



**Scott Fitzpatrick
Missouri State Treasurer**

REQUEST FOR PROPOSALS

MOST 529 FDIC insured sweep Investment Product

REQUIRED BY

OFFICE OF THE TREASURER

STATE OF MISSOURI

Submit Proposals to:
Scott Fitzpatrick, State Treasurer
Truman Building, Suite 780
301 West High Street
Post Office Box 210
Jefferson City, MO 65102
(573) 751-2411

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I. INTRODUCTION

A. PURPOSE OF RFP

The Missouri State Treasurer's Office (STO) is accepting written proposals from financial institutions to add a FDIC insured sweep investment option to the MOST 529 investment offerings. The purpose of this Request for Proposal (RFP) is to select one financial institution to provide a FDIC insured sweep product for a five - (5) year period commencing December 1, 2020, and ending November 30, 2025.

B. SUBMISSION INSTRUCTIONS

Proposals must be completed, signed and returned (in the volumes required and with all necessary attachments) to the STO (Truman State Office Building, Suite 780, Jefferson City, Missouri) **by 11:00 a.m. Central Standard Time, July 10, 2020.** The response must include five (5) copies of Volume I in addition to the original document containing Volumes I and II. Responses may be in paper form or delivered in an electronic format via CD-ROM or USB flash drive. Regardless of format, Volume II, which includes pricing information, must be submitted per the instructions in V.B. in a separate labeled and sealed envelope. If submitting via CD-ROM or USB flash drive, a separate CD-ROM or USB flash drive containing pricing information should be submitted per the instructions in a separate sealed envelope.

Each proposal must include the following:

Volume I:

- ◆ Cover or transmittal letter including the signature of the officer responsible for the proposal (must be an officer with authority to bind the bidder to the described services)
- ◆ Eligibility Certification (see section V.A.6)
- ◆ Clear, unambiguous, documented acceptance of the mandatory requirements or an alternative solution to provide the requirements (see section II.C.)
- ◆ Answers to the specific questions posed to the bidders by the STO (see section II.D.)
- ◆ Proposed Method of Performance (see section V.F.)
- ◆ Disaster Recovery (see Section II.D.4.).
- ◆ Community Investment (see section V.G. and **Appendix B**)
- ◆ Completed applicable portions of the Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization (see section III.E.6 and **Appendix C**)

Volume II:

- ◆ Completed Pricing Guide (see **Appendix A**)
- ◆ Model agreement between the sweep administrator and other participating financial institutions
- ◆ Other supplemental pricing information if needed

C. AWARD AND IMPLEMENTATION

The STO expects to award this contract within sixty (60) days of the proposal due date. Proposals must include an implementation schedule. (See Section II.D.6) The Contractor must be prepared to provide the FDIC insured sweep investment product effective December 1, 2020. The STO will work with the Contractor as necessary to complete implementation in a timely manner.

D. BID EVALUATION AND SELECTION CRITERIA

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

Price	40%
Proposed Method of Performance	30%
Experience, Quality and Reliability	25%
Community Investment	5%

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

E. ANTICIPATED TIMETABLE

Release RFP	June 8, 2020
Last Date to Submit Questions	July 1, 2020
Proposals Due	July 10, 2020
Presentations by Selected Bidders	July 27, 2020
Evaluation Committee Recommendation (approximate)	August 14, 2020
Contractor Selection (approximate)	September 1, 2020

II. SCOPE OF SERVICES

A. OVERVIEW

Section 529 of the Internal Revenue Code permits states and state agencies to sponsor qualified tuition programs (“529 plans”), which are tax-advantaged programs intended to help individuals and families pay the costs of education. MOST—Missouri’s 529 Education Plan (the “Plan”) is a 529 plan sponsored by the State of Missouri. Additionally, the State of Missouri provides a tax deduction for contributions to MOST and other qualified 529 plans up to \$8,000 for an individual and \$16,000 for a married couple.

MOST is administered by the Missouri State Treasurer’s Office (STO) in conjunction with the MOST Board. The Treasurer’s Office and the MOST Board have entered into an agreement with Ascensus to be the program manager for MOST, and with Vanguard and Dimensional Fund Advisors to provide investment options and investment management services. These investment options include a range of products including stock and bond portfolios, an age-based glide path, and an interest accumulation portfolio.

Several recent federal law changes have highlighted the need for a FDIC insured investment option within the MOST program. First, federal law was expanded in 2018 to allow withdrawals of up to \$10,000, per tax year, from a 529 plan to pay for k-12 tuition expenses. Second, more recently, the Setting Every Community Up for Retirement Enhancement (SECURE) act was signed into law. Among other provisions, it allows for qualified withdrawals from 529 plans for registered apprenticeship programs and up to \$10,000, per beneficiary, for student loan repayment.

Missouri statutes were changed in 2018 to mirror the federal K-12 expansion, and the Treasurer’s Office, along with the MOST Board, is currently reviewing what steps are necessary to implement the new SECURE Act provisions for registered apprenticeship programs and student loan repayments for MOST.

MOST beneficiaries about to enter college may desire a FDIC insured investment option, particularly during times of economic uncertainty. The aforementioned legislative changes provide additional scenarios where a FDIC insured investment option may be beneficial to MOST participants. For families with multiple children, and potentially multiple MOST accounts, an investment option which uses multiple financial institutions to provide FDIC insurance above the current FDIC limits at a single financial institution may be preferable.

B. VISION

The STO envisions introducing a new FDIC insured sweep MOST 529 investment option titled to the MOST 529 Education Plan. The FDIC insured sweep investment option would be administered by one Missouri state-chartered or federal-chartered financial institution (referred to as the “sweep administrator”), which would have a contractual arrangement

with the MOST Board, and an operational agreement with Ascensus. Currently, the program management fee in the Ascensus/Vanguard lineup is 19 basis points (BPS) of assets under management (AUM). This fee reimburses Ascensus for their services including record keeping, program advertising, etc. Once a month, the sweep administrator will be required to transfer this program management fee to Ascensus out of the account holders' earnings on the sweep product prior to posting their returns. Account holders shall always have a positive return on this investment (after the Ascensus program management fee is taken into account).

The sweep administrator would make MOST 529 deposits available to all financial institutions that currently have a depositary contract with the STO. Currently, the STO has 140 active depositary contracts. The STO does not anticipate all 140 financial institutions will participate, but any that want to should be given a reasonable chance to participate.

Ascensus has engaged with BNY Mellon to serve as the custodian and to provide the unitization for the new FDIC insured sweep investment option. BNY Mellon will interact daily with the sweep administrator. Here's how Ascensus expects to support this investment option:

The sweep administrator will have custody of all assets in this investment option. Each day, when Ascensus sums up all of the activity in the sweep administrator's FDIC insured sweep investment product, BNY Mellon (the custodian bank for this investment offering) will generate one daily net trade in that account (either a "BUY" or a "SELL").

BNY Mellon will send a daily trade ticket to the sweep administrator via secure email. The sweep administrator will then have to wire the amount of the net withdrawal to BNY Mellon (if a Sell is elected) or receive an incoming wire from BNY Mellon (if a Buy is elected).

Additionally, Ascensus will provide the sweep administrator with a daily electronic file including amounts invested in the sweep product by each participant and any other information the sweep administrator requires to effectuate full FDIC insurance coverage and the opt-out provisions specified in this document.

C. MANDATORY REQUIREMENTS

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

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

1. Eligibility Requirements – all bidders must attest to the following:
 - _____ a. The bidder is either a federal government or state government chartered financial institution.
 - _____ b. The bidder has a depository facility in the State of Missouri (not an ATM).
 - _____ c. The bidder is a federally insured financial institution.
 - _____ d. The bidder complies with Federal Regulation guidelines indicating bidder is well capitalized.
 - _____ e. The bidder has a Community Reinvestment Act (CRA) rating of “satisfactory” or better for the most recent examination conducted.
 - _____ f. The bidder understands and acknowledges that a successful bidder must have an IDC rating of 165 or better to qualify as a Contractor for this service. Should the Contractor’s rating fall below 125 during the contract period, the contract may be terminated and offered to the next highest scoring qualified bidder.

2. Deposits and Withdrawals – all bidders must attest to the following:
 - _____ a. The bidder must be prepared and able to handle unlimited deposits from plan participants.
 - _____ b. The bidder must be prepared and able to handle unlimited withdrawals from plan participants.
 - _____ c. The bidder must make allocated deposits available to all financial institutions with current STO depository contracts.
 - _____ d. The bidder shall be responsible for obtaining agreement from other participating financial institutions with regard to standard terms of business as set forth by the plan and the sweep administrator, including rate of return and the process for rate changes.
 - _____ e. The bidder must ensure all deposits are fully FDIC insured, assuming participants have no other deposits at participating institutions, or, if the participants do have other deposits at participating institutions – that they have opted out of deposits at those institutions.

- _____ f. The bidder must develop a process, through a disclosure or some other format, to ensure participants are aware of which financial institutions their deposits are placed at.
- _____ g. The bidder must provide the ability for plan participants to opt out of deposits at a particular financial institution. This functionality is solely the responsibility of the sweep administrator and is not the responsibility of Ascensus or the Missouri State Treasurer's Office.
- _____ h. The bidder must agree to wire withdrawals to BNY Mellon no later than the close of business on the same business day of the request.
- _____ i. The bidder must agree to receive and post wire transfers from BNY Mellon no later than the close of business on the same business day of the receipt.

3. Rate of Return/Program fees

- _____ a. The bidder must ensure that interest will begin to accrue to account holders the day the contribution is processed into the savings account within the MOST program.
- _____ b. The bidder must transfer an asset based fee of 19 BPS as a program management fee to Ascensus monthly to reimburse them for their services.
- _____ c. The bidder agrees that any future reduction in the program management fee due to Ascensus (should a rate reduction in the Ascensus management fee be negotiated by the STO) shall result in a corresponding increase in the rate of return for participants.
- _____ d. The bidder must produce a positive rate of return for plan participants which is either static, or tied to a recognized and verifiable benchmark.
- _____ e. The bidder must agree that in order to process a rate change, which would only be possible when a corresponding change occurs to the interest rate benchmark in use or if the Ascensus management fee changes, Ascensus will require at least 10 business days of notice before the effective date of the change.
- _____ f. The bidder agrees that rate changes shall only occur on the first day of each month.
- _____ g. The bidder agrees that all participants will receive the same interest rate on program funds, regardless of whether said participant has opted out of deposits at a particular financial institution(s).

4. Confidentiality and Data Security

- _____ a. The contractor shall maintain complete confidentiality of all records relating to services performed under the contract in accordance with state and federal laws, rules and regulations.

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

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

Following the initial notice provided for above, the Contractor will appoint one person, who may be the State’s current Relationship Manager or another individual acceptable to the STO, who will provide ongoing communication to the State regarding the data breach, data incident or system intrusion. Such person will communicate directly with the STO Director of Banking and/or any other STO staff designated and will provide timely updates as needed/requested by the STO. Such information provided must include, but is not necessarily limited to: (1) Information regarding the status of any investigation into the data breach, data incident, or system intrusion and estimated timeframes for the completion of any such investigation; (2) Who gained unauthorized access to the personally identifiable information; (3) What steps the Contractor has taken or will take to

mitigate any negative effect of the incident; and (4) What corrective action the Contractor will take to prevent similar incidents.

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

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

D. SPECIFIC QUESTIONS FOR BIDDERS

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

Where applicable or appropriate:

- **Answer yes or no**
- **Specifically describe systems or processes**
- **Provide examples**

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

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

- 1. Organization and Experience
 - a. Briefly discuss the history of your organization, ownership structure and lines of business.

- b. In the last three years, what, if any, significant organizational changes (i.e., mergers, acquisitions, business concerns, etc.) have occurred?
- c. Bidders must provide one (1) copy of the most recent Annual Report and Call Report of the financial institution. (Include this information only with the original Volume I of the proposal.)
- d. Bidders must provide a summary of current and previous work performed within the last five (5) years by the financial institution for a comparable client which is similar in nature to that proposed for the STO under this RFP. Provide a contact name, email address, and phone number. Indicate the services provided to the client and the volume of ACH and wire transfer transactions processed. (Listed clients may be contacted by the STO.)
- e. Bidders shall:
 - (1) Note any instances in the last three (3) years where a client receiving services similar to one (1) or more of the service areas requested in this RFP discontinued such services. (This includes clients lost due to competitive bidding.)
 - (2) Indicate why services were discontinued.
 - (3) List a reference person(s) from organizations which were provided the services. Include a current telephone number and email address. (Listed clients may be contacted by the STO.)
- f. Bidders must provide two (2) references for similar services **in addition** to the client provided under item 1.e. above. Provide a contact name, email address, and phone number for each reference.
- g. Bidders must briefly summarize any other factors that may be justification for selecting the financial institution and its services.
- h. Provide the following credit and financial information:
 - (1) Net equity capital
 - (2) Your institution's rating as determined by a Nationally Recognized Statistical Ratings Organization (NRSRO), as defined by the Securities and Exchange Commission. If a rating is not available, indicate not rated.
 - (3) Provide details with respect to significant litigation against your firm for the last ten (10) years and any significant regulatory actions taken or pending that will impact your business.

2. Quality of Service

- a. How will the bidder monitor the quality of service provided to the STO and plan participants?
- b. What steps will be taken to correct deficiencies noted by bidder, Ascensus or the STO?
- c. What quality standards will the bidder use to measure FDIC insured sweep investment services?
- d. How has the bidder's performance been relative to the standards stated in item c. immediately above for the past year?

3. Deposits and Withdrawals

- a. How does the bidder plan to manage the list of eligible financial institutions with depositary contracts with the STO?
- b. Discuss how the bidder will allocate deposits to interested financial institutions. Include the processes utilized to ensure participants' balances are under the FDIC insurance limits at each institution.
- c. How will the bidder provide plan participants with the ability to opt-out of specific financial institutions pursuant to requirement 2.g? How will the opt-out requests be managed?

4. Confidentiality and Data Security

- a. Describe how the bidder will establish and maintain security safeguards and procedures to guarantee the confidentiality of all data obtained from the State, Ascensus, and plan participants. Please note your response will be shared with Ascensus to ensure they agree that the proposed safeguards are sufficient.
- b. Describe in detail any of the bidder's established procedures for responding to a data breach or an incident of unauthorized access to data.

5. Disaster Recovery

(Note: Do not provide confidential information.)

- a. Provide a summary of the bank's disaster recovery plan as it relates to the services requested in a separate appendix.

- b. Where are off-site facilities for disaster recovery purposes located? (City and State is sufficient.)
 - c. Where is the “hot” site for disaster recovery located? (City and State is sufficient.)
 - d. How quickly can the “hot” site be implemented in the event of an emergency?
6. Customer Service
- a. Who will be the STO’s primary contact? What is the current client load of this person or persons?
 - b. Who will be the primary contact for Ascensus? What is the current client load of this person or persons?
 - c. What daily hours will the above-stated contacts be available?
 - d. Describe the responsibilities of the customer service personnel listed above, including their supervisors and the chain of command for problem resolution.
 - e. Include resumés of key representatives the STO and Ascensus will interact with, including each of the above stated contacts. Each resumé should include the representative’s education, certifications and relevant experience providing the services covered by this RFP as well as any applicable ongoing training.
7. Implementation
- a. Provide an implementation plan and timeline for the FDIC insured sweep investment product.
 - b. Indicate the State’s responsibilities and critical timing during the implementation.
 - c. Indicate Ascensus’s responsibilities and critical timing during the implementation.
 - d. Will a project manager be assigned to manage implementation? If so, provide the name and resume of the project manager.
8. General
- a. What is distinct about your capabilities for a FDIC insured sweep investment product?

- b. Are there value-added services or capabilities in addition to the services described in this RFP that you will provide to the State as part of the Contract?
- c. Describe your current planned enhancements with regard to services and technology for 2020 and 2021.
- d. Will the bidder subcontract any of the services contained in this RFP, or have plans to do so? Please explain.
- e. Is the bidder currently involved in, or planning any major system changes, acquisitions, or conversions? Please explain your plans and include the potential impact to the STO and this contract.

III. GENERAL INFORMATION AND CONTRACT PROVISIONS

A. CONTRACTUAL AGREEMENT AND AMENDMENT

1. The contract between the STO and the Contractor shall consist of (a) this RFP and any amendments thereto; and (b) the Contractor's response to this RFP including any and all attachments and additional responses and (c) an operational agreement between the Contractor and the MOST 529 program manager. These documents shall collectively be referred to as "the Contract." In the event of a conflict between (a) and (b) above, the provisions and requirements set forth and/or referenced in this RFP (item (a) above) shall govern. However, the STO reserves the right to clarify any contractual relationship in writing with the concurrence of the Contractor, and such clarification shall govern in case of conflict with the applicable requirements stated in the RFP or successful bidder's response. In all other matters not affected by the written clarification, if any, this RFP shall govern.
2. The STO reserves the right to negotiate with the Contractor for changes in services or additional service items, subject to mutual agreement. Any proposed change in the contract must be accomplished by a formal written contract amendment signed and approved by and between the duly authorized representatives of the Contractor and the STO. Any amendment to the Contract shall (a) specify an effective date; (b) specify any increases or decreases in the amount of the participant's rate of return, if applicable; (c) describe changes, if any, to the provisions of the Contract; (d) be entitled as an "Amendment"; and (e) be signed by duly authorized representatives of the Contractor and the STO. The Contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment to the Contract.
3. It is understood that the Contractor may utilize the services of related financial institutions (i.e., banks within the same holding company as the Contractor) in performing certain services required under the Contract. In all such situations, the Contractor retains sole, direct and primary responsibility for securing the required contractual performance from such related institution as well as sole, direct and primary responsibility for assuring that all contractual provisions, including all applicable legal, financial and eligibility requirements are continuously met by such related institution. All rights and remedies vested in the STO by the Contract apply with equal force and effect to a Contractor's related institution. Conversely, all rights and remedies vested in the Contractor by the Contract rest solely with the Contractor and not the related institution. The Contractor agrees to indemnify, save and hold the STO and Ascensus harmless from any expense, liability or payment arising out of the actions of a related institution pursuant to the Contract or made by a related institution as a result of the Contract.
4. In the event the Contractor subcontracts any of the services, the Contractor must ensure that any subcontracts include appropriate provisions and contractual obligations to

guarantee the successful fulfillment of all contractual obligations agreed to by the Contractor and the STO. In all such situations, the Contractor retains sole, direct and primary responsibility for securing the required contractual performance from such subcontractor as well as sole, direct and primary responsibility for assuring that all contractual provisions, including all applicable legal, financial and eligibility requirements are continuously met by such subcontractor. All rights and remedies vested in the STO by the Contract apply with equal force and effect to a Contractor's subcontractor. Conversely, all rights and remedies vested in the Contractor by the Contract rest solely with the Contractor and not the subcontractor. The Contractor agrees to indemnify, save and hold the STO and Ascensus harmless from any expense, liability or payment arising out of the actions of a subcontractor pursuant to the Contract/subcontract or made by a subcontractor as a result of the Contract/subcontract. In addition, the Contractor must obtain the approval of the STO prior to establishing any new subcontracting arrangements and/or before changing any subcontractors.

5. The Operational Agreement between Ascensus and the Contractor must contain commercially reasonable terms, including: mutual indemnification and liability, including for losses caused by the participating banks, confidentiality protections, and termination for material breach. Contractor must agree to respond to Ascensus' reasonable due diligence requests, including requests related to information security.
6. The aforementioned documents in this Section represent the full and complete agreement between the parties.

B. CONTRACT PERIOD, DEFAULT, CANCELLATION OR TERMINATION

1. Except where specifically noted, the STO anticipates that the Contract will run through November 30, 2025. The Contract may provide for a limited extension beyond the stated period at the option of the STO.
2. If, in the sole discretion of the STO, the STO concludes that the Contractor has substantially defaulted in any manner in performing any of the contractual terms and conditions, and such default is not cured by the next "banking day" (as that term is defined in Section 400.4-104, RSMo (as amended)) or, at the discretion of the STO, in some other commercially reasonable period of time after notice of such default is given to the Contractor, the STO may immediately terminate the Contract and withdraw all Program funds on deposit with the Contractor.
3. The STO may terminate the Contract, in whole or in part, at any time for a breach of any contractual obligation. Should the STO exercise its right to terminate the Contract for such a reason, the termination shall become effective on the date specified in a written notice of termination sent to the Contractor.
4. The STO reserves the right to terminate the Contract, in whole or in part, at any time, for the convenience of the State of Missouri, without penalty or recourse, by giving written

notice to the Contractor at least 120 days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all documents, data, reports, supplies, and accomplishments prepared, furnished or completed by the Contractor pursuant to the terms of the Contract shall, at the option of the STO, become property of the State of Missouri. The Contractor shall be entitled to receive just and equitable compensation for the work completed pursuant to the Contract prior to the effective date of termination.

5. The Contractor may terminate the Contract by giving written notice to the STO at least 120 days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all documents, data, reports, supplies, and accomplishments prepared, furnished or completed by the Contractor pursuant to the terms of the Contract shall, at the option of the STO, become property of the State of Missouri. The Contractor shall be entitled to receive just and equitable compensation for the work completed pursuant to the Contract prior to the effective date of termination.
6. The Contractor further agrees and understands that any payment due under the terms of the Contract shall be made only (a) after the successful completion of all requirements set forth in the Contract; and (b) after approval and acceptance by the STO of the Contractor's performance, services and/or supplies required by the terms of the Contract.
7. No provision in this document or in the Contractor's proposal shall be construed, expressly or impliedly, as a waiver by the STO of any existing or future right and/or remedy available by law in the event of any claim of default or breach of Contract.
8. Any written notice to the Contractor shall be deemed sufficient when presented to an authorized employee of the Contractor at its address as listed on the signature page of the Contract, or deposited in the United States mail, postage prepaid, and addressed to the Contractor at its address as listed on the signature page of the Contract, or at such address as the Contractor may have requested in writing.
9. In the event of contract expiration, cancellation, or termination, the Contractor shall return program funds, including any earnings associated with participant accounts and the management fee owed to Ascensus.

C. LIABILITY AND RESPONSIBILITY

1. The Contractor shall be liable to the STO, plan participants, and Ascensus for any loss of funds as a result of the Contractor's failure to properly execute a Contract obligation when such error is within the Contractor's control. This includes system and/or processing down time that is not restored in a timely manner.
2. The Contractor shall compensate plan participants for the loss of interest as a result of the Contractor's error or of the Contractor's failure to execute a transfer request on the date requested, unless due to an error not within the Contractor's control. The compensation

shall be for a period not exceeding the date of actual transfer or error correction and will be based on the rate of return specified in this Contract.

3. The Contractor agrees that it will indemnify and hold the STO, the State of Missouri, and Ascensus harmless from any third party claims for damage resulting from any negligent act or omission or willful misconduct on the part of the Contractor or on the part of any subcontractor or other person employed by or under the supervision of the Contractor.
4. The Contractor shall defend, protect, and hold harmless the STO, Ascensus, and the State of Missouri, its officers, agents and employees against all claims, demands, lawsuits, and liability resulting from copyright and/or patent infringement concerning the Contractor's performance or products produced under the terms of the Contract.
5. The Contractor shall be deemed to have exercised ordinary care if the Contractor has followed established procedures agreed to under the Contract in executing a transfer. The Contractor agrees that it shall be deemed not to have exercised ordinary care if it has deviated from these established procedures agreed to under the Contract in executing a transfer without prior written authorization from the STO.

D. RECORDS, ACCESS AND CONFIDENTIALITY

1. The Contractor shall maintain financial and accounting records and supporting evidence pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified by the STO.
2. All such reports, records, tapes, files or other materials developed or acquired by the Contractor as a specified requirement of the Contract shall become property of the STO.
3. The Contractor shall permit reasonable access by the STO during the Contract period and any extension periods, and for an eighteen - (18) month period beyond the end of the Contract, for purposes of performing audit procedures relating to any aspect of the services provided by the Contractor to the STO in connection with the Contract.
4. Any and all information supporting the Contract and any and all tapes, files and data files maintained by the Contractor for such purpose shall be provided to the STO, or a designated STO representative, at no cost to the STO or designated representative, upon request by the STO, at the end of the Contract.
5. In addition to the reports specifically required by the Contract, the Contractor must provide, for an agreed price, additional financial and analytical reports as the STO may request.
6. The STO reserves the right to reject or request changes in all reports, systems, on-line inquiry features, and procedures.

7. The Contractor shall maintain complete confidentiality of all data and all records, including, but not limited to, any personally identifiable information of any person, relating to services performed under the Contract. No list, report or other materials generated from data covered under the Contract may be disclosed or transferred by the Contractor to any other person or entity. Specifically, the Contractor affirms that it shall abide by all applicable state and federal laws, rules and regulations regarding the confidentiality of such information, including, but not limited to 26 U.S.C. §7213 and Section 407.1500, RSMo. The Contractor shall take any and all steps necessary, in the discretion of the STO to ensure that its employees, subcontractors and/or any other persons under the Contractor's control with access to such information (1) are aware of and abide by such laws, rules and regulations regarding the confidentiality of such information and (2) are aware of the potential for criminal prosecution for failing to abide by such laws, rules and regulations. The Contractor agrees to indemnify and hold harmless the State of Missouri for any damages, costs, fees or other liability (including counsel fees) arising as a result of the Contractor's failure to comply with the applicable laws, rules and regulations regarding the confidentiality of the data and records provided to the Contractor under the Contract.
8. The Contractor shall cooperate with requests for information from auditors employed by or hired by Ascensus for the purpose of auditing the internal operations of the investment option.
9. The Contractor shall be solely responsible for responding to any audit or other information requests that may originate from participating banks.
10. The Contractor shall be required to ensure that participating banks can securely protect any plan data provided.
11. The Contractor shall be solely responsible to the STO and Ascensus and shall indemnify the STO and Ascensus for third party claims resulting from a data breach at a participating bank.

E. COMPLIANCE WITH APPLICABLE LAWS

1. The Contract shall be construed according to the laws of the State of Missouri. To the extent that a provision of the Contract is contrary to the Constitution or laws of the State of Missouri or of the United States, such provisions shall be void. However, the balance of the Contract shall remain in force between the parties unless terminated by consent of both the Contractor and the STO.
2. The Contractor shall comply with all local, state and federal laws and regulations related to the performance of the Contract, to the extent that the same may be applicable, and must be registered with and maintain good standing with the Missouri Secretary of State, the Division of Finance of the Missouri Department of Commerce and Insurance, and/or any other Missouri state office or agency, as may be required by law or regulation.

3. The Contractor represents itself to be an independent contractor and shall not represent itself or its employees to be an employee of the State of Missouri. Therefore, the Contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, minimum wage requirements, overtime, etc., and agrees to indemnify, save, and hold the State of Missouri, its officers, agents, and employees, harmless from and against, any and all loss, cost (including attorney fees), and damage of any kind related to such matters.
4. In connection with the furnishing of supplies or performance of work under the Contract, the Contractor agrees to comply with the Fair Labor Standard Act, Fair Employment Practices, Equal Employment Opportunity Act, the Americans With Disabilities Act (ADA), and all other applicable federal and state laws, regulations, and executive orders to the extent that the same may be applicable and further agrees to insert the foregoing provision in all subcontracts awarded hereunder. If the Contractor is found to be in violation of any applicable state, federal or local law or regulation, the STO shall have the right to cancel the Contract immediately without penalty or recourse. In addition, the Contractor shall agree to fully cooperate with any audit or investigation from any federal, state or local law enforcement agency.
5. Contractors with the State of Missouri must comply with Article XIII of Executive Order No. 87-6 pertaining to discrimination and affirmative action. Failure to comply may result in appropriate action including cancellation of the Contract resulting from this RFP.
6. The Contractor shall only employ personnel authorized to work in the United States in accordance with applicable federal and state laws. This includes, but is not limited to, the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) and the Immigration and Nationality Act (INA) Section 274A.

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

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

Pursuant to Section 285.530, RSMo, if the Contractor meets the definition of a "business entity" under Section 285.525, RSMo, (a "section 285.525 business entity"), the Contractor must affirm the Contractor's enrollment and participation in the E-Verify federal work authorization program with respect to employees hired after enrollment in the program who are proposed to work in connection with the services requested herein. The Contractor should complete the applicable portions of **Appendix C** Business Entity

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

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

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

The STO shall have no obligation to contact or inform the Contractor or any bidder prior to providing the Contractor or bidder's documents in response to a public records request.

F. ASSUMPTION OF LIABILITY, INSURANCE AND INDEMNIFICATION

1. The Contractor shall be responsible for any and all claims, actions, liability injury or damage (including court costs and attorneys' fees) incurred as a result of the Contractor's breach of the Contract, negligence or willful misconduct in providing any service rendered under the terms and conditions, requirements or specification of the Contract. In addition to the liability imposed upon the Contractor for personal injury, bodily injury

(including death) or property damage suffered as a result of the Contractor's performance under the Contract, the Contractor assumes the obligation to save the State of Missouri, including its agencies, employees, and assigns, from every claim, expense, action, liability, injury or damage arising out of any negligent act or any willful misconduct of the Contractor. The Contractor also agrees to hold the State of Missouri, including its agencies, employees, and assigns, harmless for any negligent act or omission or willful misconduct committed by any subcontractor or other person employed by or under the supervision of the Contractor under the terms of the Contract. However, the Contractor shall not be responsible for any injury or damage occurring solely as a result of any negligent act or omission or willful misconduct committed by the STO or the State of Missouri, including its agencies, employees and assigns. This provision is not intended to waive any claim of sovereign immunity to which a public entity is entitled under Missouri or federal law.

2. The Contractor understands and agrees that the State cannot save and hold harmless and/or indemnify the Contractor or its employees against any liability incurred or arising as a result of any activity of the Contractor or any activity of the Contractor's employees related to the Contractor's performance under the Contract. Therefore, the Contractor shall maintain adequate liability insurance to protect the State of Missouri, its agencies, its employees, its assigns, its clients, and the general public against any loss, damage, and/or expense related to its performance under the Contract. The insurance coverage shall include, but shall not necessarily be limited to, general liability, errors and omissions, professional liability, etc. **The State of Missouri shall be a named party on the policy and written evidence of the insurance coverage shall be provided by the Contractor to the STO (such as a certificate of insurance).** The evidence of insurance shall include, but shall not necessarily be limited to: effective dates of coverage, limits of liability, insurers' names, policy numbers, endorsement by representatives of the insurance company, etc. Evidence of self-insurance coverage or of another alternate risk financing mechanism may be utilized provided that such coverage is verifiable and irrevocably reliable. The evidence of insurance coverage must be submitted before or upon award of the Contract. In the event the insurance coverage is in any way changed, the STO must be notified by the Contractor immediately.

G. PROPOSAL ACCEPTANCE OR REJECTION

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

H. PROPOSAL PREPARATION COSTS

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

I. INSTALLATION AND CONVERSION COSTS

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

J. REPLACEMENT EQUIPMENT

In the event that the Contractor's systems or any of its components are rendered permanently inoperative, the Contractor must have the capability to reconstruct necessary data files and operate on replacement equipment within one (1) calendar day of any disaster.

K. SUBSTITUTION OF PERSONNEL

The STO's agreement to the Contract is predicated, in part and among other considerations, on the utilization of the specific individual(s) and/or personnel qualification(s) as identified and/or described in the Contractor's proposal. In the event that any of the specific individuals and/or personnel qualifications change, the Contractor must immediately notify the STO. The Contractor further agrees that any substitution of individuals or personnel qualifications made pursuant to this paragraph must be equal to or better than originally proposed and that the notification of a substitution shall not be construed as an acceptance by the STO of the substitution's performance potential. The STO reserves the right to reject any substitutions of individuals or personnel qualifications made if those substitutions, in the discretion of the STO, are not equal to or better than originally proposed. If the Contractor fails to utilize individuals and personnel qualifications that are equal to or better than originally proposed, the STO may terminate the Contract pursuant to Section III.B, Item 3.

L. REVIEW OF SERVICES

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

M. JURISDICTION

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

N. CONFLICT OF INTEREST

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

O. ESTIMATED VOLUMES

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

IV. COMPENSATION

A. METHOD OF COMPENSATION

The Contractor will be compensated solely from earnings on program assets invested in the FDIC insured sweep investment product less an asset based program management fee which the contractor will transfer to Ascensus (currently 19 BPS), less any earnings owed to financial institutions other than the Contractor who participate in the FDIC insured sweep investment product by accepting deposits, less earnings for program participants pursuant to this agreement.

B. PRICE ADJUSTMENTS

1. All rates, benchmarks, and fees included in the proposal are effective for the entire term of the Contract, including available renewal periods, unless otherwise specified below.
2. If included in the proposal, the Contractor may request an adjustment for changes in pass-through charges. The Contractor shall submit documentation verifying such rates when requesting adjustment.
3. Prices for any changes or additional services during the contract period (including the available renewal periods) shall be negotiated between the STO and the Contractor, documented in writing, and signed by both parties.
4. Any future reduction in the program management fee due to Ascensus (should a rate reduction in the Ascensus management fee be negotiated by the STO) shall result in a corresponding increase in the rate of return for participants.

V. PROPOSAL CONTENTS AND SELECTION

A. GENERAL CONSIDERATIONS

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

6. Eligibility Requirements for Bidders

- a. In addition to the requirements detailed elsewhere in this RFP, all bidders must include in their proposals a certified statement attesting to the following:
 - (1) The bidder is either a federal government or state government chartered financial institution.
 - (2) The bidder has a depository banking facility in the State of Missouri. (Not an ATM.)
 - (3) The bidder is a federally insured financial institution.
 - (4) The bidder complies with Federal Regulation guidelines indicating bidder is well capitalized.
 - (5) The bidder has a Community Reinvestment Act (CRA) rating of “satisfactory” or better for the most recent examination conducted.
 - (6) The bidder understands and acknowledges that a successful bidder must have an IDC rating of 165 or better to qualify as a Contractor for this service. Should the Contractor’s rating fall below 125 during the contract period, the contract may be terminated and offered to the next highest scoring qualified bidder.

- b. If the bidder intends to utilize the services of a related financial institution (i.e., a bank within the same holding company as the bidder or to subcontract any of its obligations to a separate financial institution) in the bidder’s proposed method of performance, the bidder must also include a certified statement attesting to the information described in item numbers (1) to (6) immediately above for any additional institution(s). The bidders must also provide copies of the most recent Annual Report, Call Report, CRA Statement, and CRA Public Disclosure for each institution. (Submit these copies only in the original Volume I of the proposal.)

- c. All bidders must be prepared to schedule and deliver a presentation to the STO. The presentation, if scheduled, will encompass a review of the bidder’s systems, the processes to be used in handling the State’s accounts and deposits, and an introduction to the staff who will be involved in servicing the STO’s Contract and relationship with the bidder. Presentations may be scheduled with the top two (2) to three (3) successful bidders at the STO’s discretion. Presentations are currently scheduled to occur **July 27, 2020** and may be in person or by teleconference (method of presentation and assigned presentation time will be relayed to bidders after receipt

of proposals). The STO is in no way obligated to schedule bidder presentations, and the STO can select a proposal without viewing a presentation from the bidder. All costs surrounding the presentations are the bidder's sole responsibility.

7. Bidders are advised that upon execution of a contract, all information submitted in response to this Request for Proposal is considered an open record under Missouri Law and will be made available in response to public information requests. See section III.E, Item 9.

B. FORMAT AND SUBMISSION OF PROPOSAL

1. The selection procedure for this procurement requires that evaluation of the proposed method of performance be completed before considering a bidder's pricing proposal. Consequently, each proposal must be submitted in two (2) volumes as indicated below.

- a. Volume I – Proposed Method of Performance

- (1) This volume must contain sufficient information to enable the evaluators to evaluate the proposal in accordance with the mandatory requirements and the evaluation criteria listed in section V, part D. It should be prepared in a clear and concise manner and should address all appropriate aspects of this RFP **except pricing**.
- (2) This volume should be organized into distinctive sections as outlined below.
 - I. Cover or Transmittal Letter
 - II. Eligibility Certification (see V.A.6.)
 - III. Acceptance of Mandatory Requirements (see Section II.C.)
 - IV. Responses to Specific Questions (see Section II.D.)
 - V. Disaster Recovery (see Section II.D.4.)
 - VI. Community Investment (**Appendix B**)
 - VII. Completed applicable portions of the Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization (see section III.E.6 and **Appendix C**)

- b. Volume II – Pricing Proposal

- (1) This volume must contain the completed pricing guide (**Appendix A**).
- (2) This volume should be organized into distinctive sections as outlined below.
 - I. Completed Pricing Guide (**Appendix A**)
 - II. Model agreement between the sweep administrator and other participating financial institutions

III. Other Supplemental Pricing Information (including documentation of any volume assumptions made)

(3) **This volume must be submitted in a separate, sealed envelope, clearly labeled “Pricing Proposal” on the outside of the envelope.** (Only the original copy of this volume is required.)

2. Proposals must be priced, signed by a bank officer with authority to bind the Contractor to the State by contract, sealed, and returned (in the volumes indicated and with all necessary attachments) to the STO by **11:00 a.m. CST, July 10, 2020.**
 - a. In addition to the original proposal, the bidder should include five (5) copies of Volume I of the proposal. Only the original copy of Volume II is required.
 - b. If submitting hard copies, Volume I of the proposal shall be submitted in a three-(3) ring loose-leaf binder. Volume II shall be submitted in a separate folio or folder, sealed, and clearly labeled as “Pricing Proposal” on the outside of the sealed envelope or folio. Proposals shall be prepared on 8 ½ x 11 inch paper using a legible font. If submitting via CD-ROM or USB flash drive, Volumes I and II shall be submitted in a standard electronic format which approximates the requirements for hard copy submissions as closely as possible. Volume II should be submitted in a separate, labeled and sealed envelope.
 - c. If submitting hard copies, in addition to the above, bidders are required to submit one CD-ROM or flash drive containing only Volume I of the proposal. (If any discrepancies between the hard (paper) copy and the electronic copy are discovered, the hard (paper) copy will prevail.)
3. The bidder shall respond to this RFP by submitting all data required. Failure to submit such data shall be deemed sufficient cause for disqualification of a proposal from further consideration for award.

C. CLARIFICATION OF REQUIREMENTS

1. Any and all questions regarding specifications, requirements, competitive procurement process, etc., must be directed in writing to Nicole Hackmann, Director of Banking via email to STORFP@treasurer.mo.gov . This is the only method of communications that will be accepted. The deadline to submit questions is July 1, 2020.
2. **Bidders are cautioned not to contact employees of the STO, employees of other State agencies, members of the General Assembly, or any members of the evaluation committee concerning this procurement during the competitive procurement and evaluation process. Such contact may cause the bidder’s proposal to be rejected.**

3. The bidder is advised that the STO's only official position is that which is stated in writing and issued by the STO as a RFP and any amendments thereto. No other means of communication, whether oral or written, shall be construed as a formal or official response or statement.

D. EVALUATION PROCESS

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

Price	40%
Proposed Method of Performance	30%
Experience, Quality and Reliability	25%
Community Investment	5%

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

2. After an initial screening process, if deemed necessary, the STO and the evaluation committee may ask a bidder to clarify or verify elements of the bidder's proposal to develop a more comprehensive assessment of the proposal. Such a request will be delivered via email to the officer signing the proposal, and will generally require a **response in 48 hours**.
3. The STO reserves the right to consider historic information and facts, whether gained from the bidder's proposal, question and answer conferences, references, or any other source, in the evaluation process.
4. It is solely the bidder's responsibility to submit information related to the evaluation categories and the STO is under no obligation to solicit such information if it is not included with the bidder's proposal. Failure of the bidder to submit such information may cause an adverse impact on the evaluation of the bidder's proposal, up to and including rejection of the bidder's proposal.
5. In the event that only one (1) proposal is received in response to this RFP, the STO reserves the right to cancel the bid process or to negotiate the terms and conditions, including the price, as proposed in the sole bidder's proposal. In addition, as part of such negotiations, the STO reserves the right to require supporting cost, pricing and other data from the bidder in order to determine the reasonableness and acceptability of the proposal.

E. PRICING

1. The bidder must complete the pricing guide (**Appendix A**) of this RFP and submit it with the proposal in a separate sealed envelope or folio. Any pricing involved in providing required services must be reflected on the pricing guide. All costs must be portrayed.
2. The bidder must submit a model agreement between the sweep administrator and other participating financial institutions including rate information as well as any other pertinent terms.
3. Any cost and/or pricing data submitted or related to the bidder's proposal including any cost and/or pricing data related to contractual extension options, whether required or voluntary, shall be subject to evaluation if deemed by the STO to be in the best interest of the State of Missouri.

F. PROPOSED METHOD OF PERFORMANCE

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

G. COMMUNITY INVESTMENT

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

VI. GLOSSARY OF TERMS

Term or Abbreviation	Definition
1. Alternative Solution	A proposed method or procedure to meet the needs or intent of the mandatory requirements of the request for proposal (RFP).
2. Ascensus	Ascensus College Savings Plan Recordkeeping Services, LLC, a record keeping and savings plan services provider, currently the MOST 529 program manager.
3. Assets Under Management (AUM)	The total market value of the investments that a person or entity manages on behalf of the clients.
4. BAI	Bank Administration Institute.
5. Bank	A financial institution.
6. Banking Day	The standard day of operation of the federal reserve system.
7. Basis Points (BPS)	One hundredth of one percent, used chiefly in expressing differences in interest rates.
8. Bidder	The business entity or organization responding to the request for proposal submitted to the STO. (If awarded the contract, the bidder may also be known as the “Contractor”.)
9. BNY Mellon	The Bank of New York Mellon Corporation
10. Collected Balance	The difference between ledger balances and deposit float.
11. Community Investment	The contribution a financial institution makes to the community it serves.
12. Contract	Collectively refers to: the Depository Contract, Pledge Agreement, Demand Deposit Contract and contract for Banking Services; the RFP and any amendments thereto issued by the State Treasurer’s Office; the Contractor’s response to the RFP including any and all attachments and additional responses.
13. Contractor	The business entity or organization that is awarded the Contract to perform the services specified within the request for proposal. (The Contractor may also be referred to as the “bidder” prior to contract award.)
14. CRA	Community Reinvestment Act.

Term or Abbreviation	Definition
15. CST	Central Standard Time.
16. Division of Finance	The agency responsible for oversight of financial institutions within the State of Missouri. A division of the Department of Insurance and Commerce.
17. Disbursement	The act of paying out funds.
18. End of Contract	The end of the Contract may occur at the expiration of the contract period or extension thereof; termination or cancellation of the Contract; or other event that causes the contractual relationship between the STO and the Contractor to cease.
19. Experience, Quality and Reliability	The terms applied to the knowledge, practice and dependability of a proposed bidder to perform those specific requirements identified within the request for proposal (RFP).
20. FDIC	Federal Deposit Insurance Corporation.
21. FFIEC	Federal Financial Institution Examination Council.
22. Hot Site	Alternative processing location in the event of an event that interrupts processing and/or service at the primary processing location.
23. IDC	One of the nationally recognized statistical rating organizations (NRSRO's) recognized by the Securities and Exchange Commission, which provides credit ratings of U.S. financial institutions.
24. Mandatory Requirements	Those specific methods or procedures required by the State Treasurer's Office (STO) and defined in Section II. B. of the request for proposal (RFP) to ensure that the State of Missouri's needs are met by the Contractor.
25. MOST 529	A tax advantaged education savings program created in Missouri statute and administered by the STO and the MOST Board.
26. NSRSO	Nationally Recognized Statistical Rating Organizations recognized by the Securities and Exchange Commission.
27. OCC	Office of the Comptroller of the Currency.
28. Online/On-line	A system connected to the Internet.

Term or Abbreviation	Definition
29. Pricing	The rate of return specified in the pricing guide (Appendix A) along with any assumptions used, volume or otherwise.
30. Program Management Fee	The contractual fee owed to Ascensus for their services.
31. Proposal	The official request document submitted by bidders to acknowledge their interest in performing services for the STO and documenting their ability to perform the services requested in the STO's Request for Proposal.
32. Proposed Method of Performance	The distinctive plan for performing the requirements of the request for proposal (RFP) as defined by the bidder.
33. Repurchase Agreement (Repo)	The sale of a security by a dealer to an investor with an agreement to buy the security back from the investor at a specific time and at a price that will result in a pre-determined yield to the investor.
34. RFP	Request for Proposal.
35. Secure Act	The Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019, Pub.L. 116–9.
36. State	The State of Missouri.
37. STO	The Office of the Missouri State Treasurer located in Jefferson City, Missouri.
38. Sweep Administrator	The bidder/contractor selected pursuant to this RFP.
39. Timely Manner	A reasonable period of time for a desired outcome to occur or to be accomplished.
40. Well Capitalized	As determined by the FDIC, an insured depository institution is "well capitalized" if it significantly exceeds the required minimum level for each relevant capital measure.
41. Vanguard	The Vanguard Group – an American registered investment advisor.

VII. APPENDICES

- A. Pricing Guide
- B. Community Investment Questionnaire
- C. Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization

Appendix A

Pricing Guide

Appendix A

Pricing Guide

Pricing for this service will be based solely on the rate of return for plan participants invested in the FDIC insured sweep investment product based on the following assumptions:

- 1) An asset-based program management fee (Currently 19 BPS) will be transferred to Ascensus on a monthly basis. This fee is solely the responsibility of the Contractor and the rate of return specified shall be the actual rate of return to plan participants after all fees and expenses of the contractor are taken into account including, but not limited to, this program management fee:
 - a. In the event that the program management fee increases (unlikely), such increase in the program management fee shall result in a corresponding decrease to the specified rate of return for plan participants invested in the FDIC insured sweep product.
 - b. In the event that the program management fee decreases such decrease in the program management fee shall result in a corresponding increase to the specified rate of return for plan participants invested in the FDIC insured sweep product.
- 2) All compensation owed to participating financial institutions other than the Contractor shall be solely the responsibility of the Contractor and the rate of return specified in this proposal shall be the actual rate of return to plan participants after all fees and expenses of the contractor are taken into account including, but not limited to, fees owed to other financial institutions.
- 3) The Contractor shall specify one of the two following options:
 - a. A static rate of return, which will not change for the length of the contract unless the program management fee increases or decreases pursuant to Appendix A.1
 - b. A rate of return tied to a nationally recognized interest rate benchmark
- 4) Rate changes, whether a result of program management fee changes, or changes in an underlying nationally recognized interest rate benchmark, shall only occur on the first day of each month, and must be preceded by a minimum of ten (10) business day notice to Ascensus and the STO.

Please respond to all applicable questions:

- 1) Do you propose using a static rate of return, or a rate of return tied to a nationally recognized interest rate benchmark?
 - Static rate of return (skip to question 4)
 - Rate of return tied to nationally recognized interest rate benchmark (proceed to question 2)

Appendix B

Community Investment Questionnaire

Appendix B

COMMUNITY INVESTMENT QUESTIONNAIRE

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

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

Appendix C

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

APPENDIX C

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

BUSINESS ENTITY CERTIFICATION:

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

<p><u>BOX A:</u> To be completed by a non-business entity as defined below.</p> <p><u>BOX B:</u> To be completed by a business entity who has not yet completed and submitted documentation pertaining to the federal work authorization program as described at http://www.uscis.gov/e-verify.</p> <p><u>BOX C:</u> To be completed by a business entity who has current work authorization documentation on file with a Missouri state agency including Division of Purchasing.</p>

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

Note: Regarding governmental entities, business entity includes Missouri schools, Missouri universities, out of state agencies, out of state schools, out of state universities, and political subdivisions. A business entity does not include Missouri state agencies and federal government entities.

BOX A – CURRENTLY NOT A BUSINESS ENTITY
<p>I certify that _____ (Company/Individual Name) <u>DOES NOT CURRENTLY MEET</u> the definition of a business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo as stated above, because: (check the applicable business status that applies below)</p> <p><input type="checkbox"/> - I am a self-employed individual with no employees; OR</p> <p><input type="checkbox"/> - The company that I represent employs the services of direct sellers as defined in subdivision (17) of subsection 12 of section 288.034, RSMo.</p> <p>I certify that I am not an alien unlawfully present in the United States and if _____ (Company/Individual Name) is awarded a contract for the services requested herein under _____ (RFP Number) and if the business status changes during the life of the contract to become a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo then, prior to the performance of any services as a business entity, _____ (Company/Individual Name) agrees to complete Box B,</p>

comply with the requirements stated in Box B and provide the Division of Purchasing with all documentation required in Box B of this exhibit.

Authorized Representative's Name
(Please Print)

*Authorized Representative's
Signature*

Company Name (if applicable)

Date

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

BOX B – CURRENT BUSINESS ENTITY STATUS

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

Authorized Business Entity
Representative's Name (Please
Print)

*Authorized Business Entity
Representative's Signature*

Business Entity Name

Date

E-Mail Address

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

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

AND

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

AND

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

AFFIDAVIT OF WORK AUTHORIZATION:

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

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

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

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

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

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

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

BOX C – AFFIDAVIT ON FILE - CURRENT BUSINESS ENTITY STATUS

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

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

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

Date of Previous E-Verify Documentation Submission: _____

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

Authorized Business Entity
Representative’s Name (Please
Print)

*Authorized Business Entity
Representative’s Signature*

Business Entity Name

Date

E-Mail Address

E-Verify MOU Company ID
Number

**FOR STATE OF MISSOURI USE
ONLY**

Documentation Verification Completed
By:

Buyer

Date