
    - Dollar threshold
    - Individual user
    - User role?

- Can OST create standardized user roles that may be assigned by agency administrators?
- Can an existing user profile be copied or used as a template when establishing another user?

- Describe any maker/checker, dual-approval, or other authorization controls available for transactions or administrative functions.

4. Authentication and Access Security

- Describe the authentication methods available for users and administrators.

- Describe the Vendor's multifactor authentication capabilities, including the authentication options available to users and administrators.
- Describe the security controls applicable to:

    - New-user creation
    - Entitlement changes
    - Administrator changes
    - Password or credential resets
    - High-risk transactions

- Describe available alerts or notifications related to changes in users, roles, entitlements, or administrators.

5. Administrative Reporting and Audit Trail

- Can OST obtain consolidated reporting showing:

    - Accounts
    - Users
    - Administrators
    - User roles
    - User entitlements

- Can individual State agencies obtain comparable reporting limited to their respective agency?
- Does the platform maintain an audit trail showing:

    - User creation
    - User deletion
    - Entitlement changes
    - Administrative changes
    - Login activity
    - Authentication changes
    - The identity of the individual making the change, including the applicable date and time?

- How long is this information retained and available online?

- Can user, administrator, and entitlement reports be downloaded into Excel or another commonly used electronic format?

6. Online Reporting

- What time is prior-day information generally available?
- Describe the Vendor's current-day and prior-day reporting capabilities.
- Identify the standard online retention period for:

    - Account statements
    - Transaction detail
    - Check images
    - Returned-item images

- Account analysis statements
- Positive pay information
- User and administrative activity

- Identify any extended retention periods available for an additional fee.
- Can electronic reports be scheduled for automatic generation or distribution?
- Identify the formats in which reports and transaction data may be downloaded, including whether information can be downloaded into Microsoft Excel.
- Describe the Vendor's capabilities for transmitting account balance and transaction data to another financial institution or State-designated reporting platform.

7. Technical Support

- Will the Vendor provide a dedicated technical contact for setup, file transmission, testing, user administration, troubleshooting, and issue resolution?
- Identify technical support hours.
- Describe the escalation process for online banking or technical issues.

I. INFORMATION SECURITY, BUSINESS CONTINUITY AND TECHNOLOGY

1. Information Security

- Describe the Vendor's information-security program applicable to the proposed services.
- Describe physical, technical, and administrative controls protecting State funds, systems, services, and information, as applicable.
- Describe the Vendor's cybersecurity framework and risk-management practices.
- Describe encryption standards used for data at rest and in transit.
- Describe controls used to verify file integrity during transmission.

2. Cybersecurity Incidents

- Describe the Vendor's incident-response process for cybersecurity events affecting State services or data.
- Describe the process and timeline for notifying the State of a security incident or data breach.
- Describe the Vendor's crisis communication process.

3. Business Continuity and Disaster Recovery

- Describe backup, disaster recovery, and business continuity capabilities applicable to the proposed services.
- Identify alternative procedures available if a system or platform supporting the proposed services becomes unavailable.
- Describe how the State could maintain critical services and transactions during an extended outage.
- Describe recovery-time and recovery-point objectives applicable to critical services.

4. Independent Control Reports

Provide the Vendor's most recent applicable SOC 1, SOC 2, SSAE 18, or comparable independent control reports for systems and processes relevant to the services proposed.

5. Technology Changes

Describe the Vendor's process for notifying the State of material technology changes, including:

- File format changes
- Platform upgrades
- Authentication changes
- Reporting changes
- Service retirements
- Other changes affecting State operations.

6. State Technology Requirements

Confirm the Vendor's ability to comply with applicable State of Delaware Department of Technology and Information standards and requirements.

Identify any known exceptions or limitations.

J. ACCOUNT ANALYSIS, EARNINGS CREDIT AND INTEREST OPTIONS – LOCAL BANKING SERVICES ONLY

The prior RFP asked detailed questions regarding account analysis statements, AFP codes, ECR methodology, excess credits, and overnight investment or interest-bearing arrangements.

1. Account Analysis Statements

- Provide a sample account analysis statement.
- How soon after month-end is the statement available?
- Can account analysis statements be organized separately by State agency while also providing OST with consolidated relationship reporting?
- Are AFP Service Codes included on the account analysis statement?
- Can account analysis information be downloaded electronically?
- Identify available electronic file formats.

2. Earnings Credit Rate

- Describe the Vendor's earnings credit rate methodology.
- Identify the current standard ECR and the ECR proposed for the State.
- Is the proposed ECR tied to a market index?
- If so, identify the index and methodology.
- e. Describe how and when the ECR may be adjusted.
- Identify any reserve requirements or balance-based charges applicable to ECR calculations.
- Can excess earnings credits be carried forward?
- If yes, identify the applicable carryforward period.
- Provide the Vendor's monthly ECR history for the most recent three years.

3. Interest-Bearing or Sweep Options

- Describe any interest-bearing deposit, sweep, or overnight investment options proposed for State accounts.
- Identify the methodology used to determine the applicable yield or interest rate.
- Identify any fees, reserve requirements, assessments, or other charges applicable to the proposed option.
- Describe any minimum balance requirements.
- Identify any limitations applicable to the proposed arrangement.

K. COLLATERALIZATION – LOCAL BANKING SERVICES ONLY

1. Compliance

- Confirm the Vendor's willingness and ability to comply with the collateralization requirements contained in the Cash Management Policy Board Guidelines.
- Identify and explain any exceptions.

2. Collateral Structure

- Describe the type of collateral the Vendor proposes to use.
- Identify where collateral will be held.
- Identify the custodian, if applicable.
- Describe the process for monitoring collateral sufficiency.

3. Reporting

- Describe the collateral reporting that will be provided to OST.
- Identify the frequency of collateral reporting.
- Describe the process for correcting a collateral deficiency.

4. Pricing Impact

Explain whether and how the State's collateralization requirements affect the Vendor's proposed pricing.

L. OVERDRAFTS AND ACCOUNT EXCEPTIONS – LOCAL BANKING SERVICES ONLY

1. Overdraft Processing

- Describe the Vendor's policy regarding end-of-day overdrafts.
- Does the Vendor automatically return items when an overdraft exists?
- Describe any discretionary overdraft review available for governmental customers.

2. Fees and Charges

- Identify fees or interest charges associated with overdrafts.
- Explain how overdraft charges are calculated.
- Identify any per-item or per-occurrence charges.

- Identify any daily maximum or cap on overdraft-related charges.

M. IMPLEMENTATION AND CONVERSION

Because implementation will be a separately weighted evaluation criterion, the Vendor should provide sufficient information to allow the State to evaluate the Vendor's ability to transition services successfully.

1. Implementation Approach

- Describe the Vendor's overall implementation methodology.
- Provide a preliminary implementation plan and timeline.
- Identify major milestones, dependencies, and critical-path activities.

2. Implementation Team

- Identify the proposed implementation manager.
- Identify key members of the implementation team.
- Describe each team member's role and relevant experience.
- Describe experience implementing services comparable to those proposed under this RFP for governmental or similarly complex organizations.

3. Account Conversion – Local Banking Services Only

- Describe the process for transitioning existing State accounts and services to the Vendor.
- Identify documentation required from OST and State agencies.
- Describe expected account-opening and service-activation timelines.
- Describe how the Vendor would coordinate simultaneous implementation involving multiple State agencies.

4. Online Banking and User Conversion Local Banking Services Only

- Describe the process for establishing the State's commercial online banking hierarchy.
- Describe the process for establishing OST administrators, agency administrators, and end users.
- Describe how existing user information could be migrated or recreated.
- Describe training and support that will be provided to OST and State agency administrators.

5. Files, Interfaces and Testing

- Identify all files or interfaces that may be required to support the proposed services.
- Describe the Vendor's testing methodology.
- Describe responsibility for:

    - File development
    - Connectivity
    - Testing
    - User acceptance testing
    - Production certification
    - Issue resolution.

6. Cutover and Transition Support

- Describe the proposed cutover approach.
- Describe how the Vendor would minimize disruption to State operations during implementation.
- Describe contingency procedures if implementation activities are delayed.
- Describe post-implementation support.
- Identify the length of any stabilization or enhanced-support period following conversion.

7. ATM Implementation and Transition – ATM Services Only

- Describe the Vendor's approach to transitioning the State's existing ATM program.
- Describe the process for site assessment, equipment installation or replacement, configuration, testing, and activation.
- Identify any State facility, electrical, telecommunications, network, security, or other site requirements associated with implementation.
- Describe the proposed approach for establishing cash-management and replenishment services.
- Describe coordination required with incumbent providers, third-party service providers, State facility representatives, OST, DTI, or other parties.
- Describe the approach for minimizing service interruptions during transition.
- Identify anticipated lead times for equipment procurement, installation, testing, and service commencement.

8. Training

a. Describe training available for:

- OST administrators
- Agency administrators
- Agency users
- Technical personnel

b. Identify whether training is offered:

- In person
- Virtually
- On demand
- Through written or electronic reference materials

N. PRICING AND FEES

1. Pricing Structure

- Describe the Vendor's overall pricing approach for the services proposed.
- Identify how long the proposed pricing will remain guaranteed.
- Describe any circumstances under which pricing may change during the contract term.

2. Compensating Balances and Earnings Credits – Local Banking Services Only

- Can the State elect to pay fees through compensating balances or earnings credits?
- Identify any services that cannot be paid through earnings credits.
- Describe any differences in pricing depending upon whether services are paid through hard-dollar charges or earnings credits.

3. Transition or Relationship Incentives

Identify any implementation, transition, relationship, volume, or other incentives offered to the State.

4. Schedule of Fees

Complete the Schedule of Fees provided with this RFP.

Vendors shall complete the pricing information applicable to the service category or categories proposed. Vendors proposing both Local Banking Services and ATM Services shall separately identify pricing applicable to each service category.

The Vendor shall clearly identify:

- All recurring fees
- Transaction-based fees
- One-time implementation fees
- Technology or file-transmission fees
- Online banking fees
- Supply charges
- Pass-through charges
- Third-party charges; and
- ATM equipment, installation, replacement, relocation, or removal charges, as applicable
- Cash-management and replenishment charges, as applicable
- ATM transaction-processing, network, communication, monitoring, maintenance, and service charges, as applicable
- Any other fees that may be assessed under the proposed relationship

Any fee not disclosed in the Vendor's proposal may not be charged to the State unless subsequently agreed to in writing.

O. SUBCONTRACTORS AND THIRD-PARTY PROVIDERS

1. Subcontractors

Identify all subcontractors or third-party providers that the Vendor proposes to use in providing services under this RFP.

For each, provide:

- Name of organization
- Service provided
- Relationship to the Vendor
- Location from which services will be provided

- Whether the subcontractor will have access to State funds, cash, facilities, systems, equipment, or data, as applicable

2. Oversight

Describe how the Vendor monitors the performance, security, regulatory compliance, and business continuity of subcontractors and other third-party providers.

P. ATM SERVICES

1. ATM Program Experience

- Describe the Vendor's experience operating and supporting ATM programs for governmental, institutional, commercial, or other multi-site organizations.
- Describe comparable ATM programs currently supported by the Vendor, including number of locations and scope of services provided.
- Describe the Vendor's experience transitioning ATM programs from incumbent providers.

2. ATM Equipment and Functionality

- Describe the ATM equipment proposed for the State, including manufacturer, model, functionality, and expected useful life. Identify whether equipment would be Vendor-owned, State-owned, leased, or otherwise provided.
- Describe accessibility features and compliance with applicable accessibility requirements.
- Describe the process for equipment upgrades, replacement, relocation, and removal.

3. Cash Management and Replenishment

- Describe the proposed cash-management and replenishment model. Identify whether replenishment will be performed by the Vendor, a subcontractor, or another third party.
- Describe cash forecasting and denomination-management capabilities. Describe the process for monitoring cash levels and responding to anticipated or actual cash-outs.
- Describe procedures for emergency or unscheduled replenishment.

4. Monitoring, Maintenance and Service Levels

- Describe the Vendor's ATM monitoring and remote-diagnostic capabilities.
- Describe preventive maintenance and repair services.
- Identify proposed uptime or availability standards.
- Describe response and resolution times for service interruptions, equipment failures, cash-outs, or other critical issues.
- Identify available after-hours and emergency support.

5. Transaction Processing, Settlement and Reconciliation

- Describe the proposed ATM transaction-processing and network structure.
- Describe settlement and reconciliation processes applicable to ATM activity.

- Identify the reporting and information that would be available to OST for transaction activity, settlement, reconciliation, and cash-position monitoring.
- Describe any third-party processors, networks, or other providers involved in the proposed service.

6. Security and Fraud Prevention

- Describe physical and logical security controls applicable to the proposed ATM services.
- Describe controls used to prevent, detect, and respond to skimming, tampering, unauthorized access, fraud, and other ATM-related security events.
- Describe procedures for notifying OST of ATM security incidents or suspected fraudulent activity.

7. Reporting

- Describe standard reporting available for ATM transaction activity, cash levels, replenishments, availability, downtime, maintenance, service incidents, and performance.
- Identify reporting frequency, delivery method, and available electronic formats.
- Describe any dashboards or real-time monitoring tools available to OST.

Q. NEW SERVICES, INNOVATION AND ADDITIONAL INFORMATION

1. New Services and Ideas

Describe any additional services, technologies, operating models, or process improvements that the Vendor believes could improve the State's local banking operations and/or ATM Services, as applicable.

2. Operational Efficiencies

Identify opportunities the Vendor believes could:

- Reduce administrative burden
- Improve agency access
- Strengthening fraud controls
- Improve reporting
- Increase automation
- Improve reconciliation
- Reduce service costs

3. Additional Information

Provide any additional information that the Vendor believes is relevant to its ability to provide the services contemplated by this RFP and that has not been addressed elsewhere in the proposal.

Attachment 2: Confidential or Proprietary Information Form
CONTRACT NUMBER: TRE26202-LOCBANKSATM

☐ By checking this box, Vendor acknowledges that its proposal does not contain any information it declares to be confidential or proprietary for the purpose of production under 29 Del. C. Ch. 100, Delaware Freedom of Information Act.

Confidentiality or Proprietary Information

Note: Use additional pages as necessary.

Attachment 3: Exception Form

CONTRACT NUMBER: TRE26202-LOCBANKSATM

Proposals must include all exceptions to the specifications, terms or conditions contained in this solicitation, including all attachments and appendices. If Vendor submits the proposal without exceptions, please state so below.

☐ By checking this box, Vendor acknowledges that it takes no exception to the specifications, terms or conditions found in this solicitation, including the terms of the PSA.

Paragraph # and Page #	Exceptions to Specifications, Terms, or Conditions	Proposed Alternative

Note: Use additional pages as necessary.

Attachment 4: Business References

CONTRACT NUMBER: TRE26202-LOCBANKSATM

List a minimum of four business references. At least two (2) of the references should be from government entities. Business references should include the following information:

- Business name and mailing address
- Contact name, phone number and email address
- Number of years doing business with
- Type of work performed

Please do not list any State entity, officer or employee as a business reference.

If you have held a State contract within the last 5 years, provide a separate list of the contract(s), describe the scope of work performed, and include the name, title, phone number and email address for your primary contact for each engagement.

Attachment 5: Requirements Matrix
CONTRACT NUMBER: TRE26202-LOCBANKSATM

Vendors shall complete the Excel workbook entitled **"Attachment 5 – Requirements Matrix"** provided with this RFP, including the General Requirements, Local Banking Requirements, and ATM Requirements worksheets, as applicable to the services proposed. Vendors shall explain any exceptions, limitations, or responses marked "Not Applicable."

The remainder of this page intentionally left blank.

Attachment 6: Schedule of Fees
CONTRACT NUMBER: TRE26202-LOCBANKSATM

Vendors shall complete all pricing tabs applicable to the service category or categories for which they are submitting a proposal. Vendors proposing Local Banking Services shall complete the applicable Local Banking pricing tabs. Vendors proposing ATM Services shall complete the applicable ATM Services pricing tab. Vendors proposing both service categories shall complete all applicable Local Banking and ATM Services pricing tabs.

All proposed fees, charges, pass-through costs, third-party costs, implementation costs, transaction-based fees, recurring fees, and other pricing associated with the proposed services must be fully disclosed in Attachment 6. Any assumptions, minimums, volume thresholds, dependencies, or other conditions affecting pricing must be clearly identified.

If a required or proposed service does not have a separate fee, the Vendor shall indicate whether the cost is included in another stated fee and identify the applicable fee.

The remainder of this page intentionally left blank.

APPENDIX A: PROFESSIONAL SERVICES AGREEMENT FOR [LOCAL BANKING SERVICES AND/OR ATM SERVICES]

CONTRACT NO. TRE26202-LOCBANKSATM

The following standard terms and conditions and Exhibits hereto (collectively, the "STCs") shall govern the relationship between the State of Delaware (the "State" or "Delaware"), by and through the Office of the State Treasurer, on behalf of the Cash Management Policy Board (the "CMPB"), and ("Vendor"). Vendor has been selected to provide local banking services to the State through the procurement process designated as **TRE26202-LOCBANKSATM.** The STCs shall control and take precedence over any contrary or inconsistent terms or conditions in Vendor's standard contract documents and account terms (the "Vendor Documents"). The STCs and the Vendor Documents (collectively, the "Agreement") have been negotiated by the parties through arms'-length negotiations and constitute one integrated Agreement memorializing the terms on which Vendor will provide Services (as defined below) to the State.

1. Services and Term.

1.1 Vendor shall perform the services set forth on the Statement of Work attached hereto as Exhibit A and such additional services or work as the State may request from time to time and for which the parties shall mutually agree (collectively, "Services").

1.2 The Agreement has an effective date of _____ and shall have an initial term of ____ years from the effective date, which initial term can be extended at the State's sole option for up to two additional two-year terms upon written notice to Vendor issued no later than 60 days prior to the expiration of the initial term or an optional term, as the case may be.

1.3 Ownership of all demand deposit or other bank or investment accounts containing State assets ("Account") shall remain with the State. Vendor shall not, under any circumstances, take title to or assert an ownership interest in any Account, except as a security interest that may arise by operation of law. All end-of-day ledger balances shall be fully secured as provided in § 5.2.1 of the Statement of Objectives and Guidelines for the Investment of State of Delaware Funds, as approved by the CMPB and published at 1 *Del. Admin. Code* 1201 (the "Guidelines"). State funds held in money market mutual funds shall be invested in accordance with § 5.2.2 of the Guidelines.

1.4 Upon execution of the Agreement (and any additional agreements for additional Services), the State shall provide Vendor with a list of authorized personnel ("Designated Persons") who will be permitted to advise, inform and direct Vendor on the State's behalf and signature specimens of Designated Persons who are authorized to execute specific tasks. The State shall notify Vendor of any changes to such list in writing. Until notified of a change, Vendor may rely and act upon instructions and notices received from a Designated Person identified on the then- current list furnished by the State. Vendor may request a current list at any time. All instructions or notices to Vendor from any Designated Person shall be in writing and transmitted via electronic mail containing a PDF or other electronic copy of an instruction form or notice signed by a Designated Person. All such authorized instructions or notices shall bind Vendor upon receipt. If Vendor receives instructions or notices from a source other than a Designated Person, Vendor shall not comply with them and shall, within a commercially reasonable period of time, notify the State of such unauthorized instructions or notices.

1.5 Vendor shall meet with the State at such times and places as the State may reasonably request. Vendor shall regularly consult with the State and its staff to provide full information regarding the Services. This interface shall include regular telephone communication, exchange of written data and analysis and other interaction as reasonably requested by the State.

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[1] Applicable provisions of these Standard Terms and Conditions (STCs) will apply to and govern the contract for ATM services.

2. Payment for Services and Expenses.

2.1 The State will pay Vendor for the performance of Services in accordance with the Agreement and the schedule of fees and charges set out on Exhibit B to these STCs. All payments shall be made via ACH transfer. Vendor is responsible for ensuring that the State has correct, up-to-date ACH information.

2.2 State's obligation to pay Vendor for Services will not exceed the amounts set out on Exhibit B, nor will the State pay Vendor for the performance of any Service not listed on Exhibit A hereto absent the State's consent. It is expressly understood that the Services must be completed by Vendor and it shall be Vendor's responsibility to ensure sufficient competency and efficiency so that all Services are completed for the agreed-upon fees.

2.3 Vendor shall electronically submit monthly billing statements to the State in sufficient detail to identify the Services provided and fees and charges incurred during the previous month. Vendor shall make available all such statements on an online platform. The State shall pay Vendors statements on a timely basis. Any dispute with respect to fees or charges shall be governed by Section 17 of these STCs. Vendor shall issue credits for disputes relating to fees or charges that are resolved in the State's favor and shall apply any such credit to reduce amounts owed to Vendor in the current or next available Cycle.

2.4 Unless provided otherwise in the Agreement, all costs and expenses incurred in the performance of the Services are to be paid by Vendor.

2.5 The State shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of the Agreement.

2.6 The State shall have the right to setoff or subtract from any payment to be made to Vendor all direct damages, costs and expenses caused, in whole or in part, by Vendor's breach of the Agreement or Vendor's negligence in the performance of Services, less such damages, costs or expenses caused directly by the State's negligence or breach of the Agreement.

3. [Reserved]

4. Responsibilities of Vendor.

4.1 Vendor shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all Services furnished by Vendor and its principals, officers, employees and agents under the Agreement. In performing Services, Vendor shall follow commercially reasonable practices and comply with all applicable federal, state and local laws, ordinances, codes and regulations, including, without limitation, all federal and state laws pertaining to the protection of personally identifiable information and security breaches.

4.2 Vendor shall be responsible for ensuring that all Services, additional work, products and deliverables furnished pursuant to the Agreement comply with or align with the security objectives of the standards promulgated by the Delaware Department of Technology and Information ("DTI") published at http:l/dti.delaware.gov/, and as modified from time to time by DTI during the term of the Agreement. If any Service, additional work product or deliverable furnished pursuant to the Agreement does not conform to DTI standards, or demonstrate compensating controls are in place to achieve the same security objectives, Vendor shall, at its expense and option either replace it with a conforming equivalent or modify it to conform to DTI standards. Vendor shall be and remain liable in accordance with the terms of the Agreement and applicable law for all direct damages to and expenses incurred by the State resulting from or attributable to Vendor's failure to comply with applicable DTI standards incorporated into this Agreement.

4.3 Vendor acknowledges that DTI is responsible for safeguarding the confidentiality and integrity of data in the State's computer files regardless of the source of those data or medium on which they are stored - *e.g.,* electronic data, computer output microfilm (COM), tape, or disk. Software programs supporting the Services or developed to process or manage State agency data shall not be modified without the prior knowledge and written authorization of DTI. It is expressly understood that no notice

or authorization is required for modifications to Vendor's programs that affect Vendor's customers generally and not solely the State.

4.4 Vendor must ensure that computer/network hardware and software do not compromise the security of the State's IT infrastructure. Therefore, Vendor represents that any Vendor system or software meets or exceeds the CIS Critical Security Controls® (CIS Controls®), as in effect as of the date of this Contract, available at the Center for Internet Security website: https://www.cisecurity.org/controls. Vendor agrees to implement and maintain commercially reasonable levels of data and IT security in accordance with its internal policies and procedures and applicable regulatory standards and requirements.

4.5 It shall be Vendor's duty to assure that all Services and products of its efforts do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State or Shared Materials (as defined below). Vendor's agreement shall not limit or modify liability for information security breaches, and Vendor shall indemnify and hold harmless the Indemnified Parties (as defined below) from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly caused by such security breaches. In addition to all rights and remedies available to it in law or in equity, the State may subtract from any payment made to Vendor all direct damages, costs and expenses incurred and itemized by the State and caused by such information security breaches that have not been previously paid to Vendor. Notwithstanding anything to the contrary in these STCs or the Agreement, Vendor shall be responsible for all judgements, attorneys' fees and other litigation costs and expenses, as well as all reasonable investigation and response costs and expenses, incurred by the State in response to a data breach caused by Vendor or an Affiliate or subcontractor of Vendor.

4.6 Multifunction peripherals must be hardened when used or connected to the network. They should be configured to harden the network protocols used, management services, processing services (print, copy, fax, and scan), logging, and physical security. Care shall be taken to ensure that any State non-public data is removed from memory, where commercially reasonable, before service calls and/or equipment disposal. Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, *etc.)* shall be disposed of in a manner corresponding to the classification of the stored information, up to and including physical destruction.

4.7 Vendor shall comply with all terms and conditions set forth in the State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement attached hereto as Exhibit C.

4.8 It shall be the duty of the Vendor to assure that all Services are technically sound and in conformance with all pertinent federal, state and local statutes, codes, ordinances, resolutions and other regulations applicable to Vendor's Services. Vendor will not provide Services or produce work product that violates or infringes on any copyright or patent rights. Vendor shall, without additional compensation, correct or revise any errors or omissions in its Services or work product.

4.9 Permitted or required approval by the State of any Services by Vendor shall not in any way relieve Vendor of responsibility for the professional and technical accuracy and adequacy of such work. The State's review, approval, acceptance, or payment for any of Vendor's Services shall not be construed to operate as a waiver of any rights under the Agreement, and Vendor shall be and remain liable in accordance with the terms of the Agreement and applicable law for all damages to the State caused by Vendor's performance or failure to perform under the Agreement.

4.10 Vendor shall appoint a senior employee who will manage the implementation of Services for the State. Vendor shall also appoint senior employees who will manage the performance of the Services, and act as single points of contact to the State following implementation.

4.11 Designation of persons for the positions identified in Section 4.11 shall be subject to review and approval by the State, which approval shall be documented in writing. Should the staff need to be diverted off the project for what are now unforeseeable circumstances, Vendor will notify the State immediately and work out a transition plan that is acceptable to both parties, as well as agree to an acceptable replacement plan to fill or complete the work originally assigned to the diverted project staff at no cost to Delaware. Selected replacement staff are subject to review and approval by the State. If Vendor fails to make a required replacement within 30 days, the State may terminate the Agreement for cause. Upon receipt of written notice from the State that an employee of Vendor is unsuitable to the State, in its sole discretion, which notice describes the actions or omissions of said employee (and must not be on a prohibited basis under applicable law), Vendor shall remove such employee from the performance of Services and substitute in his/her place an employee suitable to the State.

4.12 Vendor agrees that its officers and employees will cooperate with the State in the performance of Services and will be available for consultation with the State at such reasonable times with advance notice so as to not conflict with their other responsibilities.

4.13 Vendor has or will retain such employees as it may need to perform the Services. Such employees shall not be employed by the State or any political subdivision of the State.

4.14 Vendor will not use the State's name, either express or implied, in any of its advertising or sales materials, or as a reference, without the State's express written consent.

4.15 Vendor shall be properly licensed, registered or authorized to transact business in Delaware as provided in 30 *Del.* C. § 2502 or other applicable laws and regulations.

4.16 Vendor shall maintain commercially reasonable business continuity and disaster recovery plans.

4.17 Vendor will maintain an information technology risk management and other programs that meet or exceed the requirements of the Office of the Comptroller of the Currency and the Federal Financial Institutions Examination Council, as well as the Gramm-Leach Bliley Act and other applicable data privacy laws and regulations.

5. State Responsibilities.

5.1 The State agrees that its officers and employees will cooperate with Vendor in the performance of Services and will be available for consultation with Vendor at such reasonable times with advance notice so as to not conflict with their other responsibilities.

5.2 The State shall timely perform its obligations under the Agreement.

6. [Reserved.]

7. Warranty.

7.1 Vendor warrants that the Services will be performed with ordinary care and applicable commercial reasonableness standards in the Uniform Commercial Code and other applicable law. Vendor represents that all equipment provided by Vendor in connection with the Services shall be operational and fit for the purpose provided. Vendor agrees to re-perform any Services, correct work product and fix or replace equipment not in compliance with this warranty.

7.2 Third-party products within the scope of the Agreement, if any, are warranted solely under the terms and conditions of the licenses or other agreements by which such products are governed. With respect to all third-party products and services purchased by Vendor for the State in connection with the provision of the Services, Vendor shall assign to the State all rights Vendor

obtains from the manufacturers and/or vendors of such products and services (including warranty and indemnification rights), to the extent that such rights are assignable.

8. Indemnification; Limitation of Liability.

8.1 The State and officers, agents and employees shall have no obligation to indemnify Vendor or its officers, agents or employees for any liability, suits, actions, claims, costs or expenses (including attorneys' fees), brought against or incurred by Vendor, including, without limitation, any suit, action, claim, cost or expense arising out of or relating to the Agreement.

8.2 Vendor shall indemnify and hold harmless the State and its officers, agents and employees (the "Indemnified Parties") from any and all liability, suits, actions or claims., together with all reasonable costs and expenses (including attorneys' fees), brought or asserted by third parties based on the negligent or willful misconduct of Vendor or its subcontractors, officers, agents or employees in the performance of Services. If the State notifies Vendor in writing of such third-party claim, Vendor will, at the State's option, defend such claim at its expense. Vendor will pay all damages, reasonable costs and expenses that may be finally awarded against an Indemnified Party, without regard to whether the State exercises the option referenced in the preceding sentence.

8.3 Notwithstanding anything else to the contrary in the Agreement, neither party, nor their respective affiliates, officers, agents and employees, shall have liability for any indirect, special, punitive or consequential damages, arising out of or related in any way to performance of the Agreement.

8.4 The State and its officers, agents and employees expressly reserve all rights, claims, arguments, defenses and immunities, including, without limitation, claims or defenses based on sovereign immunity, qualified immunity and other statutory or common law rights, claims, defenses or immunities, except that Vendor shall have the right to bring an action to enforce the Agreement. There is no intended third-party beneficiary of any provision of the Agreement.

8.5 Vendor shall have no liability for following the instructions of a Designated Person as long as doing so is commercially reasonable, and provided that the Designated Person was authorized to direct the Vendor to execute the specific task or tasks identified in the instructions.

9. Insurance.

9.1 Vendor shall maintain the following insurance during the term of the Agreement:

a. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law;

b. Commercial General Liability-$1,000,000.00 per occurrence/$3,000,000 per aggregate;

c. Bankers Professional Liability-$6,000,000.00per occurrence/$6,000,000 per aggregate;

d. Business Automobile Liability Insurance covering all automotive units used in the work with a combined single limit of not less than $5,000,000 per accident – bodily injury and property damage to others .

e. Cyber Liability- Vendor must maintain cyber security liability insurance coverage with limits of $[TBD] in the annual aggregate for loss resulting from a data breach. The policy shall be issued by an insurance company with an A.M. Best Rating of A-VII and shall remain in place for the term of the Agreement. At a minimum, the policy must include coverage for any regulatory penalties and fines (to the extent insurable). Vendor shall be responsible for any deductible or self-insured retention contained in the insurance policy. The policy shall include but not be limited to, coverage for liabilities relating to Vendor's or any independent contractor's or subcontractor's premises, operations, products, completed operations, or conduct relating to the Agreement. At a minimum. the policy must include third-party coverage for credit monitoring, notification costs to data breach victims, and regulatory penalties and fines. Vendor shall be responsible for any deductible or

self-insured retention contained in the insurance policy_ The coverage under the policy shall be primary, and not excess, to any other insurance carried by the Vendor.

f. Excess/Umbrella policy - Excess/Umbrella $10,000,000 total (sits above underlying worker's compensation and employer's liability, general liability, bankers' professional liability, and business automotive liability).

9.2 Should any of the above-described policies be cancelled before the expiration date thereof, notice will be delivered to the State. Failure to maintain required insurance at all times is an event of default and constitutes grounds for terminating the Agreement.

9.3 Before any work is done pursuant to the Agreement, certificates of insurance for the insurance policies specified above shall be provided to the State. The certificates shall reference the contract number, [TRE26202-LOCBANKSATM], and identify the certificate holder as follows:

Office of the State Treasurer 820
Silver Lake Blvd., Suite 100
Dover, DE 19904

9.4 In no event shall the State or its officers, agents or employees be named as an additional insured on any policy required under the Agreement.

10. Independent Contractor.

10.1 It is understood that in the performance of the Services, Vendor shall be, and is, an independent contractor, and is not an agent or employee of the State and shall furnish such Services in its own manner and method except as required by the Agreement, except where applicable law or rules of clearing houses may require Vendor to act as an agent of the State in the collection of funds.

10.2 Vendor has and shall retain the right to exercise full control over the employment, direction. compensation and discharge of all persons employed by Vendor in the performance of the Services; provided, however, that vendor will, subject to scheduling and staffing considerations, attempt to honor the State's reasonable request for specific individuals.

10.3 Vendor shall be solely responsible for, and shall indemnify, defend and hold the Indemnified Parties harmless from all matters relating to the payment of Vendor's or an Affiliate's or subcontractor's employees, including compliance with Social Security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

10.4 Vendor acknowledges that Vendor and any agents or employees employed by Vendor or its affiliates or subcontractors shall not, under any circumstances, be considered employees of the State, and that they shall not be entitled to any of the compensation, benefits or rights afforded employees of Delaware, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees' Retirement System benefits, *or* health, life, dental, long-term disability or workers' compensation insurance benefits.

10.5 As an independent contractor, Vendor has no authority to bind or commit the State. Nothing herein shall be deemed or construed to create a joint venture, partnership, or agency relationship between the parties for any purpose, except as noted In section 10.1 of these STCs.

11. Termination.

11.1 The Agreement may be terminated by either party for default of the other party that is not cured within fifteen (15) business days after the non-defaulting party provides the defaulting party with written notice of default and demand for cure in accordance with the notice provisions of the

Agreement. Default shall mean the failure of the other party to fulfill a material obligation under the Agreement.

11.2 The Agreement may be terminated in whole or in part by the State for its convenience, but only after Vendor is given thirty (30) business days' written notice of intent to terminate. The Agreement may be terminated in whole or in part by Vendor for its convenience, but only after the State is given 120 business days' written notice of intent to terminate.

11.3 If termination is effected, the State will pay Vendor that portion of compensation which has been earned as of the effective date of termination, but

a. No amount shall be allowed for anticipated profit on unperformed Services or other work; and

b. Any payment due to Vendor at the time of termination may be adjusted or withheld to the extent of any offset or recoupment rights, including, without limitation, amounts for liability or costs occasioned to the State by reason of Vendor's default or caused by Vendor's negligence in the performance of the Agreement

11.4 Upon termination, for cause or convenience, the State may immediately retain another vendor to perform the Services, and Vendor shall commence providing transition services. Vendor shall at all times cooperate in the transition and shall perform, (such transition Services as the State and Vendor shall determine are necessary or appropriate to enable the transition of Services to a successor vendor or vendors. Vendor's obligation to provide transition services shall survive termination and shall continue until such date as is communicated in writing to Vendor that such services are no longer needed. Transition services shall include:

a. Maintain current support levels without any degradation of Services;

b. Production of reports and data extracts required to convert and reconcile accounts;

c. Operational and technical resource support required for testing and conversion activities;

d. Availability for conversion meetings given reasonable advanced notice;

e. Continued user access to systems and reports;

f. Production of r egular status updates advising the State of conversion preparations and progress;

g. Support knowledge transfer activities, including the completion of requested templates, questionnaires, checklists, etc.; and

h. Documentation of known open issues and risks affecting the State or Services.

11.5 If after termination for breach it is determined that Vendor has not so failed, the termination shall be deemed to have been effected for convenience.

11.6 The termination of the Agreement shall not terminate any rights or obligations that are intended to extend beyond termination, including Vendor's transition obligations under these STCs.

11.7 The rights and remedies of the State provided in this Section are in addition to any other rights and remedies provided by law or under the Agreement.

12. Document Ownership, Rights and Obligations.

12.1 The State shall own and retain exclusive title to all documents and data possessed by the State, regardless of source, relating to the Agreement, which documents and data shall be referred to as "State Materials." The State shall have the right to reproduce and disclose all documentation provided by Vendor to the State in connection with the Agreement, except for confidential information disclosed to the State that the State may legally withhold from public disclosure. The State Materials are subject to and shall be maintained by the State in accordance with the Delaware Public Records Law, 29 *Del.* C. Ch. 5., and the Delaware Freedom of Information Act,

29 *Def.* C. Ch. 100, other applicable laws, regulations and orders.

12.2 Vendor shall own and retain exclusive title to all documents and data possessed by Vendor, regardless of source, related to the Agreement, which documents and data shall be referred to as "Vendor Materials." Vendor shall maintain Vendor Materials in accordance with Vendor's record retention policies, the Agreement, and applicable laws, regulations and orders, including, without limitation, applicable federal and state laws pertaining to the protection of PII and Vendor's obligations in the event of a security breach.

12.3 The parties recognize that certain Vendor Materials will contain personally identifiable information for State employees, confidential login credentials (user names and passwords) and account numbers and other confidential information (the "Shared Materials"). Shared Materials constitute confidential information under the Agreement and may only be disclosed by Vendor in accordance with Section 10.1 of the Account Terms. Nothing in the Agreement shall waive or affect in any way any right, obligation or authority the State or any other governmental entity may have under applicable laws, regulations or orders to investigate the potential misuse of or fraud involving public funds or accounts established in connection with the Agreement.

12.4 During the term of the Agreement, and for a period of 12 months after termination, authorized representatives of the State may inspect or audit Vendor's performance and all records pertaining to the Agreement at the Vendor's business offices during normal business hours and subject to Vendor's standards for security. The State shall have a perpetual, nontransferable, non-exclusive. paid-up right and license to use and copy all Vendor Materials in connection with any such inspection or audit.

13. Gratuities.

The State may, by written notice to Vendor, terminate the Agreement without liability if it is found that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Vendor or any agent or representative of Vendor to any officer or employee of the State with a view toward securing a contract or securing favorable treatment w1th respect to the awarding, amending or making of *any* determinations with respect to the Agreement

14. Appropriations.

The validity and enforceability of the Agreement is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. The Agreement shall terminate and the State's obligations under it shall cease at the end of the fiscal year in which the State fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which will then become due. The Agreement shall be deemed terminated and shall be unenforceable as to any obligation of the State requiring the expenditure of money for which no specific appropriation has been made. The State shall take all necessary and appropriate action to obtain approvals sufficient to cover its obligations under this Agreement.

15. Assignment; Subcontracts.

15.1 Any attempt by Vendor to assign or otherwise transfer any interest in the Agreement without the prior written consent of the State shall be void.

15.2 Services specified by the Agreement shall not be subcontracted by Vendor without the prior written approval of the State unless Vendor disclosed the name and precise scope of work of any proposed subcontractor in Vendor's proposal.

15.3 Approval by the State of Vendor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve Vendor of responsibility for the professional and technical accuracy and adequacy of the work. All subcontractors shall adhere to and be bound by all applicable provisions of the Agreement.

15.4 Vendor shall be and remain liable for all damages to, and all costs and expenses, including attorneys' fees, incurred by, the Indemnified Parties caused by a subcontractor's negligent performance or negligent non-performance of work under or related to the Agreement.

15.5 Vendor's compensation and the agreed-upon fees and charges set out on Exhibit B shall not be affected by Vendor's use of a subcontractor.

16. Complete Agreement.

16.1 The Agreement, which includes the STCs and exhibits hereto, shall constitute the entire Agreement between the State and Vendor with respect to the subject matter of the Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of the Agreement shall supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of the Agreement.

16.2 If the scope of any provision of the Agreement is too broad in any respect 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 Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.

16.3 If any term or provision of the Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of the Agreement, but such term or provision shall be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties.

17. Miscellaneous Provisions.

17.1 Neither the Agreement nor any exhibit may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of the Agreement shall be effective unless it is in writing and signed by the party against which it is sought to be enforced.

17.2 The delay or failure by either party to exercise or enforce any of its rights under the Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof

or the exercise of any other right.

17.3 Vendor acknowledges that the State has obligations to ensure that public funds are not used to subsidize private discrimination. Vendor recognizes that its refusal to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, may result in the State declaring Vendor in breach of the Agreement. terminating the Agreement without penalty and/or taking such additional action as may be warranted under the circumstances.

17.4 Vendor warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State shall have the right to terminate the Agreement without liability.

17.5 The Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in *favor* of either, but rather in accordance with the fair meaning thereof.

17.6 At the option of the State, the parties shall attempt in good faith to resolve any dispute arising out of or relating to the Agreement promptly by negotiation between officials or executives who have authority to settle the controversy. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in any proceeding involving the parties, provided evidence that is otherwise admissible or discoverable may not be rendered inadmissible. If the matter is not resolved by negotiation, or if the State in its discretion elects to proceed directly to mediation, then the matter will proceed to mediation as set forth below.

17.7 Any disputes, claims or controversies arising out of or relating to the Agreement that are not resolved through resolution pursuant to Section 17.6, must be submitted to mediation if the State in its discretion so elects. Any such proceedings held pursuant to this provision shall be governed by Delaware law and venue shall be in Delaware. The parties shall maintain the confidential nature of the proceedings and shall keep the terms of any resulting settlement or award confidential to the extent permissible under applicable law. Each party shall bear its own costs of mediation, including attorneys' fees and half of the mediator's fees and expenses.

17.8 The rights and remedies of the State provided for in the Agreement are in addition to any other rights and remedies provided by law or at equity.

18. [Reserved.]

19. Governing Law.

The Agreement shall be governed by and construed in accordance with Delaware laws, without regard to conflict of laws rules or principles, except where federal law takes precedence. Vendor consents to jurisdiction and venue in Delaware.

20. [Reserved.)

21. Exhibits.

The following three (3) exhibits and all terms and conditions thereof shall be incorporated into and considered part of the STCs:

Exhibit A - Statement of Work
Exhibit B - Schedule of Fees and Charges
Exhibit C - State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement

22. **Vendor Documents.**

Copies of the Vendor Documents, as negotiated and agreed upon by the parties, are affixed hereto as Attachment 1.

STATE OF DELAWARE, by and through the OFFICE OF THE STATE TREASURER, on behalf of the CASH MANAGEMENT POLICY BOARD

_____

Signature

_____

Name

_____

Title

_____

Date

[VENDOR]

_____

Signature

_____

Name

_____

Title

_____

Date

Exhibit A: Statement of Work[1]

[To be negotiated.]

[1] Terms used but not defined in the exhibits to this Agreement shall have the meanings ascribed to such terms in the Agreement.

Exhibit B: Fee Schedule

[To be negotiated.]

Exhibit C: DTI Terms and Conditions Governing Cloud Services and Data Usage Agreement

STATE OF DELAWARE
DEPARTMENT OF TECHNOLOGY AND INFORMATION

801 Silver Lake Blvd., Dover, DE 19904

PUBLIC AND NON-PUBLIC DATA OWNED BY THE STATE OF DELAWARE

State of Delaware Terms and Conditions Governing Cloud Services and Data Usage Agreement

Contract/Agreement # _____, Appendix ____

between State of Delaware and _____ dated _____

This document shall become part of the final contract.

Insurance	Public Data	Non Public Data	
1	☐	☐	**Data Ownership:** The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The PROVIDER shall not access State of Delaware user accounts, or State of Delaware data, except (i) in the course of data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request. All information obtained or generated by the PROVIDER under this contract shall become and remain property of the State of Delaware.
2	☐	☐	**Data Usage:** The PROVIDER shall comply with the following conditions. At no time will any information, belonging to or intended for the State of Delaware, be copied, disclosed, or retained by PROVIDER or any party related to PROVIDER for subsequent use in any transaction. The PROVIDER will take reasonable steps to limit the use of, or disclosure of, and requests for, confidential State data to the minimum necessary to accomplish the intended purpose under this agreement. PROVIDER may not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service. Protection of Personally Identifiable Information (PII, as defined in the State's *Terms & Conditions Governing Cloud Services* policy), privacy, and sensitive data shall be an integral part of the business activities of the PROVIDER to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. The PROVIDER shall safeguard the confidentiality, integrity, and availability of State information. No party related to the PROVIDER or contracted by the PROVIDER may retain any data for subsequent use in any transaction that has not been expressly authorized by the State of Delaware.
3	☐	☐	**Termination and Suspension of Service:** In the event of termination of the contract, PROVIDER shall implement an orderly return of State of Delaware data in CSV, XML, or another mutually agreeable format. The PROVIDER shall guarantee the subsequent secure disposal of State of Delaware data. a) Suspension of services: During any period of suspension, contract negotiation, or disputes, the PROVIDER shall not take any action to intentionally erase any State of Delaware data. b) Termination of any services or agreement in entirety: In the event of termination of any services or agreement in entirety, the PROVIDER shall not take any action to intentionally erase any State of Delaware data for a period of ninety (90) days after the effective date of the termination. All obligations for protection of State data remain in place and enforceable during this 90-day period. After such 90-day period has expired, the PROVIDER shall have no obligation to maintain or provide any State of Delaware data and shall thereafter, unless legally or contractually prohibited,

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			dispose of all State of Delaware data in its systems or otherwise in its possession. Within this 90-day timeframe, the PROVIDER will continue to secure and back up State of Delaware data covered under the contract. c) Post-Termination Assistance: The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement. d) Secure Data Disposal: When non-public data is provided by the State of Delaware, the PROVIDER shall destroy all requested data in all of its forms (e.g., disk, CD/DVD, backup tape, paper). Data shall be permanently deleted, and shall not be recoverable, in accordance with National Institute of Standards and Technology (NIST) approved methods after ninety (90) days of the contract termination. The PROVIDER shall provide written certificates of destruction to the State of Delaware.
4		☐	**Data Location:** The PROVIDER shall not store, process, or transfer any non-public State of Delaware data outside of the United States, including for back-up and disaster recovery purposes. The PROVIDER will permit its personnel and subcontractors to access State of Delaware data remotely only as required to provide technical or call center support.
5		☐	**Encryption:** The PROVIDER shall encrypt all non-public **data in transit** regardless of the transit mechanism. For engagements where the PROVIDER stores sensitive personally identifiable or otherwise confidential information, this data shall be **encrypted at rest.** The PROVIDER's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the PROVIDER cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach in accordance with the Cloud and Offsite Hosting Policy. See section 11.
6		☐	**Breach Notification and Recovery:** The PROVIDER must notify the State of Delaware at eSecurity@delaware.gov immediately or within 24 hours of any determination of the breach of security as defined in 6 Del. C. §12B-101(2) resulting in the destruction, loss, unauthorized disclosure, or alteration of State of Delaware data. The PROVIDER shall send a preliminary written report detailing the nature, extent, and root cause of any such data breach no later than two (2) business days following notice of such a breach. The PROVIDER will continue to send any and all reports subsequent to the preliminary written report. The PROVIDER shall meet and confer with representatives of DTI regarding required remedial action in relation to any such data breach without unreasonable delay. If data is not encrypted (*see* CS3, below), Delaware Code (6 Del. C. §12B-100 et seq.) requires public breach notification of any incident resulting in the loss or unauthorized disclosure of Delawareans' Personally Identifiable Information (PII, as defined in

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Insurance	Public Data	Non Public Data	
			Delaware's *Terms and Conditions Governing Cloud Services* policy) by PROVIDER or its subcontractors. The PROVIDER will assist and be responsible for all costs to provide notification to persons whose information was breached without unreasonable delay but not later than sixty (60) days after determination of the breach, except 1) when a shorter time is required under federal law; 2) when law enforcement requests a delay; or 3) reasonable diligence did not identify certain residents, in which case notice will be delivered as soon as practicable. All such communication shall be coordinated with the State of Delaware. Should the PROVIDER or its contractors be liable for the breach, the PROVIDER shall bear all costs associated with investigation, response, and recovery from the breach. This includes, but is not limited to, credit monitoring services with a term of at least three (3) years, mailing costs, website, and toll-free telephone call center services. The State will retain all determining authority for breach accountability and responsibility. The State of Delaware shall not agree to any limitation on liability that relieves the PROVIDER or its subcontractors from its own negligence, or to the extent that it creates an obligation on the part of the State to hold a PROVIDER harmless. The PROVIDER shall not issue a media notice without the approval of the State.
7		☐	**Background Checks:** The PROVIDER must warrant that they will only assign employees and subcontractors who have passed a federally compliant (IRS Pub 1075 2.C.3) criminal background check. The background checks must demonstrate that staff, including subcontractors, utilized to fulfill the obligations of the contract, have no convictions, pending criminal charges, or civil suits related to any crimes of dishonesty. This includes but is not limited to criminal fraud, or any conviction for any felony or misdemeanor offense for which incarceration for a minimum of one (1) year is an authorized penalty. The PROVIDER shall promote and maintain an awareness of the importance of securing the State's information among the PROVIDER's employees and agents. Failure to obtain and maintain all required criminal history may be deemed a material breach of the contract and grounds for immediate termination and denial of further work with the State of Delaware.
8		☐	**Security Logs and Reports:** The PROVIDER shall allow the State of Delaware access to system security logs that affect this engagement, its data, and or processes. This includes the ability for the State of Delaware to request a report of the records that a specific user accessed over a specified period of time.
9		☐	**Sub-contractor Flowdown:** The PROVIDER shall be responsible for ensuring its subcontractors' compliance with the security requirements stated herein.
10		☐	**Contract Audit:** The PROVIDER shall allow the State of Delaware to audit conformance including contract terms, system security, and data centers, as appropriate. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense. Such reviews shall be

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between State of Delaware and _____ dated _____

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			conducted with at least thirty (30) days advance written notice and shall not unreasonably interfere with the PROVIDER's. business. In lieu of performing its own audit, the State may request the results of a third party audit from the PROVIDER or an attestation of compliance.
11		☐	**Cyber Liability Insurance:** Vendor shall maintain cyber liability insurance as required by the contract.

The terms of this Agreement shall be incorporated into the aforementioned contract. Any conflict between this Agreement and the aforementioned contract shall be resolved by giving priority to this Agreement. By signing this Agreement, the PROVIDER agrees to abide by the following applicable Terms and Conditions:

FOR OFFICIAL USE ONLY

a **1-3 (Public Data)**

☐ **1-11 (Non-Public Data)**

Provider Name/Address (print): _____

_____

_____

Provider Authorizing Official Name (print): _____

Provider Authorizing Official Signature: _____

Date: _____

APPENDIX B: Scope of Services
Contract Number: TRE26202-LOCBANKSATM
SCOPE OF SERVICES

1. Current Local Banking Environment

The State, through OST, maintains local banking contractual relationships to support the operational banking needs of State agencies, school districts, courts, and other eligible State entities.

Local banking services are currently provided through multiple financial institutions and include a combination of deposit, disbursement, treasury management, reporting, reconciliation, and other banking services. Many local banking accounts are maintained and operated by individual State entities under centralized OST oversight and are not directly integrated with the State's financial accounting system, First State Financial ("FSF").

The State currently maintains local banking relationships with M&T Bank, TD Bank, and Citizens Bank.

The following table provides an overview of the current Local Banking environment. Account counts, balances, and activity are provided for informational purposes only and may change during the term of the resulting contract.

Financial Institution	Approximate Number of Accounts	Approximate Balance as of August 31, 2026
M&T Bank	177	$ 69,038,382.29
TD Bank	22	$ 8,256,173.65
Citizens Bank	52	$ 7,112,511.33
Total	**251**	**$ 84,407,067.27**

The State intends to select one Vendor with sufficient statewide branch coverage to serve as the State's primary, but not exclusive, OTC collection bank. The State may make additional awards to ensure appropriate geographic coverage, operational capability, and access throughout New Castle, Kent, and Sussex Counties.

Individual State entities may utilize awarded Vendors in accordance with OST-established procedures and the terms of the resulting contracts.

2. Local Banking Structure, Contract Administration and Relationship Management

OST maintains centralized oversight and administration of the State's Local Banking program. The current structure includes one primary Local Banking relationship and additional financial institutions that provide supplemental OTC and other Local Banking services.

M&T Bank currently serves as the State's primary Local Banking provider. TD Bank and Citizens Bank provide additional Local Banking and OTC services to support geographic coverage and agency operational needs.

Services available under the Local Banking relationships vary based on agency requirements and include branch deposit services, OTC collections, check disbursement, treasury management, commercial online banking, deposit identification and reconciliation, file transmission, funds transfer, reporting, fraud-prevention services, and other related banking services.

Selected Vendors shall provide a relationship management team with experience supporting governmental or other public-sector clients.

At a minimum, relationship management services shall include:

1. Regular review of open issues and service matters
2. Review of account analysis statements and application of contractual pricing
3. Review of existing and emerging banking products and services
4. Identification of opportunities to improve operational efficiency or reduce costs
5. Coordination of training related to banking systems and services
6. Review of fraud-prevention controls and emerging risks
7. Review of collateralization requirements and compliance
8. Review of ongoing projects and implementation activities
9. Review of the Vendor's financial condition and material changes, as appropriate

Selected Vendors shall participate in relationship review meetings with OST at least quarterly, or more frequently as requested.

3. Statewide Branch Banking and OTC Deposit Services

State entities utilize physical banking locations throughout Delaware to deposit coin, currency, checks, and other items.

Selected Vendors shall provide branch banking services sufficient to support State operations throughout New Castle, Kent, and Sussex Counties.

Required services include:

1. Acceptance and processing of OTC deposits, including coin, currency, and checks
2. Availability of teller services
3. Night-depository services, where applicable
4. Acceptance of deposits delivered by authorized third-party couriers
5. Currency and coin ordering services
6. Deposit verification and adjustment processing
7. Deposit discrepancy research and resolution
8. Availability of deposit tickets, bags, coin wrappers, and other required banking supplies; and
9. Clear disclosure of any branch-specific service limitations, restrictions, or processing requirements

4. Over the Counter (OTC) Collection Accounts and Funds Concentration

Certain Local Banking relationships support State OTC collection accounts used to receive deposits from participating State entities. The State utilizes automatic Standard Transfer Orders ("STOs") to transfer funds from designated accounts into the OST's J.P. Morgan concentration account.

Current transfer arrangements include:

Source Account / Banking Activity	Current Automatic Transfer Schedule
M&T Bank – OTC collections	Every Monday
Citizens Bank – OTC collections	Every Wednesday and Friday
Division of Revenue – cannabis account at M&T Bank	Monthly on the 25th; if the 25th is a holiday, on the next business day
Bank of America – merchant services deposits	Every Wednesday

These arrangements are provided for informational purposes to describe the State's current funds-concentration environment. Services required under an individual award shall be determined by OST. OST may modify transfer schedules, source accounts, destination accounts, or other transfer instructions as operational needs change.

Selected Vendors providing OTC collection and funds-concentration services shall support:

1. Timely crediting of agency deposits
2. Identification of deposits by agency, location, or other State-designated identifier
3. Daily reporting of deposit activity
4. Appropriate reconciliation information
5. Automatic scheduled transfers of collected balances into a State-designated account;
6. Applicable reporting and file transmission requirements
7. Transfer confirmations and notification of failed, delayed, or rejected transfers
8. Coordination with OST regarding changes to deposit or funds-transfer processes

Vendors shall describe applicable cutoff times, funds-availability requirements, holiday processing, transfer methods, and any minimum balance, target balance, or other transfer conditions.

5. Deposit Identification and Reconciliation Services

The State utilizes deposit identification and reconciliation services to distinguish activity among State entities and individual depositing locations.

Selected Vendors shall:

1. Support unique agency, location, or site identification numbers
2. Associate deposit activity with the applicable agency or depositing location
3. Provide daily deposit-detail reporting
4. Support reconciliation of deposits by agency and location
5. Provide OST with consolidated reporting across the relationship
6. Provide participating agencies with reporting limited to their applicable activity

7. Support research and resolution of deposit discrepancies

The Vendor shall describe any limitations on the number, format, or structure of deposit identification codes.

6. Specialized State Agency Banking Requirements

Certain State entities have operational banking requirements that are more complex than standard branch deposit activity. The selected Vendor(s) shall be capable of supporting these requirements when applicable.

A. Department of Health and Social Services – Division of Child Support Services

The Division of Child Support Services ("DCSS") administers Delaware's child support program and assists parents and caregivers with establishing and enforcing financial and medical support obligations for children. DCSS services include establishing parentage, establishing and modifying child support orders, enforcing support obligations, collecting and distributing child support payments, and coordinating with other states and governmental partners in the administration of the child support program.

DCSS's current Local Banking relationship is with TD Bank. The Division maintains a primary account structure supported by multiple Zero Balance Accounts ("ZBAs") and utilizes banking and treasury management services to support the collection, disbursement, reconciliation, and administration of child support payments.

Applicable banking services and requirements include:

- Primary and ZBA account structures supporting DCSS operations
- Commercial online banking and treasury management reporting
- Full reconciliation services
- Positive Pay
- Check Block
- ACH receipt activity
- ACH Debit Block
- Stale-date services
- Input and output transmission activity
- AR/hard-copy reconciliation
- Reporting and account-management functionality
- Other banking and treasury management services necessary to support DCSS operations

Selected Vendors shall be capable of supporting DCSS's existing account structure and associated treasury management services, including ZBA functionality, reconciliation, electronic payment activity, fraud-prevention controls, file transmissions, reporting, and related account-management requirements.

B. Department of Health and Social Services (DHSS) – Division of Social Services (DSS) Welfare

The Division of Social Services ("DSS") administers programs that help eligible Delaware residents and families meet basic needs and achieve greater stability, including food assistance, medical coverage, child care assistance, cash assistance, utility assistance, and other social service programs.

Welfare-related banking activity is administered within the DHSS and supports DSS program operations, including benefit payments and other client-related disbursements. The current Local Banking relationship supporting these activities is with M&T Bank.

Applicable banking services and requirements include:

- Branch check-cashing services for eligible welfare checks
- Ability to accommodate DSS/DHSS-issued photo identification presented by eligible recipients who may not possess a Delaware driver's license or other traditional government-issued identification
- Multiple account structures supporting DSS program activity
- Check disbursement services
- Positive Pay Payee and related check-fraud prevention controls
- ACH origination, receipt, and other electronic payment activity, as applicable
- ACH control and related payment-validation processes
- Secure file transmission supporting payment, reconciliation, or other banking activity
- Account and transaction reconciliation services
- Commercial online banking access
- Current-day and other applicable transaction reporting
- User access, entitlements, and administrative controls
- Reporting and account information required to support DSS operations
- Other treasury management services necessary to support welfare-related banking activity

Selected Vendors shall be capable of supporting DHSS and DSS welfare-related banking processes and working with OST and applicable DHSS representatives to implement, test, and maintain applicable payment files, fraud controls, reporting, reconciliation, and other treasury management services.

C. Department of Health and Social Services – Division of Medicaid and Medical Assistance

The Division of Medicaid and Medical Assistance ("DMMA") administers Medicaid and other medical assistance programs that provide health care coverage and services to eligible Delawareans, including low-income individuals and families, seniors, and individuals with disabilities. These programs support access to services such as physician and hospital care, prescription drugs, transportation, behavioral health services, and other covered medical assistance.

DMMA's current banking relationship is with M&T Bank and includes banking services that support its program operations, including services performed in coordination with its third-party vendor, Gainwell Technologies.

Applicable banking services and requirements include:

- Lockbox services
- Implementation of new or modified lockbox arrangements
- Establishing bank accounts

- Deleting bank accounts
- Transfer of funds between accounts
- Deposit processing and funds concentration
- Coordination with DMMA and its designated third-party vendor
- File transmissions and other technical integrations
- Reporting and reconciliation requirements;
- Commercial online banking and account access, where applicable
- Account structure and administration
- Understanding and adherence to city, county, state and federal laws, rules and regulations
- Guidance on applicable banking laws, rules and regulations
- Having the right to conduct banking activities in multiple states
- Implementation, testing, and transition support
- Other Medicaid-specific banking or treasury management services

Selected Vendors shall be capable of working with OST, DMMA, Gainwell Technologies, and other applicable parties to support existing and future banking processes and to ensure continuity of service during implementation or transition.

D. Delaware Judicial Branch

The Delaware Judicial Branch includes the Supreme Court, Court of Chancery, Superior Court, Court of Common Pleas, Family Court, Justice of the Peace Court, the Administrative Office of the Courts, and related judicial agencies. The Judicial Branch operates court facilities and related judicial functions throughout the State and maintains banking relationships that support court collections, disbursements, deposits, transfers, reconciliation, and other financial operations.

The Judicial Branch's current Local Banking relationship is with M&T Bank. Multiple courts and judicial accounts are maintained within the Local Banking framework to support the operational needs of the individual courts and related judicial functions.

Applicable banking services and requirements include:

- Multiple account structures supporting individual courts and judicial operations
- Transfers among designated court and related accounts
- Deposit identification and reconciliation services
- Deposit tickets or other deposit-identification mechanisms that allow deposits to be attributed to the appropriate court, location, or account
- Over-the-counter deposit services, where applicable
- Check disbursement services
- Commercial online banking
- User access, entitlements, and multiple approval levels
- Account and transaction reporting
- Reconciliation services
- Fraud-prevention and account-control services
- Other court-specific treasury management services

Selected Vendors shall be capable of supporting the Judicial Branch's multi-account structure, including transfers among designated accounts and applicable deposit-identification and reconciliation

processes. Vendors shall also support appropriate user access, reporting, controls, and other treasury management functionality required by the individual courts and Judicial Branch administrative functions

D. Department of Services for Children, Youth and Their Families

The Department of Services for Children, Youth and Their Families ("DSCYF"), also known as the Delaware Children's Department, provides and manages services for children, youth, and families across Delaware, including prevention, early intervention, behavioral health treatment, child protection, foster care and adoption, permanency services, and juvenile justice and rehabilitative services.

DSCYF's current Local Banking relationship is with M&T Bank. The Department utilizes banking services to support client-related financial activity and other program operations. In certain circumstances, DSCYF also requires the establishment of custodial accounts for minors pursuant to the Uniform Transfers to Minors Act ("UTMA").

Although these accounts may be established as consumer or custodial accounts rather than traditional commercial accounts, they are supported under the State's Local Banking program and coordinated through OST.

Applicable banking services include:

- ACH origination and other electronic disbursements
- Commercial online banking and reporting
- Reconciliation and account administration
- User and administrative access
- Fraud-prevention controls
- Establishment, maintenance, and closure of UTMA or other court-required custodial accounts
- Establishment of such accounts in accordance with applicable court orders and agency requirements
- Other client- or program-specific banking services

Transaction Volumes

DSCYF's estimated monthly transaction volumes and amounts are as follows:

- Social Security deposits: An average of 126 deposits per month, totaling approximately $111,250.
- Manual checks issued through M&T Bank: Approximately 5–10 checks per month.
- Checks issued by OST through Bottomline: Approximately 120 checks per month.
- ACH transfers to foster care and adoption families: Approximately 800 transfers per month.
- Deposits from the State of Delaware: Approximately $1,520,000 per month.

Selected Vendors must be able to support the establishment and maintenance of UTMA accounts, when required by DSCYF, under the State's Local Banking program and in a manner that satisfies applicable agency and court requirements.

E. Other State Entities

The State reserves the right to add eligible State entities or additional banking services during the contract term, subject to applicable contract terms and OST approval.

7. Check Disbursement and Fraud-Prevention Services

Certain Local Banking accounts require check disbursement capabilities.

Applicable services may include

1. Basic check disbursement services
2. Positive pay and payee positive pay
3. Check issue-file processing
4. Exception reporting and decisioning
5. Stop payments
6. Stale-dated check controls
7. Duplicate-presentment detection
8. ACH debit blocks or filters
9. Other account-level fraud-prevention controls
10. Online access to check images and related reporting

8. Commercial Online Banking and User Administration

Selected Vendors shall provide secure commercial online banking capabilities that support centralized OST oversight while permitting appropriate delegation of administrative responsibilities to participating State agencies.

The platform shall support:

1. An OST-level enterprise hierarchy
2. Agency-level administrative structures
3. Agency users associated with their respective agency and accounts
4. Delegated agency administration within OST-established parameters
5. Role-based entitlements
6. Account-level permissions
7. Transaction-level permissions
8. Multifactor authentication
9. Appropriate dual-control and segregation-of-duties functionality
10. Administrative and user audit trails
11. OST consolidated user and entitlement reporting
12. Agency-level reporting limited to the applicable agency

OST shall retain ultimate oversight and the ability to review, modify, suspend, or revoke agency-level administrative authority.

9. Reporting, Account Analysis and Reconciliation

OST and participating State entities require timely access to account and transaction information.

Selected Vendors shall provide:

1. Current-day and prior-day balance reporting
2. Detailed debit and credit transaction reporting
3. Monthly bank statements
4. Account analysis statements
5. Consolidated account analysis reporting for OST
6. Deposit reconciliation reporting
7. Check reconciliation reporting, where applicable
8. Returned-item reporting
9. Positive-pay and exception reporting
10. Online access to applicable check and returned-item images
11. Electronic download of reporting in commonly used formats, including Excel where available
12. Scheduled or automated reporting capabilities where available

10. File Transfers and Technical Integration

The State currently sends and receives electronic files associated with certain Local Banking services. These files support account and deposit reporting, payment activity, reconciliation, agency-specific banking processes, and other operational requirements.

Selected Vendors shall support secure electronic file transmission, including Secure File Transfer Protocol ("SFTP"), and comply with applicable State of Delaware Department of Technology and Information ("DTI") standards and requirements, including the Terms and Conditions Governing Cloud Services and Data Usage policy, as applicable.

Required file capabilities shall include, as applicable, BAI/BAI2 account and transaction reporting, ACH/NACHA payment files, check issue and positive-pay files, reconciliation files, and other State- or agency-required banking files. Specific file layouts, transmission schedules, processing requirements, and connectivity arrangements shall be confirmed with OST, DTI, and participating State agencies during implementation.

The State prefers standard industry file formats and seeks to minimize State-developed customization. Where customization is required, selected Vendors shall work collaboratively with OST, DTI, and participating State agencies to develop, test, and maintain required file transmissions and interfaces.

State Financial Systems and Modernization

Certain Local Banking files and reporting processes interface with the State's financial accounting environment. The State currently uses FSF, based on PeopleSoft Financials, for applicable accounting and financial processing. Not all Local Banking accounts or agency-specific banking processes are integrated with FSF.

The State's financial systems are undergoing modernization and are expected to transition to cloud-based technology during the term of the resulting contract. Selected Vendors shall support current State file and reporting requirements while working with OST, DTI, and participating State agencies to accommodate future system changes, revised file formats, interfaces, transmission methods, or other technical requirements resulting from modernization.

Where applicable, files may support FSF processing, agency-specific systems, reconciliation processes, or other State-designated applications.

Vendor Requirements

Selected Vendors shall, as applicable:

1. Support all required incoming and outgoing file transmissions associated with the Local Banking services
2. Provide files in formats compatible with State and agency system requirements;
3. Support standard industry formats, including applicable BAI/BAI2, ACH/NACHA, or other banking file formats where required
4. Support secure transmission methods, including Secure File Transfer Protocol ("SFTP") or other State-approved methods
5. Participate in connectivity, file-layout, transmission, and user acceptance testing;
6. Provide appropriate file receipt, transmission, and processing confirmations
7. Meet applicable timing and processing requirements for daily, monthly, or other scheduled files
8. Support reasonable modifications required as State systems, agency applications, or technical environments change
9. Notify OST in advance of material changes to file formats, transmission methods, security requirements, or processing schedules
10. Work with OST, DTI, and participating State agencies to troubleshoot and resolve file or interface issues
11. Maintain appropriate business continuity and contingency procedures for critical file transmissions
12. Support implementation and transition activities necessary to maintain continuity of Local Banking services

Future System Changes

During the contract term, the State may modify or replace financial, accounting, reconciliation, or agency-specific systems. Selected Vendors shall reasonably cooperate with the State to support resulting changes to files, interfaces, connectivity, security protocols, testing requirements, and other technical processes.

The Vendor shall identify any material costs, lead times, or technical limitations associated with such changes before implementation.

11. Earnings Credit, Interest and Balance Management

Selected Vendors shall provide competitive options for management of balances maintained in Local Banking accounts.

Applicable services may include:

1. Competitive earnings credit rates
2. Interest-bearing deposit accounts
3. Overnight sweep or investment options, where appropriate
4. Carryforward of excess earnings credits, where available
5. Transparent reporting of earnings credits, interest, and balance-based charges
6. Other balance-management structures proposed by the Vendor

12. Collateralization

All State funds shall be collateralized in accordance with applicable law and the Cash Management Policy Board Guidelines contained in **Appendix C**.

Selected Vendors shall:

1. Collateralize collected balances exceeding applicable FDIC insurance limits as required
2. Maintain eligible collateral in accordance with the Guidelines
3. Provide required collateral reporting
4. Monitor collateral levels and promptly correct deficiencies
5. Comply with all applicable State requirements governing the deposit and collateralization of State funds

13. Implementation and Transition

Selected Vendors shall provide comprehensive implementation and transition support.

Required services shall include, as applicable:

1. Development of a detailed implementation plan
2. Assignment of an experienced implementation team
3. Account establishment and conversion
4. Treasury management service setup
5. Commercial online banking hierarchy configuration
6. OST, agency administrator, and end-user setup
7. File development and connectivity
8. Technical and user acceptance testing
9. Coordination with OST, DTI, and participating State agencies
10. Training
11. Cutover planning
12. Parallel or transition support where necessary
13. Contingency planning
14. Post-implementation stabilization support; and
15. Resolution of implementation issues within agreed timelines

Implementation activities shall be coordinated to maintain continuity of State banking operations.

14. Records Retention and Successor Transition

Upon expiration or termination of the resulting contract, the Vendor shall cooperate fully with OST and any successor financial institution to support an orderly transition.

The Vendor shall:

1. Provide State-owned records and information associated with the services
2. Provide applicable historical reporting and account information
3. Support transition of files, reporting, and technical interfaces
4. Assist with transition of account and service information
5. Maintain required services during the agreed transition period

6. Provide other reasonable transition assistance necessary to prevent interruption of State operations

15. Automated Teller Machine ("ATM") Services
The State seeks ATM services at designated State facilities to support access to cash for employees, visitors, and members of the public.

Current ATM Locations
The current ATM inventory provided to OST identifies the following locations:

Location	Address	City
Carvel State Building	820 N. French Street	Wilmington
DMV – Delaware City	2101 Mid County Drive	Delaware City
DMV – Wilmington	2230 Hessler Boulevard	New Castle
DMV – Dover	303 Transportation Circle	Dover
DMV – Georgetown	23737 DuPont Boulevard	Georgetown

Locations are provided for informational purposes. The State may request the addition, relocation, replacement, or removal of ATMs during the contract term, subject to OST approval, coordination with the applicable State entity, and the terms of the resulting contract.

Required ATM Services
Selected Vendors providing ATM services shall:

1. Provide, install, operate, maintain, and service ATMs at State-approved locations
2. Coordinate installation, replacement, relocation, and removal with OST and the applicable facility representatives
3. Provide cash replenishment, cash balancing, and related servicing sufficient to support anticipated usage
4. Describe available cash denominations and the ability to accommodate location-specific dispensing requirements
5. Provide required transaction processing, network connectivity, monitoring, and technical support
6. Maintain appropriate physical and information security controls, including controls addressing tampering, skimming, and unauthorized access
7. Provide equipment and services that satisfy applicable accessibility requirements
8. Disclose supported transaction types, participating networks, card acceptance, and any service limitations
9. Clearly disclose proposed customer surcharges, surcharge-free arrangements, State costs, compensation, revenue sharing, and other financial terms in the Schedule of Fees
10. Provide routine preventive maintenance and timely repair or replacement of malfunctioning equipment
11. Identify service availability standards, monitoring procedures, support hours, response times, escalation contacts, and outage-notification procedures
12. Provide monthly reporting of transaction activity, cash dispensed, service availability, outages, and applicable fees or compensation

13. Provide a clearly identified process for customer inquiries, transaction disputes, and ATM-related complaints and
14. Support an orderly transition at contract commencement, expiration, or termination to minimize interruption of ATM services.

Vendor Proposal Requirements

Vendors shall describe their proposed ATM service model, including equipment ownership, responsibility for cash funding and replenishment, equipment capabilities, connectivity, installation requirements, maintenance, insurance coverage, loss responsibility, and any services performed by subcontractors.

Vendors shall identify any State-provided space, electrical service, telecommunications connectivity, physical access, or other facility support required for installation and ongoing operation.

All proposed installation, operation, maintenance, relocation, removal, and other charges shall be disclosed in the Schedule of Fees. Any proposed compensation or revenue-sharing arrangement shall be separately identified.

APPENDIX C: Cash Management Policy Board Guidelines
Contract Number: TRE26202-LOCBANKSATM

OFFICE OF THE STATE TREASURER
CASH MANAGEMENT POLICY BOARD

1200 Cash Management Policy Board

1202 Statement of Objectives and Guidelines for the Investment of State of Delaware Funds

1.0 Statutory Authorization

1.1. **Role of the Cash Management Policy Board.** The Cash Management Policy Board ("Board") was created by 63 Del. Laws, ch. 142, to establish policies (a) for the investment of all money belonging to the State or on deposit from its political subdivisions, other than money deposited in any State Pension Fund or the State Deferred Compensation Program, ("State Funds") and (b) to determine the terms, conditions, and other matters relating to those investments including the designation of permissible investments.

1.2. **Role of the Office of the State Treasurer.** The investment of State Funds is to be made by the Office of the State Treasurer ("OST") in accordance with the objectives and guidelines outlined herein ("Guidelines"); provided, however, that the Board, by majority vote, may authorize OST to depart from the Guidelines.

1.1. DE Reg. 968 (06/01/18)
21 DE Reg. 584 (01/01/20)

2.0 Accounts

2.1. **Designation of Accounts.** For purposes of these Guidelines, State Funds are to be allocated and held in a variety of accounts as outlined below ("Accounts"):

2.1.1. **Collection and Disbursement Accounts**. Cash required to meet the State's anticipated near-term operating requirements is to be held in "Collection and Disbursement Accounts." These accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 5.0 below by qualified financial institutions ("Cash Management Banks") selected by the Board through a competitive bid process.

2.1.2. **Liquidity Accounts**. Cash not required for the State's near-term operating requirements but readily available for anticipated funding needs of the State will be held in "Liquidity Accounts." State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 6.0 below by qualified investment managers ("Liquidity Managers") selected by the Board through a competitive bid process.

2.1.3. **Reserve Accounts**. Cash that is not anticipated to be needed for the State's near-term operating requirements or funding needs, but can be made available for unanticipated needs is to be held in "Reserve Accounts". State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 7.0 below by qualified investment managers ("Reserve Managers") selected by the Board through a competitive bid process.

2.1.4. **Endowment Accounts**. "Endowment Accounts" consist of State Funds set-aside for specified legislative purposes with the intent of growing the corpus of such funds over time. State Funds in these accounts will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 8.0 below by qualified investment managers selected by the Board through a competitive bid process ("Endowment Managers").

2.1.5. **Operating Accounts.** "Operating Accounts" consist of State Funds set aside for specified purposes to be made available as and when required to meet such purposes. State Funds in these accounts

will be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 9.0 below by Liquidity Managers or such other financial institutions as determined by the Board.

2.1.6. **Settlement Accounts**. "Settlement Accounts" consist of State Funds that have been deposited into a demand deposit account at a Merchant Bank following the processing of a debit or credit card transaction. Cleared amounts deposited to the Settlement Accounts, net of merchant processor and related fees, shall be transmitted via ACH to a Collection and Disbursement Account within 2 business days after deposit. Settlement Accounts shall be managed and invested in accordance with the general provisions of these Guidelines and the specific provisions of Section 10.0 below. The term "**Merchant Bank**" means a qualified financial institution approved by the Board to maintain a Settlement Account.

2.2. **List of Accounts**. OST shall maintain on its website a current listing of all Accounts and the Cash Management Banks, Merchant Banks, Liquidity Managers, Reserve Managers, and Endowment Managers approved by the Board to manage State Funds in such Accounts.

23 DE Reg. 584 (01/01/20)

24 DE Reg. 716 (01/01/21)

3.0 Allocation of State Funds

3.1. **General Allocation.** The Board is responsible for setting the policy as to the allocation of State Funds among the Accounts (29 **Del.C.** §2716(a)(2)).

3.2. Allocation among Accounts

3.2.1. **Cash Accounts**. Unless otherwise determined by the Board, OST shall use its discretion to allocate State Funds among the Collection and Disbursement Accounts, Liquidity Accounts, and Reserve Accounts (collectively, "Cash Accounts") in accordance with the general purposes of such Accounts as described in Section 2.0 of these Guidelines and the investment objectives more particularly described in Sections 5.0 – 7.0 below. In general, OST attempts to minimize the number of transfers of State Funds in and out of both Liquidity Accounts and Reserve Accounts. In the former case, OST maintains balances of funds with the Cash Management Banks sufficient to meet the State's daily requirements over the near-term, allowing Liquidity Account balances to fluctuate based on the reasonably predictable cyclical pattern of the State's annual collections and disbursements. In the latter instance, OST allocates State Funds to and from Reserve Accounts only as unforeseen need for, or receipt of, funds occur that deviates meaningfully from the State's historical pattern of collections and disbursements. Notwithstanding the foregoing, the Board may express a fixed allocation of State Funds to be held in each of the Cash Accounts to reflect then-prevailing market conditions or other considerations related to the probable income from and/or level of risk related to the investment of State Funds. (29 **Del.C.** §2716(a)). In such cases, OST may be required to make more frequent allocations among the Cash Accounts.

3.2.2. **Endowment Accounts and Operating Accounts**. Unless otherwise determined by the Board, OST shall allocate State Funds to the Endowment Accounts and Operating Accounts in accordance with the general purposes of such Accounts described in Section 2.0 of these Guidelines and the investment objectives more particularly described in Sections 8.0 and 9.0 below.

3.3. Allocation among Banks and Managers

3.3.1. **Cash Management Banks**. Unless otherwise determined by the Board, OST shall further allocate State Funds in the Collection and Disbursement Accounts among the Cash Management Banks in such proportions as OST determines in its discretion are necessary or desirable to meet the State's anticipated near-term anticipated operating liquidity requirements.

3.3.2. **Liquidity Managers**. Unless otherwise determined by the Board and subject to the provisions of subsection 3.3.5 below, OST shall further allocate State Funds in the Liquidity Accounts pro rata among the Liquidity Managers based on the aggregate amount of State Funds in such Accounts.

3.3.3. **Reserve Managers**. Unless otherwise determined by the Board, OST shall further allocate State Funds in the Reserve Accounts pro rata among the Reserve Managers based on the aggregate amount of State Funds in such Accounts.

3.3.4. **Endowment Managers**. Unless otherwise determined by the Board, OST shall further allocate State Funds in the Endowment Accounts pro rata among the Endowment Managers based on the aggregate amount of State Funds in such Accounts.

3.3.5. **Special Allocation of State Funds in Operating Accounts**. Unless otherwise determined by the Board, OST shall further allocate State Funds in Operating Accounts pro rata among the Liquidity Managers or such other financial institutions as directed by the Board pursuant to subsection 2.1.5.

4.0 General Investment Standards and Objectives

10.1 **Standard of Care**. In general, the banks and managers engaged as fiduciaries to manage State Funds shall exercise the judgment and care over the investment of such funds with the care, skill, prudence, and diligence under the circumstances then prevailing that prudent professional investment managers, acting in like capacity and familiar with such matters, would use in the investment of State Funds.

10.2 **General Objectives**. Subject to the more specific policies set out in Sections 5.0, 6.0, 7.0, 8.0, and 9.0 of these Guidelines, State Funds shall be invested in a manner that ensures the safety of, provides liquidity for,and maximizes return on such funds. For purposes of these Guidelines, the foregoing priorities have the following meanings:

10.2.1 **Safety**. Safety is defined as the ability, under ordinary market conditions, to ensure against the loss of the original investment amount of State Funds. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio.

10.2.2 **Liquidity**. Liquidity is defined as the capacity to realize, convert to cash, an asset in a timely fashion, at or near its value. An asset is said to be liquid when the act of selling has little impact on the asset's price. State Funds shall remain sufficiently liquid to meet all anticipated operating requirements and funding needs, and should be managed and invested for availability to meet unanticipated needs with minimal losses associated with illiquidity.

10.2.3 **Return**. Return is defined as the gain or loss on an investment over a specified period. Gains on investments are considered to be any income received from the security plus the earnings an asset generates in excess of its initial cost. The State Funds portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity set out herein.

5.0 Collection and Disbursement Accounts

1.1 **Investment Objectives**. The funds in the Collection and Disbursement Accounts must be immediately available to support the State's daily governmental programs and activities. The primary investment objectives are therefore safety and liquidity of such funds; return is a secondary priority. OST may, consistent with these investment objectives, minimize credit risk associated with demand deposit account balances at Cash Management Banks through same-day money market mutual fund sweep products in accordance with subsection 5.2.2 and/or banking services arrangements offering "daylight overdraft" or similar privileges. End-of-day ledger balances shall be secured as provided in subsection 5.2.

1.2 **Permissible Investments**. Cash Management Banks shall maintain State Funds in either collateralized demand deposit accounts or open-end money market mutual funds, in each case, subject to the provisions of subsections 5.2.1 and 5.2.2, respectively, in order to mitigate the risk of State Funds being exposed to the credit risk of such financial institution.

1.2.1 **Demand Deposit Accounts**. State Funds held by Cash Management Banks in demand deposit accounts shall be collateralized with 1 or more of following approved methods: (a) pledges of government securities that meet the definitions set out in subsections 6.3.1.1 and 6.3.2.1 to a custody account held for the benefit of the State at a Federal Reserve Bank, or held by an independent trust company, bank or similar financial institution rated in the highest rating category by at least 1 Nationally Recognized Statistical Rating Organizations approved by OST ("NRSRO"); (b) irrevocable standby letters of credit ("LOCs") issued by a Federal Home Loan Bank or financial institution rated in the highest rating category by at least 1 NRSRO; and (c)

surety bonds issued by insurance companies rated in the highest rating category by at least 1 NRSRO (collectively, "Eligible Collateral"). The terms of any pledge or custody agreement, LOC, or surety bond shall be reviewed and approved by OST. The aggregate value of Eligible Collateral shall equal or exceed the total average monthly closing ledger balances of State Funds held or expected to be held by Cash Management Banks during the prior month, plus such additional amount of Eligible Collateral as OST may require Cash Management Banks to provide to protect against volatility and ensure that all uninsured ledger balances are fully secured at the close of each business day. Eligible Collateral in the form of government securities shall be marked to market at the close of each business day using an independent pricing service. A Cash Management Bank may substitute or reduce Eligible Collateral provided that Eligible Collateral levels meet or exceed the foregoing requirements. OST shall be provided with same-day notice of any such substitutions or reductions of Eligible Collateral. In addition, a Cash Management Bank shall provide OST with a detailed report of Eligible Collateral held in a custody account as requested by OST.

1.2.2 **Money Market Mutual Funds.** State Funds held by Cash Management Banks in money market mutual funds shall be invested solely in government securities that meet the definitions set out in subsections 6.3.1 and 6.3.2 and which are rated in the highest rating category by at least 1 NRSRO.

1.3 **Call Reports**. Each Cash Management Bank shall provide OST with a consolidated report of condition and income, generally referred to as a "call report," with respect to such financial institution on a quarterly basis unless such report is available publicly from the Federal Financial Institutions Examination Council's web site or a successor agency's website.

21 DE Reg. 968 (06/01/18)

23 DE Reg. 584 (01/01/20)

6.0 Liquidity Accounts

6.1 **Investment Objectives**. The primary investment objectives of the Liquidity Accounts are to maintain the safety of State Funds while ensuring the liquidity of such funds to be drawn down to the Cash Management Banks for the support of the anticipated funding needs of the State. As variations in the State's otherwise predictable pattern of annual collections and disbursements do occur and can be material, Liquidity Managers must be prepared to meet unanticipated liquidity demands of the State in addition to those anticipated by OST. After the achievement of those goals, the State seeks to maximize the return on such investments.

6.2 **Maturity Restrictions**. The maximum maturity for any investment of State Funds in the Liquidity Accounts shall be 2 years from the date of settlement. Notwithstanding the foregoing, securities identified in subsections 6.3.4, 6.3.9, 6.3.10, and 6.3.11 that are subject to periodic reset of coupon or interest rate may have an average life not to exceed 3 years as measured from the date of settlement.

6.3 **Permissible Investments and Percentage of Account Limitations**. State Funds held in Liquidity Accounts can be invested solely in the types of securities set out in this subsection 6.3. Each Liquidity Manager is further subject to limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Limit" of such security type identified in this subsection 6.3, measured as a percentage of the total Liquidity Account value of State Funds under such manager's discretion.

6.3.1 **United States Treasury Obligations**

6.3.1.1 Definition: Bills, bonds, and notes issued by the U.S. Treasury.

6.3.1.2 Percentage Limit: No limit.

6.3.2 **United States Government Agency Obligations**

6.3.2.1 Definition: Any obligation of, or obligation that is insured as to principal and interest by, the U.S. or any agency or corporation thereof (excluding bills, bonds and notes issued by the U.S. Treasury), and any obligation and security of U.S.-sponsored enterprises, limited to the Export-Import Bank of the United States, Farmers Home Administration, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Land Banks, Government National Mortgage Association, and the Federal National Mortgage Association.

6.3.2.2 Percentage Limit: 50% in total; 20% in any 1 issuer.

6.3.3 **Certificates of Deposit and Time Deposits**

6.3.3.1 Definition: Certificates of deposit and time deposits denominated in U.S. dollars and issued or endorsed by either (i) a bank or a savings and loan association organized and supervised under federal or any state laws and regulated by the Federal Reserve or a trust company which is a member of the Federal Reserve system or (ii) a bank organized and supervised under the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Any such banking institution must have assets of not less than $100 billion and be rated not lower than A1/P-1/F1 Short Term by at least 2 NRSROs.

6.3.3.2 Percentage Limit: 50% in total (domestic & non-domestic combined); 25% in all non-domestic banking institutions; 5.0% in any 1 issuer.

6.3.4 **Corporate Debt Instruments**

6.3.4.1 Definition: Commercial paper, variable rate notes, and non-convertible bonds and debentures denominated in U.S. dollars and issued by a U.S. corporation or a non-domestic corporation subject to the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Such securities must be rated by at least 2 NRSROs and (i) in the case of commercial paper, must be rated not lower than "A-2" by S&P, "P-2" by Moody's and "F2" by Fitch and the senior long-term debt of the issuer must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch (excluding asset-backed commercial paper that is rated A-1 or better) and (ii) in the case of notes, bonds and debentures, must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch; provided that, any security that meets the foregoing rating standards and is backed fully by an irrevocable, unconditional letter of credit issued by a banking institution shall not be permissible hereunder unless such banking institution meets the definition of subsection 6.3.3.1 (in which case, any such securities will be deemed to be securities of both the corporate issuer and the banking institution for purposes of calculating the Percentage Limits set forth in subsections 6.3.4.2 and 6.3.3.2, respectively).

6.3.4.2 Percentage Limit: 50% in total; 25% in all non-domestic corporations; 25% in any 1 industry; 5.0% in any 1 issuer. Notwithstanding the foregoing, absent written permission from OST and prior Board approval, 144A private placement securities otherwise authorized under subsections 6.3.4.1 and 11.1.7 may not exceed 30% of any Liquidity Account.

6.3.5 **Repurchase Agreements**

6.3.5.1 Definition: Securities permissible pursuant to subsections 6.3.1 and 6.3.2 acquired from a primary dealer designated by the NY Federal Reserve Bank, or a domestic bank which meets the definition set out in subsection 6.3.3.1, subject to a written repurchase agreement from such dealer or bank; provided that, (i) in the case of securities held in book-entry form in the Federal Reserve System, all deliveries of such securities must be made through the Federal Reserve book-entry system to an account designated by the State's custodian for such purpose and (ii) in the case of securities held in certificated form, all deliveries of such securities must be made to such address as designated by the State's custodian.

6.3.5.2 Percentage Limit: 50% in total; provided that any securities purchased subject to repurchase agreements shall be subject to the respective Percentage Limit for such security type as set forth in this subsection 6.3 and valued for such purposes at the lesser of fair market value and 102% of the maturity value of the securities pursuant to the repurchase agreement and marked-to-the-market daily as requested by the investment manager.

6.3.6 **Money Market Funds**

6.3.6.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 6.3.1 and 6.3.2) and which are rated in the highest rating category by at least 1 NRSRO.

6.3.6.2 Percentage Limit: No limit.

6.3.7 **Canadian Treasury Bills**

6.3.7.1 Definition: Marketable securities issued by the government of Canada; provided that such securities are U.S. dollar denominated.

6.3.7.2 Percentage Limit: 25% in total.

6.3.8 **Canadian Agency Securities**

6.3.8.1 Definition: Any obligation of any Canadian government-sponsored agency that is insured as to principal and interest by the Canadian Government; provided that the obligation is U.S. dollar denominated commercial paper having a maximum maturity of 270 days from the date of settlement.

6.3.8.2 Percentage Limit: 25% in total; 10% in any 1 agency.

6.3.9 **Mortgage-Backed Securities**

6.3.9.1 Definition: Government National Mortgage Association, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation mortgage-backed securities issued in the form of pass-throughs; provided that, such securities have (i) been issued and guaranteed by the US Government or Government Agency and (ii) an average life not to exceed 2 years from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed 3 years from the date of settlement).

6.3.9.2 Percentage Limit: 10% in total, including securities defined in subsection 6.3.10.1.

6.3.10 **Asset-Backed Securities**

6.3.10.1 Definition: Securities collateralized by pools of auto loan receivables, credit card receivables, and equipment loans; provided that such securities have (i) the highest credit rating from at least 2 NRSROs and (ii) an average life not to exceed 2 years from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed 3 years from the date of settlement).

6.3.10.2 Percentage Limit: 10% in total, including securities defined in subsection 6.3.9.1.

6.3.11 **Supranational Organizations or International Agencies**

6.3.11.1 Definition: Any obligation issued by a supranational organization or international agency denominated in U.S. dollars under U.S. securities law for sale in the United States as well as globally; provided that such obligation is rated by at least 2 NRSROs and must not be rated lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch. Supranational organizations include, but are not limited to, the World Bank, Asian Development Bank, Inter-American Development Bank, International Bank for Reconstruction and Development, International Finance Corporation, and the Agency for International Development.

6.3.11.2 Percentage Limit: 25% in total, 10% in any 1 agency.

23 DE Reg. 584 (01/01/20)

25 DE Reg. 728 (01/01/22)

28 DE Reg. 549 (01/01/25)

7.0 Reserve Accounts

1.1 **Investment Objectives**. The Reserve Accounts have been established to provide funding over an intermediate horizon but must be available to meet unanticipated operating requirements of the State as they arise. The primary investment objectives are to maintain the safety of and maximize the return on such funds. Liquidity of such funds is a secondary consideration, but Reserve Managers are expected to invest State Funds in a manner to mitigate losses in connection with the need to liquidate investments for unforeseen operating requirements.

1.2 **Maturity Restrictions**. The maximum maturity for any investment of State Funds in the Reserve Accounts shall be 11 years from the date of settlement.

1.3 **Permissible Investments and Percentage of Account Limitations**. State Funds held in Reserve Accounts can be invested solely in the types of securities set out in this subsection 7.3. Each Reserve Manager is further subject to limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Limit" of such security type identified in this

subsection 7.3, measured as a percentage of the total Reserve Account value of State Funds under such manager's discretion.

1.3.1 **United States Treasury Obligations**

1.3.1.1 Definition: Bills, bonds, and notes issued by the U.S. Treasury.

1.3.1.2 Percentage Limit: No Limit.

1.3.2 **United States Government Agency Obligations**

1.3.2.1 Definition: Any obligation of, or obligation that is insured as to principal and interest by, the U.S. or any agency or corporation thereof (excluding bills, bonds and notes issued by the U.S. Treasury), and any obligation and security of U.S.-sponsored enterprises, limited to the Export-Import Bank of the United States, Farmers Home Administration, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Land Banks, Government National Mortgage Association, and the Federal National Mortgage Association.

1.3.2.2 Percentage Limit: 50% total; 20% in any 1 issuer.

1.3.3 **Certificates of Deposit and Time Deposits**

1.3.3.1 Definition: Certificates of deposit and time deposits denominated in U.S. dollars and issued or endorsed by either (i) a bank or a savings and loan association organized and supervised under federal or any state laws and regulated by the Federal Reserve or a trust company which is a member of the Federal Reserve system or (ii) a bank organized and supervised under the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway. Any such banking institution must have assets of not less than $100 billion and be rated not lower than A1/P-1/F1 Short Term by at least 2 NRSROs.

1.3.3.2 Percentage Limit: 50% in total (domestic & non-domestic combined); 25% in all non-domestic banking institutions; 5.0% in any 1 issuer.

1.3.4 **Corporate Debt Instruments**

1.3.4.1 Definition: Commercial paper, variable rate notes, and non-convertible bonds and debentures denominated in U.S. dollars and issued by a U.S. corporation or a non-domestic corporation subject to the laws of Japan, Canada, United Kingdom, the Netherlands, Germany, France, Switzerland, Australia, New Zealand, Sweden, or Norway; provided that such securities must be rated by at least 2 NRSROs and (i) in the case of commercial paper, must be rated not lower than "A-2" by S&P, "P-2" by Moody's and "F2" by Fitch and the senior long-term debt of the issuer must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch (excluding asset-backed commercial paper that is rated A1 or better) and (ii) in the case of notes, bonds and debentures, must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch; provided that, any security that meets the foregoing rating standards and is backed fully by an irrevocable, unconditional letter of credit issued by a banking institution shall not be permissible hereunder unless such banking institution meets the definition of subsection 7.3.3.1 (in which case, any such securities will be deemed to be securities of both the corporate issuer and the banking institution for purposes of calculating the Percentage Limits set forth in subsections 7.3.4.2 and 7.3.3.2, respectively).

1.3.4.2 Percentage Limit: 50% in total; 25% in all non-domestic corporations; 25% in any 1 industry; 5.0% in any 1 issuer. Notwithstanding the foregoing, absent written permission from OST and prior Board approval, private placement securities otherwise authorized under subsections 7.3.4.1 and 11.1.7 may not exceed 15% of any Reserve Account.

1.3.5 **Repurchase Agreements**

1.3.5.1 Definition: Securities permissible pursuant to subsections 7.3.1 and 7.3.2 acquired from a primary dealer designated by the NY Federal Reserve Bank, or a domestic bank which meets the definition set out in subsection 7.3.3.1, subject to a written repurchase agreement from such dealer or bank; provided that, (i) in the case of securities held in book-entry form in the Federal Reserve System, all deliveries of such securities must be made through the Federal Reserve book-entry system to an

account designated by the State's custodian or such purpose and (ii) in the case of securities held in certificated form, all deliveries of such securities must be made must be made to such address as designated by the State's custodian.

1.3.5.2 Percentage Limit: 50% in total; provided that any securities purchased subject to repurchase agreements shall be subject to the respective Percentage Limit for such security type as set forth in this subsection 7.3 and valued for such purposes at the lesser of fair market value and 102% of the maturity value of the securities pursuant to the repurchase agreement and marked-to-the-market daily as requested by the investment manager.

1.3.6 **Money Market Funds**

1.3.6.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 7.3.1 and 7.3.2) and which are rated in the highest rating category by at least 1 NRSRO.

1.3.6.2 Percentage Limit: 100% in total.

1.3.7 **Canadian Treasury Bills**

1.3.7.1 Definition: Marketable securities issued by the government of Canada, provided that such securities are U.S. dollar denominated.

1.3.7.2 Percentage Limit: 25% in total.

1.3.8 **Canadian Agency Securities**

1.3.8.1 Definition: Any obligation of any Canadian government-sponsored agency that is insured as to principal and interest by the Canadian Government; provided that the obligation is U.S. dollar denominated commercial paper having a maximum maturity of 270 days from the date of settlement.

1.3.8.2 Percentage Limit: 25% in total; 10% in any 1 agency.

1.3.9 **Mortgage-Backed Securities**

1.3.9.1 Definition: Government National Mortgage Association, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation mortgage-backed securities issued in the form of pass-throughs; provided that they have (i) been issued and guaranteed by the US Government or Government Agency and (ii) an average life not to exceed 10 years (from the date of settlement of purchase).

1.3.9.2 Percentage Limit: 10% in total, including securities defined in subsection 7.3.10.1.

1.3.10 **Asset Backed Securities**

1.3.10.1 Definition: Securities collateralized by pools of auto loan receivables, credit card receivables, and equipment loans; provided that (i) such securities have the highest credit rating from at least 2 NRSROs and (ii) an average life not to exceed 2 years and 6 months from the date of settlement (unless such securities are subject to periodic reset of coupon or interest rate, in which case the average life may not exceed 3 years from the date of settlement).

1.3.10.2 Percentage Limit: 10% in total, including securities defined in subsection 7.3.9.1.

1.3.11 **Municipal Obligations**

1.3.11.1 Definition: Taxable and tax-exempt securities issued by state and local governments and public authorities in the U.S., excluding securities issued by the State of Delaware, its local governments and public authorities; provided that such securities must be rated by at least 2 NRSROs and must be rated not lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch.

1.3.11.2 Percentage Limit: 20% in total; 5.0% in any 1 issuer.

1.3.12 **Supranational Organizations or International Agencies**

1.3.12.1 Definition: Any obligation issued by a supranational organization or international agency denominated in U.S. dollars under U.S. securities law for sale in the United States as well as globally; provided that such obligation is rated by at least 2 NRSROs and must not be rated lower than "A-" by S&P, "A3" by Moody's and "A-" by Fitch. Supranational organizations include, but are not limited to, the World Bank, Asian Development Bank, Inter-American Development Bank, International Bank for Reconstruction and Development, International Finance Corporation, and the Agency for International Development.

1.3.12.2 Percentage Limit: 25% in total, 10% in any 1 agency.

21 DE Reg. 968 (06/01/18)

23 DE Reg. 584 (01/01/20)

24 DE Reg. 716 (01/01/21)

25 DE Reg. 728 (01/01/22)

28 DE Reg. 549 (01/01/25)

8.0 Endowment Accounts

8.1 **Investment Objectives**. Endowment Accounts are funded with State Funds to be preserved and grown over time with a portion of the investment income and/or appreciation thereon withdrawn periodically to provide for specified legislative purposes. The primary objective of such Accounts is to create a perpetual fund whereby returns are maximized over the long term while ensuring safety of the corpus and the availability of amounts prescribed to meet the periodic liquidity requirements of the permitted withdrawals.

8.2 **Permissible Investments and Percentage of Account Limitations**. State Funds held in Endowment Accounts can be invested solely in the types of securities set out in this subsection 8.2. Each Endowment Manager is further subject to (i) limit the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Maximum" of such security type identified in this subsection 8.2, measured as a percentage of the total account value of State Funds under such manager's discretion, and (ii) maintain a minimum of the aggregate value of State Funds invested in each type of security held in the account under such manager's discretion to the "Percentage Minimum" of such security type identified in this subsection 8.2, measured in each case as a percentage of the total account value of State Funds under such manager's discretion.

8.2.1 **Money Market Funds**

8.2.1.1 Definition: Open-end money market mutual funds that are invested solely in government securities (as defined in subsections 6.3.1 and 6.3.2) and which are rated in the highest rating category by at least 1 NRSRO.

8.2.1.2 Percentage Maximum: 30% in total.

8.2.1.3 Percentage Minimum Limit: none.

8.2.2 **Domestic and International Equities**

8.2.2.1 Definition: Common and preferred stocks of companies domiciled both within the U.S. and outside the U.S. that trade on U.S. or foreign exchanges and over the counter. Ownership in a publicly traded company, whether common or preferred, that trades on globally recognized exchanges, and issued by corporations, both foreign and domestic.

8.2.2.2 Percentage Maximum: 75% in total; no more than 35% of which are in international equities.

8.2.2.3 Percentage Minimum: 45% in total; no more than 35% of which are in international equities.

8.2.3 **Domestic and International Fixed Income**

8.2.3.1 Definition: Debt securities of U.S. and non-U.S. governments, public agencies, corporations and other non-government entities.

8.2.3.2 Percentage Maximum: 55% in total, including securities permitted under subsection 8.2.4.

8.2.3.3 Percentage Minimum: 25% in total, including securities permitted under subsection 8.2.4.

8.2.4 **Alternative Investments**

8.2.4.1 Definition: Securities not otherwise permissible pursuant to subsections 8.2.1 – 8.2.3 that a prudent manager would deem appropriate for portfolios of like character with comparable investment objectives, excluding hedge funds or other blind pool funds that incorporate leverage as part of their investment strategies.

8.2.4.2 Percentage Maximum: 25% in total.

8.2.4.3 Percentage Minimum: none.

23 E Reg. 584 (01/01/20)

9.0 Operating Accounts

9.1 **Investment Objectives**. State agencies and other public authorities maintain various operating accounts with the intent of segregating such funds for accounting and reporting purposes. In addition, operating accounts may be created by the State to meet particular purposes and/or to comply with state statutes, bond trust agreements and/or Federal guidelines. The investment objectives with respect to such funds are to ensure

safety and maximize return while providing for the liquidity requirements specifically identifiable to the use of such funds.

9.2 **Maturity Restrictions**. Unless otherwise determined by the Board, the maximum maturity for any investment of State Funds in the Operating Accounts shall be 2 years from the date of settlement. In some circumstances, State Funds in an Operating Account may be set aside to fund a known, specific future liability; in such cases, the Board grants OST the discretion to set the maturity restrictions with respect to securities purchased with such funds to correspond to the due date of the corresponding liability.

9.3 **Permissible Investments and Percentage of Account Limitations**. Unless otherwise determined by the Board, Operating Accounts shall be governed by the Permissible Investment and Percentage of Account Limitations for the Liquidity Accounts set out in subsections 6.2 and 6.3.

10.0 **Settlement Accounts**

10.1. **Investment Objectives.** State Funds in the Settlement Accounts remain for only a short period of time before transfer to a Collection and Disbursement Account. The primary investment objectives are therefore safety and liquidity of such funds; return is a secondary priority. OST may, consistent with these investment objectives, minimize credit risk associated with demand deposit account balances at Merchant Banks through same-day money market mutual fund sweep products in accordance with subsection 5.2.2. End-of-day ledger balances shall be secured as provided in subsection 5.2.1.

10.2. **Permissible Investments.** Merchant Banks shall maintain State Funds in either collateralized demand deposit accounts or open-end money market mutual funds, in each case, subject to the provisions of subsections 5.2.1 and 5.2.2, respectively, in order to mitigate the risk of State Funds being exposed to the credit risk of such financial institutions.

23 E Reg. 584 (01/01/20)

11.0 **Restrictions & Violations**

11.1 **Investment Restrictions**. Notwithstanding any other provision, none of the banks or managers engaged to manage or invest State Funds may:

11.1.1 Purchase any securities other than those expressly permitted under Sections 5.0 – 9.0 of these Guidelines;

11.1.2 Make investments for the purpose of exercising control or management of an issuer;

11.1.3 Purchase any securities on margin, except for use of short-term credit necessary for clearance of purchases and sales of portfolio securities;

11.1.4 Make short sales of securities or maintain a short position or write, purchase or sell puts, calls, straddles, spreads or combinations thereof;

11.1.5 Make loans to other persons, other than in connection with repurchase agreements as provided herein;

11.1.6 Mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness any securities owned or held;

11.1.7 Invest in securities with legal or contractual restrictions on resale or for which no readily available market exists (except for repurchase agreements or variable rate master demand notes as provided herein and, if authorized under applicable U.S. Securities and Exchange Commission rules and regulations, 144A private placements considered not to be illiquid, but, instead, readily marketable by issuing dealers);

11.1.8 Act as an underwriter of securities on behalf of the State of Delaware; or

11.1.9 Buy or sell any authorized investment when it is a party or any related or affiliated party in the transaction on both sides.

11.1.10 Where these Guidelines require at least 2 NRSRO ratings for a security, the lowest such rating shall control.

11.2 **Purchases in Violation of Guidelines.** In the event that a bank or manager purchases any security that at the time of purchase violates Sections 5.0 – 10.0, the bank or manager shall remove the security from the State's portfolio by the close of the business day following the date on which the bank or manager learns of the violation and will bear all costs associated with the purchase and sale of such security. The bank or manager shall further ensure that the State recognizes no investment gain or loss on the purchase and sale of such security and/or shall effect such transactions as shall be necessary to eliminate any such gain or loss on the books and records of the State's Account with such bank or manager. A bank or manager shall report to OST any such violation and the remedial action(s) taken or proposed by the close of the business day following the date on which the bank or manager learns of the violation.

11.3 **Holding Impermissible Securities Following a Downgrade.** In the event that a bank or manager holds any security that complied with Sections 5.0 – 10.0 at the time of purchase, but which ceases to qualify as a permissible investment as the result of a downgrade, the bank or investment manager shall remove the security from the State's portfolio by the close of the business day following the date on which the bank or manager learns of the downgrade without any consideration as to the investment gains or losses occasioned thereby. In such case, the State shall bear all costs associated with the purchase and sale of such security and shall recognize any investment gain or loss on such transactions on the books and records of the State's Account with such bank or manager. A bank or manager shall report to OST any such downgrade and the remedial action(s) taken or proposed by the close of the business day following the date on which the bank or manager learns of the downgrade.

11.4 **Holding Impermissible Securities Following a Drawdown.** In the event that a manager's account exceeds the percentage of account limitations set forth in Sections 5.0 - 10.0 hereof as the result of a portfolio withdrawal, the manager shall provide to OST within 2 business days, a detailed plan for remediation of the allocation to within the permissible percentage of account limitation. Such plan shall include: any expected pay-downs on structured securities, expected maturities and expected cash flow items. The manager and OST shall work together to determine a prudent path for remediation, with care taken to manage the overall portfolio risk and implications of any book gains or losses within the portfolio.

11.5 **Mutual or Commingled Fund Exceptions to Guidelines.** The Board recognizes that (i) mutual funds and other types of commingled investment vehicles can provide, under some circumstances, lower costs and better diversification than can be obtained with a separately managed fund pursuing the same investment objectives and (ii) such funds cannot customize their investment policies to conform to the guidelines set out herein. In such cases, unless OST, after consultation with the Board or the Board's consultant determines otherwise, the policies of such funds shall supersede these guidelines and are exempt from the policies and restrictions specified herein.

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18 DE Reg. 462 (12/01/14)

20 DE Reg. 491 (12/01/16)

21 DE Reg. 968 (06/01/18)

23 DE Reg. 584 (01/01/20)

24 DE Reg. 716 (01/01/21)

25 DE Reg. 728 (01/01/22)

28 DE Reg. 549 (01/01/25)