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**REQUEST FOR PROPOSALS**

**LOCKBOX SERVICES**

**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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1. **Introduction**

##### PURPOSE OF RFP

The Missouri State Treasurer's Office (STO) is accepting written proposals from financial institutions to serve as the lockbox processor for the State of Missouri (State). The STO maintains and oversees six (6) lockboxes serving the Department of Social Services (DSS). The purpose of this Request for Proposal (RFP) is to select one financial institution to provide lockbox services for a four - (4) year period commencing July 1, 2022, and ending June 30, 2026. This RFP covers only those service needs associated with the deposit and processing of State receipts sent to the lockboxes.

##### BIDDERS CONFERENCE

The STO will hold a mandatory bidders’ conference at 1:30 pm., Thursday, January 12, 2022. The bidders’ conference will be held via conference call. Each bidder must have a representative in attendance at the bidders’ conference. **No proposals will be accepted from a bidder who does not attend this conference.**  Call in information will be distributed by email on January 11, 2022.

##### 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, February 2, 2022.**  The response must include five (5) copies of Volume I in addition to the original document containing Volumes I and II. *Responses must be in paper form and delivered directly to the STO by the deadline date and time.* (Neither faxed copies nor electronic submissions of proposals will be accepted.) In addition, included with the original copy of the response, bidders shall provide an electronic copy of the proposal sections as required in section V.B., Format and Submission of Proposal on CD-ROM or flash drive. (If any discrepancies occur between the paper copy and the electronic copy, the paper copy will prevail.)

Each proposal must include the following:

Volume I:

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

Volume II:

* Completed Pricing Tables (see **Appendix F**)
* Other supplemental pricing information if needed

##### AWARD AND IMPLEMENTATION

The STO expects to award this contract within sixty (60) days of the proposal due date. Proposals must include an implementation schedule (see section II.C.17). The Contractor must be prepared to assume responsibility for State lockbox services effective July 1, 2022. The STO will work with the Contractor as necessary to complete implementation in a timely manner.

##### BID EVALUATION AND SELECTION CRITERIA

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

**Price 50%**

**Proposed Method of Performance 20%**

**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.

##### ANTICIPATED TIMETABLE

Release RFP January 5, 2022

Bidders’ Conference January 12, 2022

Last Date to Submit Questions January 26, 2022

Proposals Due February 2, 2022

Presentations by Selected Bidders February 23, 2022

Evaluation Committee Recommendation February 28, 2022

Contractor Selection March 31, 2022

**II. SCOPE OF SERVICES**

##### A. OVERVIEW OF CURRENT LOCKBOX SERVICES

The Missouri State Treasurer’s Office (STO) maintains and oversees six (6) lockboxes to serve the Department of Social Services (DSS). Receipts processed for each lockbox are deposited into an individual demand deposit account (DDA) with the Contractor. There is one (1) DDA per lockbox. STO personnel are responsible for reconciling account activity daily, initiating account transfers, and coordinating activity between the DSS and the Contractor. Lockbox volumes are included in **Appendix J**.

The following are descriptions of the lockboxes currently in use:

**Wholesale Lockboxes**

# **1. Third Party Liability (TPL) Lockbox**

This lockbox is maintained at the request of the DSS Third Party Liability (TPL) contractor (currently Health Management Systems (HMS)), to receive payments resulting from billings to insurance companies. The TPL contractor reviews the records of the DSS Mo HealthNet Division (MHD) and searches for individuals who received benefits under the Medicaid program who had insurance coverage that should have been billed for the service. Upon acceptance of the claim, insurance companies remit payment along with explanation of benefits (EOBs) documents to the lockbox.

Detailed operational procedures for this lockbox are provided in **Appendix A**. Items processed are imaged and a file of images is transmitted to HMS daily. HMS is billed directly by the Contractor for this lockbox with a copy of the billing provided to the STO.

# **2. Other Third Party Liability (OTPL) Lockbox**

This lockbox is maintained at the request of the DSS TPL contractor (currently HMS), to receive payments from providers, carriers, or other entities, where a special overpayment project is implemented to identify any funds where a refund is due MHD.

Detailed operational procedures for this lockbox are provided in **Appendix B**. Items processed are imaged and a file of images is transmitted to HMS daily. HMS is billed directly by the Contractor for this lockbox with a copy of the billing provided to the STO.

# **RETAIL LOCKBOXES**

# **3. CHIP Premium Lockbox**

This lockbox is maintained at the request of DSS to receive payments from clients paying premiums to the State for coverage in a specific Medicaid program.

CHIP allows individuals to “buy in” to the Children’s Health Insurance Program (CHIP), also known as MO HealthNet for Kids, part of the federal Children’s Health Insurance Program, a health insurance program for uninsured children of low-income families who do not have access to affordable health insurance. Based on income, some participants will be required to pay monthly premiums. Detailed operational procedures for this lockbox are provided in **Appendix C**.

**4. SPENDDOWN PREMIUM LOCKBOX**

This lockbox is maintained at the request of DSS to receive payments from clients paying premiums to the State for coverage in a specific Medicaid program.

Spenddown allows individuals to participate in Medicaid by paying the state the difference between their current income level and the income level required by the specific program of eligibility. Spenddown refers to the amount of medical expenses that are a person’s financial responsibility before Medicaid would cover any expenses, similar to an insurance deductible. Detailed operational procedures for this lockbox are provided in **Appendix C**.

**5. TICKET TO WORK PREMIUM LOCKBOX**

This lockbox is maintained at the request of DSS to receive payments from clients paying premiums to the State for coverage in a specific Medicaid program.

Ticket to Work Health Assurance (TWHA) is a program created by section 201 of the federal Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170) for employed persons with disabilities. Eligible participants receive a limited MO HealthNet benefit package. Some participants are required to pay a premium for their Medicaid coverage. Detailed operational procedures for this lockbox are provided in **Appendix C**.

**6. CHILD SUPPORT ANNUAL FEE LOCKBOX**

This lockbox is maintained at the request of DSS to receive payments from non-custodial parents paying an annual fee to the State for providing child support services.

The Federal Deficit Reduction Act of 2005 (Public Law 109-171) requires state child support agencies to charge an annual fee of $25 on cases that have payments totaling $500.00 or more during a federal fiscal year if the family never received Temporary Assistance. Collected fees help offset the costs associated with providing child support services. Under Missouri state regulation 13 CSR 40-110.030, those responsible for paying child support are responsible for paying the $25 annual fee. Detailed operational procedures for this lockbox are provided in **Appendix D**.

DSS issues machine readable coupons to participating clients in all programs which should be remitted with payment to the appropriate retail lockbox. Sample coupons have been provided in **Appendix E.**

A single data file is sent daily to DSS reporting payments remitted to the three (3) premium lockboxes (CHIP, Spenddown, and Ticket to Work). A separate data file reporting payments remitted to the Child Support Annual Fee lockbox is also sent to DSS daily. File transmission information is provided in **Appendix I**.

DSS is billed directly by the Contractor for the retail lockboxes with a separate statement for each lockbox, but the charges are also provided on an analysis statement to the STO. DSS will remit payment for a portion of the service charges that can be processed as expenses under certain grant agreements (all of Spenddown, Ticket to Work, and the Child Support Annual Fee & approximately ½ of CHIP). The Contractor shall record such payments as a credit to the STO’s analysis statement to the credit of the appropriate account in the month payment is received. (The STO may be contacted to obtain the appropriate breakout for each payment.)

**GENERAL PROVISIONS**

Online access to account balances and transaction information via the Internet is required for all Contractor established demand deposit accounts (DDAs) covered by this Contract. Each lockbox has its own individual DDA into which collections are deposited.

In addition to each lockbox account, the STO maintains a consolidation account, also covered by this Contract, into which the activity on all individual DDA’s is consolidated daily by zero balance transfer. Account activity on any collection accounts the STO holds independently with the Contractor are also consolidated into this account.

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

**Additional Agencies**

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

### B. MANDATORY REQUIREMENTS

All of the following items must be initialed by the bank officer signing the bid indicating the bidder’s acceptance to perform the mandatory requirements as stated. However, a bidder may asterisk an item (\*) and document an alternative solution to the requirement. If such an alternative solution is as cost effective and meets the same needs as the current system, the bidder will be considered to have accepted the mandatory requirement.

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

1. Eligibility Requirements – all bidders must attest to the following:

\_\_\_\_\_ a. The bidder is either a federal government or state government chartered financial institution.

\_\_\_\_\_ b. The bidder has a depositary 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 has sufficient equity capital to hold the compensating balances required by the bidder’s proposal. *Note: Total balances on deposit with a Contractor may not exceed the Contractor’s equity capital.*

\_\_\_\_\_ g. The bidder understands and acknowledges that a successful bidder must have an IDC rating of 165 or better to qualify as a Contractor for this service. Should the Contractor’s rating fall below 125 during the contract period, the contract may be terminated and offered to the next highest scoring qualified bidder.

2. In-State Requirements

\_\_\_\_\_ a. The post office box address utilized as the remit to address for all of the lockboxes must be Missouri addresses*.*

3. Lockbox and Deposit Processing

\_\_\_\_\_ a. The Contractor is able to process deposits under and will abide by the procedures provided in **Appendix A through D** for each of the six (6) distinct receipt types described.

\_\_\_\_\_ b. The Contractor shall process items on the date received.

\_\_\_\_\_ c. The Contractor shall notify MHD and FSD daily by e-mail, the number of rejected items they will receive the next business day, separately by program. (This applies to the retail boxes only.)

\_\_\_\_\_ d. The Contractor shall forward for collection a second time any check returned due to insufficient funds (NSF) unless otherwise specified in the processing procedures for a specific lockbox.

\_\_\_\_\_ e. The Contractor shall provide a means for DSS to identify return items in the retail lockboxes to the correct program.

\_\_\_\_\_ f. If the Contractor processes a debit or credit adjustment to any account, a notice shall be provided to both the STO and DSS.

\_\_\_\_\_ g. The Contractor shall provide daily transaction files as designated by the procedures provided in **Appendix A through D** and in accordance with the file formats and transmission methods provided in **Appendix I**.

\_\_\_\_\_ h. The Contractor shall provide the ability for DSS to make online edits for payments submitted without coupons. The applicable boxes will be specified by STO and DSS and additional boxes may be added during the contract period.

At a minimum, DSS must be able to enter data on the exception items that include:

1. Case Number
2. Coverage date
3. Amount
4. Coupon type (lockbox program identifier)
5. Invoice number

4. Establishment of Bank Accounts

\_\_\_\_\_ a. The Contractor shall establish six (6) separate bank accounts to correspond with each lockbox described in Section II.A., Overview of Current Services. All deposits processed by the Contractor, as well as any subsequent error corrections, adjustments and return items shall post to the appropriate corresponding lockbox account.

\_\_\_\_\_ b. The Contractor shall establish one consolidation account for use by the STO. All end of day balances in the lockbox accounts shall automatically transfer to this account daily.

\_\_\_\_\_ c. The Contractor shall establish, as requested by the STO, additional bank accounts and lockboxes in accordance with the requirements of this RFP using the fee scheduled provided in Volume II of the contractor’s proposal. (Note: If the processing requirements of any additional lockboxes vary significantly from those described in this RFP or the resulting contract and any subsequent amendments, an additional fee schedule may be negotiated.)

\_\_\_\_\_ d. The Contractor shall provide ACH and paper debit blocks and/or filters on any DDAs established by the Contractor under this contract.

\_\_\_\_\_ e. Should the Contractor maintain other accounts for the STO, the consolidation account may be designated as the master account for zero-balance transfers from other STO accounts, or an existing account may be used in lieu of the consolidation account specified in b. above.

\_\_\_\_\_ f. The Contractor shall understand and agree that personally identifiable information of the Treasurer and STO personnel will not be provided.

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

5. Availability Requirements

\_\_\_\_\_ a. The Contractor shall provide a minimum of **1-day availability** on all funds deposited, regardless of their composition. The STO shall receive a flat availability rate on all items and will not monitor availability on deposited funds.

6. Information Access and Account Transfers

\_\_\_\_\_ a. The Contractor shall provide for online access by the STO, the DSS, and the Department of Revenue (DOR) to the daily ledger balance, collected balance, and all account activity for the lockbox and consolidation accounts by 7 a.m. CST for the previous day’s activity. Current day information regarding account activity as well as any applicable float amounts for all deposits shall be available online. Electronic access shall be available through a secure Internet reporting tool.

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

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

7. Reporting Requirements

\_\_\_\_\_ a. The Contractor shall provide electronic files reporting receipt transactions to the DSS as required by the lockbox operating procedures included as **Appendix C & D**.

\_\_\_\_\_ b. The Contractor shall provide electronic files of images to HMS as required by the lockbox operating procedures included as **Appendix A & B**.

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

1. Daily bank statements detailing transaction activity on the State’s accounts from prior day activity. This must be available online via a secure Internet reporting tool.
2. Transaction detail on reports and statements must sufficiently identify transactions for reconciliation purposes. Upon request from the STO, the Contractor must further identify transactions to facilitate reconciliation of an account.

(3) When corrections/adjustments are required to bank statements to reflect actual activity, documentation must be provided to the STO within three (3) business days of notification of the error. Documentation must be in a form acceptable to the STO.

\_\_\_\_\_ d. The Contractor shall provide the following deposit reporting:

1. On request and for the period specified, an endpoint analysis providing information at a routing number level (the STO will specify a dollar threshold for providing detail). For each routing number, data should be provided on dollar volume and item count (in both dollars and percentages). The report should also provide summarized data for the period. (If requested, this information will be used to provide prospective bidders information on the State’s depositary volumes in the next lockbox services RFP.)

\_\_\_\_\_ e. Upon request, the Contractor shall provide the STO with a daily BAI file on all accounts maintained by the Contractor for the STO. (The STO is not currently using a daily BAI file for the Lockbox accounts, but may elect to do so in the future.)

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

8. Consolidated Balance Requirements

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

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

\_\_\_\_\_ c. In the event of a potential overdraft on the combined total of state demand accounts held by the Contractor (including balances held for compensation purposes), the STO will compensate the Contractor through the account analysis. An interest charge may post to the account analysis at the rate of interest equal to the STO’s average overnight repo rate for the day on which the situation occurred.

\_\_\_\_\_ d. The Contractor shall not charge for daylight overdrafts.

9. Account Analysis and Monthly Reporting

\_\_\_\_\_ a. On a monthly basis, the Contractor shall provide the STO an account analysis stating the type and amounts of each service provided, service charges incurred (as quoted in **Appendix F)**, and a computation of the accounts’ average daily collected balances during the month. Uncollected overdrafts shall be included in the calculation of average daily collected balance.

\_\_\_\_\_ b. The account analysis shall state the excess or deficit position based upon the agreed prices for services as contained in the contract and their conversion to balance compensation at the current applicable Earnings Credit Rate (ECR). The STO will review the excess or deficit position each month and will adjust balances as needed to approximate the annual level of service activity. Any excess balance from the previous month will be carried forward and used to pay for the next month’s services. Any deficit balance from the previous month will be covered by future earnings (See section IV.A., Method of Compensation). Any excess or deficit position with the Contractor shall carry forward month-to-month and year-to-year, so long as the STO maintains services with the Contractor unless otherwise agreed to by the STO.

\_\_\_\_\_ c. The STO does not foresee uncollected overdrafts related to this contract. In the event one does occur, there shall be no charge for an uncollected overdraft. The occurrence shall be included in calculating the average daily collected balance on the account analysis. The uncollected overdraft will essentially be compensated at the current month’s ECR.

\_\_\_\_\_ d. The Contractor shall not include in the STO’s consolidated analysis any charges resulting from the DSS wholesale lockboxes maintained for the DSS’s contractors. However, a copy of the invoices provided to the DSS contractors must also be delivered to the STO with the monthly account analysis.

\_\_\_\_\_ e. The contractor shall record any payments received from the DSS for the charges incurred related to the lockboxes as a credit on the appropriate analysis statement in the month payment is received. (DSS payments shall be reflected on STO’s account analysis. Payments from the DSS contractors shall be reflected against each individual analysis, but not included in the STO’s consolidated analysis statement.)

\_\_\_\_\_ f. FDIC insurance premiums and/or assessments, or any similar balance-related charges or Federal Reserve surcharges or similar fees assessed on financial institutions shall not be passed through to the STO nor assessed on any accounts covered by this contract.

10. Additional Service Requirements

\_\_\_\_\_ a. The Contractor shall provide the STO with the ability to transfer collected funds to another STO account at a different financial institution by wire transfer.

\_\_\_\_\_ b. The contractor shall provide telecommunication access to the State so that STO and State agency personnel do not incur long distance charges in contacting the Contractor. Such access may be in the form of a dedicated telephone line, or in-bound toll-free number.

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

\_\_\_\_\_ d. Special Service Requirements

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

(1) The Contractor must cash state-issued checks for non-bank customers, but may charge the customer a reasonable fee. (The STO may be contacted to determine the validity of a state-issued check.)

(2) The Contractor must provide direct deposit accounts to employees, retirees and other designated groups of the State, for a reasonable fee to the account holder.

\_\_\_\_\_ e. No portion of this contract will be handled outside the United States. See [Executive Order No. 04-09](http://www.sos.mo.gov/library/reference/orders/2004/eo04_009.asp).

11. Quality of Service

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

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

12. Collateral

\_\_\_\_\_ a. Collateral acceptable to the STO will be required on the total of any compensating balances and any other funds (collected and uncollected) in STO accounts in excess of FDIC insurance coverage.

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

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

\_\_\_\_\_ d. The [acceptable collateral listing](http://www.treasurer.mo.gov/link/time.pdf) is located on the STO’s website and is subject to change.

13. Confidentiality and Data Security

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

\_\_\_\_ b. The Contractor will provide written notice to the STO Director of Banking and the designated DSS contact*,* 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 or protected health 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 or protected health 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](https://revisor.mo.gov/main/OneSection.aspx?section=407.1500&bid=23329&hl=)., 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. “Protected health information” shall have the definition provided in **Appendix L**, attached hereto.

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 must 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 must 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/DSS staff designated and will provide timely updates as needed/requested by the STO/DSS. 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 Missouri residents 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 (including the Health Insurance Portability and Accountability Act (as applicable), 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 and the DSS, 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 the Contractor’s failure to comply with the terms of this Contract, including any notification, will be the full responsibility of the Contractor. Any costs incurred by the State of Missouri directly resulting from a breach of security on the part of the Contractor under the Contract must be reimbursed by the Contractor. The Contractor will indemnify and hold the State of Missouri harmless from any and all claims, damages, and liability arising as a result of a security breach due to the 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. The DSS boxes processing healthcare related payments, are to be maintained as compliant with the privacy and security rules established by the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) (collectively, and hereinafter, “HIPAA”) governing the management of personal health information. By accepting this mandatory requirement, the Contractor agrees to be bound to the terms of **Appendix L** regarding the requirements of HIPAA.

The applicable boxes are:

1. Third-Party Liability (TPL)
2. Other Third-Party Liability (OTPL)
3. Children’s Health Insurance Program (CHIP)
4. Spenddown
5. Ticket to Work

14. Collection Accounts

\_\_\_\_\_ a. At the request of the STO, the Contractor shall establish a consolidated collection account for use by State agencies located outside of Jefferson City for the deposit of State funds. This collection account will be primarily used for the consolidation of any existing collection accounts currently maintained by the STO with the Contractor.

\_\_\_\_\_ b. Pricing for the collection account shall be in accordance with the fee schedule provided in Volume II of the Contractor’s proposal.

\_\_\_\_\_ c. The Contractor shall set the collection account to sweep by zero balance transfer to an account designated by the STO.

\_\_\_\_\_ d. The Contractor shall provide ACH and paper debit blocks for the collection account.

\_\_\_\_\_ e. The Contractor shall provide deposit slips to the STO in such quantities as are required for the collection account. Requests for deposit slips will be coordinated through the STO. These deposit slips shall be 2-part, carbonless and encoded with 6-digit location codes uniquely identifying each state agency office depositing into the collection account.

\_\_\_\_\_ f. The Contractor shall provide for electronic access by the STO to the daily ledger balance, collected balance, and all account activity (including the location codes on the deposit tickets) for the collection account by 7 a.m. CST for the previous day’s activity. Electronic access must be available through a secure Internet reporting tool.

\_\_\_\_\_ g. The Contractor shall agree to forward for collection a second time any check returned due to insufficient funds (NSF).

\_\_\_\_\_ h. Each returned item must be identified with the location code of the deposit ticket associated with it.

15. Disaster Recovery

\_\_\_\_\_ a. The Contractor shall provide or procure offsite disaster recovery support to the STO.

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

16. Open Records

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

17. Attestation

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

##### SPECIFIC QUESTIONS FOR BIDDERS

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

##### Where applicable or appropriate:

##### Answer yes or no

##### Specifically describe systems or processes

##### Provide examples

##### Include flowcharts

##### Describe training, user manuals and documentation provided with services

##### Discuss potential improvements in approach, integration of services, or elimination of data or reporting duplications

##### Explain what differentiates your services from that of other lockbox services providers

##### Failure to comply could result in rejection of the bidder’s proposal.

1. Organization and Experience

a. Briefly discuss the history of your organization, ownership structure and lines of business.

b. How long have you maintained lockbox services?

c. In the last three years, what, if any, significant organizational changes (i.e., mergers, acquisitions, business concerns, etc.) have occurred?

d. Bidders must provide one (1) copy of the most recent Annual Report and Call Report of the financial institution. (Include this information only with the original Volume I of the proposal.)

e. Bidders must provide a summary of current and previous work performed within the last five (5) years by the financial institution for a comparable **public sector** client which is similar in nature to that proposed for the STO under this RFP. Provide a contact name, e-mail address, and phone number. Indicate if the lockbox services provided to the client are wholesale or retail in nature and the volume of items processed through the lockbox(es) for the client. (Listed clients may be contacted by the STO.)

f. Bidders shall:

(1) Note any instances in the last three (3) years where a client receiving services similar to one (1) or more of the service areas requested in this RFP discontinued such services. (This includes clients lost due to competitive bidding.)

(2) Indicate why services were discontinued.

(3) List a reference person(s) from organizations which were provided the services. Include a current telephone number. (Listed clients may be contacted by the STO.)

g. Bidders must provide three (3) references for lockbox services **in addition to** the public sector client provided under item 1.e. above. Provide a contact name, e-mail address, and phone number for each reference. Indicate the volume of items processed through retail lockboxes and through wholesale lockboxes as applicable for each reference provided. (At least one (1) reference supplied shall be a retail lockbox customer and one (1) reference supplied shall be a wholesale lockbox customer. This may be accomplished across all three references or using any combination of them.)

h. Bidders should briefly summarize any other factors that may be justification for selecting the financial institution and its services.

i. Provide the following credit and financial information:

(1) Net equity capital

(2) Your financial institution’s rating as determined by a Nationally Recognized Statistical Ratings Organization (NRSRO), as defined by the Securities and Exchange Commission. If a rating is not available, indicate not rated.

(3) Provide details with respect to significant litigation against your firm for the last ten (10) years and any significant regulatory actions taken or pending that will impact your business.

1. In-State Requirements
2. State the location (address) of the Post Office facility the bidder desires the State to utilize.
3. State the location (address) of the facility where lockbox processing will occur. What is the nature of this facility? (Main banking facility, branch, processing center, vault…)
4. State the location (address) of the facility where lockbox deposits will officially be made. What is the nature of this facility? (Main banking facility, branch, processing center, vault…)
5. Indicate the distance between the response to item a. above and item b. above. If the response to item a. above is a significant distance from the response to item b., explain how bidder plans to ensure all payments are processed the same day they are received into the post office box?
6. Lockbox and Deposit Processing
7. Indicate the frequency and timing in which the bidder will pick up the post office box contents each weekday.
8. Will bidder pick up the contents on the weekend? If yes, indicate frequency and timing of pickups.
9. Provide a list of the lockbox department’s holidays.
10. As the current needs are described in **Appendix A** through **Appendix D**, can the bidder’s existing systems/processes accommodate the State’s needs? If not, what changes must be made?
11. What controls does the bidder have in place to ensure accurate processing per customer specifications?
12. What controls are in place to insure all payments received are processed the same day received?
13. Does the bidder combine multiple deposits into a single daily ledger credit for statement purposes? If so, provide example reports illustrating how the ledger credit will be reconciled to the deposits.
14. Do you use a third-party processor, including couriers, for any part of this service? If so, explain.

(1) How will bidder ensure the quality of service provided to the State by any third-party processor or courier used?

(2) How will bidder ensure delivery timing required in the lockbox procedures described in **Appendix A** through **Appendix D** is upheld?

1. How does bidder plan to identify return items to ensure DSS knows to which lockbox program the return item pertains?
2. What time will the daily transaction files be transmitted to or available for pickup by DSS and/or their contractor?
3. Does the bidder have a method to allow the DSS to correct certain items normally rejected during processing online and include the corrected information on the data file?
   * + - 1. What types of exceptions can be corrected using this process?
         2. Provide screen prints and a narrative of how this process works.
         3. During what window or timeframe can DSS correct these items? Specifically, when do the exceptions become available, and when must decisioning be complete to make the file cutoff?
         4. Can items not decisioned be held over to the next business day and then made available in that day’s window for inclusion on the next day’s file and in the next day’s deposit if processed by DSS?
         5. Can items not decisioned by the daily cutoff continue to be worked after the cutoff and then included on the next day’s file and in the next day’s deposit if processed by DSS?
         6. Will items rejected during this process be delivered with the items rejected according to the lockbox processing procedures, or in a later package?
         7. If the additional rejected items will be in a later package, within what timeframe will that package be delivered to DSS?
         8. What quality controls and procedures are in place to ensure the following:

That items rejected in accordance with the processing procedures are correctly identified and delivered to DSS?

That items rejected by DSS through the manual decisioning process are correctly identified and delivered to DSS?

1. Does the bidder have any similar or complimentary services that would assist the DSS in rejecting fewer payments received into the retail lockboxes?
2. Establishment of Bank Accounts

a. Explain the debit blocks and filters (both paper and electronic) available to the State on the established DDAs. What is the procedure for establishing a new debit block or filter?

b. Can specific transactions, vendors or types of activity be blocked for ACH debits and credits?

* 1. After notification that an unauthorized debit has occurred, when will the credit be received? (How quickly after notification from the STO will this occur?)

1. Availability Requirements

a. Can the bidder provide better availability on all funds deposited than required by the STO in section II.B, item 5.a of the Mandatory Requirements? If yes, please indicate the applicable availability in response to this question (Bidder is expected to uphold the availability of funds throughout the term of the contract.) and on Pricing Table 2 in **Appendix F**. If accelerated availability applies only to specific routing numbers, please indicate those in response to this question.

* + 1. How often will bidder review the availability of funds deposited?
    2. As availability improves, will better availability be passed on to the State?

1. Information Access and Account Transfers
2. Provide example screen prints of the information required by Section II.B., item 6.a. of the Mandatory Requirements and explain how the State will access this information.

b. Within what time frame will current day information be available online for deposits made by the lockbox area?

c. The STO plans to initiate an ACH debit from its electronic banking services contractor daily to transfer collected funds for investment purposes. Within what timeframe will the debit be available for viewing online?

* 1. Describe the systems and processes to be used by the STO to perform online (same-day) transfers between accounts and the security features of the systems. If multiple options are available, indicate which will be the most economical and which will be the easiest to use. Provide screen prints of the process and samples of any reports available.
  2. How will the State request research on deposited items, returns and adjustments?
     1. Within what timeframe will the State receive the results of the research requests?
     2. Will the Contractor guarantee the timeframe in 6.e.(1). above?

1. Reporting Requirements

a. For online access (via the Internet) to daily bank statements and other reports, please indicate the length of time such information will be available to the State in this environment. If some information is to be provided via other means, indicate how the STO and authorized state agencies will access this information and the length of time such information will be available in that environment.

1. If a correction to the bank statement is necessary, how will the correction be documented? At what time will the correction and documentation be performed?

When will the corrected information be available/provided to the STO and in what format (online, hardcopy, e-mail)?

c. Please provide examples of the reports that will be provided to the STO. If applicable, please explain how availability will be reported.

d. Can the bidder provide the State with online access to images of deposited items, deposit tickets, deposit returns and adjustments?

1. If yes, please describe the system requirements necessary for the State to access, view, and print these images.
2. If available, how quickly after deposit can items be viewed online?
3. How long are the images available for viewing online?
4. Consolidated Balance Requirements

a. What services will be available to facilitate the requirements of section II.B., item 8. of the Mandatory Requirements? Please explain how the bidder will fulfill these requirements should they hold multiple stand-alone (non-ZBA) accounts.

1. Account Analysis and Monthly Reporting
2. How will the credit for payments made by DSS appear on the analysis?
3. Will the bidder show a detailed line-item adjustment on the account analysis? If no, please explain how adjustments will be shown.
4. What will be the timing of delivery for the monthly account analysis?
5. Will the bidder offer the ability to view the account analysis online? Please indicate how the online analysis will be accessed and when it will be available for viewing. Can it be downloaded, and into what format(s)?
6. Will the bidder show a detailed line-item adjustment on the account analysis? If no, please explain the how adjustments will be shown.
7. Will subsequent adjustments to the analysis be available for viewing? Within what timeframe after adjustment?
8. Additional Service Requirements

a. Should the State need to initiate an outgoing wire transfer from the Consolidation account to another State account held at another contractor,

* + - * 1. Describe the service delivery method(s) and the confirmation process (Internet, fax, phone, etc.) the bidder recommends for these occasional outgoing wire transfers by the STO. Provide screen prints to illustrate this process, including security features, and samples of any reports available. Include initiation, approval and release in the illustration.
        2. Include any alternative methods that will meet the State’s needs.
        3. Will deadlines apply to initiating and executing outgoing wire transfers?
        4. What type of confirmation of outgoing wire transfers will be provided? In what form and within what timeframe will the STO receive confirmation?

1. Quality of Service
2. How will the bidder monitor the quality of service provided to the STO, the DSS, and the DSS contractors?
3. What steps will be taken to correct deficiencies noted by bidder, the STO, the DSS, or the DSS contractor’s personnel?
4. What quality standards will the bidder use to measure lockbox services? If these differ for retail and wholesale lockbox, provide both and identify accordingly.
5. How has the bidder’s performance been relative to the standards stated in item c. immediately above for the past year?
6. What safeguards are built into the bidder’s system and processes to prevent encoding errors and misapplied transactions?
7. Collateral
   1. Indicate how the bidder will monitor balances to provide collateral sufficient to secure each day’s ledger and repo sweep (if applicable) account balances.
   2. Who will be the STO’s contact regarding collateral?
8. Confidentiality and Data Security
9. Describe how the bidder will establish and maintain security safeguards and procedures to guarantee the confidentiality of all data obtained from the State or its clients.
10. Describe in detail any of bidder’s established procedures for responding to a data breach or an incident of unauthorized access to data.
11. Describe in detail, the bidder’s internal practices, policies and procedures relating to the use and disclosure of protected health information received by the Contractor through its lockbox services.
12. Collection Accounts

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

1. Disaster Recovery

***(Note: Please do not provide confidential information.)***

a. Provide a summary of the bank’s disaster recovery plan as it relates to the services requested.

b. Where are off-site facilities for disaster recovery purposes located? (City and State is sufficient.)

1. Where is the “hot” site for disaster recovery located? (City and State is sufficient.)
2. How quickly can the “hot” site be implemented in the event of an emergency?
3. What location will the STO be able to use for offsite disaster recovery? Provide the address and a description of the facility and the area available to the STO. (E.g., West side branch conference room, or operations facility cubicles.)
4. If more than one offsite location is available to the STO depending upon the nature of the disaster, provide the information requested in e. above for all locations.
5. How much advance notice is required when the STO needs to utilize this offsite support facility?
6. Open Records

There are no questions for this item.

1. Attestation

There are no questions for this item.

1. Customer Service
2. Who will be the STO’s primary contact? What is the current client load of this person or persons?
3. Who will be the primary contact for DSS and the DSS contractors? What is the current client load of this person or persons?
4. Who will manage the resolution of any day-to-day operational problems? What is the current client load of this person?
5. Who will respond to research requests?
6. Who will respond to inquiries regarding deposit corrections?
7. Who will respond to inquiries regarding returned items?
8. Who will handle policy issues?
9. Who will handle pricing issues?
10. During what hours will the above-stated contacts be available?
11. Describe the responsibilities of the customer service personnel, including their supervisors and the chain of command for problem resolution.
12. Include résumés of key representatives the STO, the DSS, and the DSS contractors will interact with, including each of the above stated contacts. Each résumé should include the representative’s education, certifications and relevant experience providing the services covered by this RFP as well as any applicable ongoing training.
13. Implementation

a. Provide an implementation plan for assuming responsibility for the State’s lockbox services.

b. Please indicate the State’s and the DSS contractor’s responsibilities and critical timing during the implementation.

c. Provide a copy of all agreements and forms the bidder desires the STO, the DSS, and the DSS contractors to complete and approve to contract for lockbox services wire transfers and any other services associated with this Contract. (Acceptance of a bidder’s proposal does not indicate acceptance of the terms of any agreements provided in response to this item.)

d. Will a project manager be assigned to manage implementation? If so, provide the name and résumé of the project manager.

e. Describe the on-site support you provide to new and existing clients during implementations.

1. Indicate your plans for educating and training STO, DSS, and DSS contractors’ staff in the use of your systems.
2. General

a. What is distinct about your capabilities for lockbox services and other related services that we should know about?

b. Are there value-added services or capabilities in addition to the services described in this RFP that you will provide to the State of Missouri as part of the Contract?

c. Provide information on any other cash management services currently provided or planned by the bidder in the next twelve (12) months that may benefit the State.

d. Describe your current planned enhancements with regard to services and technology for the remainder of 2022 and 2023.

e. Will the bidder subcontract any of the services contained in this RFP, or have plans to do so? Please explain.

f. Is the bidder currently involved in, or planning any major system changes, acquisitions, or conversions? Please explain your plans and include the potential impact to the STO and this contract.

g. Is the bidder’s balance reporting system an in-house system? Please describe.

h. Can reports from the balance reporting system be downloaded into an Excel spreadsheet? Provide examples.

i. How many times in 2020 and 2021 did the bidder miss the following deadlines:

1. Prior day balance reporting.
2. Current day balance reporting.

**III. GENERAL INFORMATION AND CONTRACT PROVISIONS**

**A. CONTRACTUAL AGREEMENT AND AMENDMENT**

1. The contract between the STO and the Contractor shall consist of (a) a Depositary Contract, Pledge Agreement, Demand Deposit Contract and Contract for Lockbox Services (see **Appendix G**); (b) this RFP and any amendments thereto; and (c) the Contractor’s response to this RFP including any and all attachments and additional responses. These documents shall collectively be referred to as “the Contract”. In the event of a conflict between (b) and (c) above, the provisions and requirements set forth and/or referenced in this RFP (item (b) above) shall govern. However, the STO reserves the right to clarify any contractual relationship in writing with the concurrence of the Contractor, and such clarification shall govern in case of conflict with the applicable requirements stated in the RFP or successful bidder’s response. In all other matters not affected by the written clarification, if any, this RFP shall govern.

2. The STO reserves the right to negotiate with the Contractor for changes in services or additional service items, subject to mutual agreement. Any proposed change in the contract must be accomplished by a 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 Contractor's compensation, 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 in certain situations the Contractor may utilize the services of related financial institutions (i.e., banks within the same holding company as the Contractor) in performing certain services required under the Contract. In all such situations, the Contractor retains sole, direct 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 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 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 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 the Contract will run through June 30, 2026. 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](http://revisor.mo.gov/main/OneSection.aspx?section=400.4-104&bid=22427&hl=) (as amended)) or, at the discretion of the STO, in some other commercially reasonable period of time after notice of such default is given to the Contractor, the STO may immediately terminate the Contract and withdraw all State of Missouri funds on deposit with the Contractor.

3. The STO may terminate the Contract, in whole or in part, at any time for a breach of any contractual obligation. Should the STO exercise its right to terminate the Contract for such a reason, the termination shall become effective on the date specified in a written notice of termination sent to the Contractor.

4. The STO reserves the right to terminate the Contract, in whole or in part, at any time, for the convenience of the State of Missouri, without penalty or recourse, by giving written notice to the Contractor at least 120 days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all documents, data, reports, supplies, and accomplishments prepared, furnished or completed by the Contractor pursuant to the terms of the Contract shall, at the option of the STO, become property of the State of Missouri. The Contractor shall be entitled to receive just and equitable compensation for the work completed pursuant to the Contract prior to the effective date of termination.

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

6. The Contractor further agrees and understands that any payment due under the terms of the Contract shall be made only (a) after the successful completion of all requirements set forth in the Contract; and (b) after approval and acceptance by the STO of the Contractor's performance, services and/or supplies required by the terms of the Contract.

7. No provision in this document or in the Contractor's proposal shall be construed, expressly or impliedly, as a waiver by the STO of any existing or future right and/or remedy available by law in the event of any claim of default or breach of Contract.

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

**C. LIABILITY AND RESPONSIBILITY**

1. The Contractor shall be liable for any loss of funds as a result of the Contractor's failure to properly execute a Contract obligation when such error is within the Contractor's control. This includes system and or processing down time that is not restored in a timely manner.

2. The Contractor shall compensate the State 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. The compensation must be in the form of a reimbursement equal to the average of the daily Federal Funds interest rate (as reported on Bloomberg) plus five (5) basis points for the period and amount in question computed on a daily basis.

3. The Contractor agrees that it will indemnify and hold the STO and the State of Missouri harmless from any third party claims for damage resulting from any negligent act or omission or willful misconduct on the part of the Contractor or on the part of any subcontractor or other person employed by or under the supervision of the Contractor.

4. The Contractor shall defend, protect, and hold harmless the STO and the State of Missouri, its officers, agents and employees against all claims, demands, lawsuits, and liability resulting from copyright and/or patent infringement concerning the Contractor’s performance or products produced under the terms of the Contract.

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

**D. RECORDS, ACCESS AND CONFIDENTIALITY**

1. The Contractor shall maintain financial and accounting records and supporting evidence pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified by the STO.

2. All such reports, records, tapes, files or other materials developed or acquired by the Contractor as a specified requirement of the Contract shall become property of the STO.

3. The Contractor shall permit reasonable access by the STO during the Contract period and any extension periods, and for an eighteen- (18) month period beyond the end of the Contract, for purposes of performing audit procedures relating to any aspect of the services provided by the Contractor to the STO in connection with the Contract.

4. Any and all information supporting the Contract and any and all tapes, files and data files maintained by the Contractor for such purpose shall be provided to the STO, or a designated STO representative, at no cost to the STO or designated representative, upon request by the STO, at the end of the Contract.

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, online inquiry features, and procedures.

7. If the STO requests a service be performed on a specific day, and that day is not a banking day, the Contractor must provide the service on the next banking day, unless otherwise indicated by the STO or by mutual agreement between the Contractor and the STO.

8. The Contractor shall maintain complete confidentiality of all data and all records, including, but not limited to, information regarding any tax report or return, and any personally identifiable information of any person, which includes, but is not limited to protected health information, 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 Contractor to any other person or entity. Specifically, Contractor affirms that it shall abide by all applicable state and federal laws, rules and regulations regarding the confidentiality of such information, including, but not limited to 26 USC 7213, [Section 32.057 RSMo](http://revisor.mo.gov/main/OneSection.aspx?section=32.057&bid=749&hl=)., the Health Insurance Portability and Accountability Act of 1996 as amended (HIPAA) and [Section 407.1500 RSMo](http://revisor.mo.gov/main/OneSection.aspx?section=407.1500&bid=23329&hl=). 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 Contractor’s failure to comply with the applicable laws, rules and regulations regarding the confidentiality of the data and records provided to Contractor under the Contract.

**E. COMPLIANCE WITH APPLICABLE LAWS**

1. The Contract shall be construed according to the laws of the State of Missouri. To the extent that a provision of the Contract is 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 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](https://www.sos.mo.gov/library/reference/orders/1987/eo1987_006.asp) pertaining to discrimination and affirmative action. Failure to comply may result in appropriate action including cancellation of the Contract resulting from this RFP.

6. The Contractor shall only employ personnel authorized to work in the United States in accordance with applicable federal and state laws. This includes, but is not limited to, the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) and INA Section 274A.

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

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

Pursuant to [Section 285.530, RSMo](http://revisor.mo.gov/main/OneSection.aspx?section=285.530&bid=15000&hl=)., if the Contractor meets the definition of a “business entity” under [Section 285.525, RSMo](http://revisor.mo.gov/main/OneSection.aspx?section=285.525&bid=14999&hl=). (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 to work in connection with the services requested herein. The Contractor should complete the applicable portions of **Appendix K** Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization. The applicable portions of **Appendix K** must be submitted prior to an award of a contract. In accordance with Section 285.530.2 RSMo, the Contractor should renew their Affidavit of Work Authorization annually. A valid affidavit of Work Authorization is necessary to award any new contracts.

If the Contractor’s business status changes 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 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 K** 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 K**.

7. Contractors with the State of Missouri must comply with [Executive Order No. 04-09](https://www.sos.mo.gov/library/reference/orders/2004/eo04_009.asp) 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 an 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, RSMo., *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.

1. 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. IMPLEMENTATION AND CONVERSION COSTS**

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

**J. REPLACEMENT EQUIPMENT AND TRAINING**

1. As requested by the STO, the Contractor shall provide periodic training or retraining of STO, or, when appropriate, personnel of other State agencies, in the use and operation of the equipment, software, or systems provided under the Contract.

2. In the event that the Contractor’s systems or any of its components are rendered permanently 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, Contractor must immediately notify 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 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. ASSIGNMENT**

The Contractor may not assign any interest in the Contract nor transfer any interest, whatsoever, in the same (whether by assignment or notation) without prior written consent of the STO.

**N. 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.

**O. CONFLICT OF INTEREST**

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

**P. ESTIMATED VOLUMES**

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

**Q. COLLATERAL**

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

IV. COMPENSATION

**A. METHOD OF COMPENSATION**

1. The Contractor must uphold all service and pricing commitments. All costs bid are firm, fixed costs for the duration of the Contract period (including available renewal periods).

2. The STO shall strive to maintain an average daily collected balance with the Contractor throughout the service period sufficient to compensate the Contractor for services provided which are the responsibility of the STO. The level of compensating balance shall be based upon the volume of services provided, agreed-upon prices, earnings credit rate (ECR), and required reserves. Balances will be reviewed monthly and adjusted as needed to approximate the level of service activity. Any excess balance from the previous month will be carried forward and used to pay for the next month’s services. Any deficit balance from the previous month shall be covered by future earnings. Any excess or deficit position with the Contractor shall carry forward month to month and year to year, so long as the STO maintains services with the Contractor unless otherwise agreed to by the STO.

3. The ECR on balances maintained in all accounts shall be quoted at a spread from the average of the yields from the regular 3-month Treasury Bill auctions of the preceding month. (See Pricing Table 1 in **Appendix F**) The ECR shall be verified with the STO before preparation of an account analysis.

4. End of day balances in the account(s) (DDAs, repos, or other products) with the Contractor shall not be assessed charges for reserve requirements, FDIC insurance premiums, or any similar balance related charges.

5. If balances are swept into repurchase agreement account(s), they shall be included in determining the compensating balance on deposit with the Contractor; and the Contractor will enter into a Master Repurchase Agreement with the STO.

**B. PRICE ADJUSTMENTS**

1. All prices 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 available renewal periods) shall be negotiated between the STO and the Contractor, documented in writing, and signed by both parties.

C. CHANGE IN METHOD OF COMPENSATION

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

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

V. PROPOSAL CONTENTS AND SELECTION

**A. GENERAL CONSIDERATIONS**

1. Each of the mandatory requirements contained in Section II.B. must be initialed by the authorized bank officer signing the bid to indicate the bidder’s acceptance to perform the requirement as stated.

2. Bidders must prepare concise and complete written responses to each of the specific questions for bidders contained in Section II.C. Responses should be numbered in the same manner as the questions and will be used in evaluating each bidder’s proposed method of performance. The responses to the questions shall also be submitted in Microsoft Word format or Portable Document Format (PDF) to facilitate the evaluation process.

3. Bidders are free to recommend any changes to approach or systems which they believe would be beneficial or cost-effective to the State. This can include recommendations for enhancing, streamlining or eliminating redundant or superfluous processing or reporting, and opportunities for integrating services or systems. Bidders should note, however, that proposals will be evaluated and the Contractor will be chosen on the basis of the Contractor's commitment to meet and deliver the mandatory service requirements at the most competitive price. Thus, recommendations which increase the cost of a proposal beyond that necessary to meet and deliver the mandatory service requirements may place the bidder at a competitive price disadvantage relative to bidders who price their proposals strictly in terms of the mandatory service requirements. The State shall be the final and sole arbiter of whether such alternative solution proposals meet the State’s requirements and are cost effective.

1. **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.
2. 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 depositary 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 has sufficient equity capital to hold the compensating balances required by the bidder’s proposal.

1. 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 (1)-(6) immediately above for any additional institution(s). The bidders must provide copies of the most recent Annual Report, Call Report, CRA Statement, and CRA Public Disclosure for such related institution. (Submit these copies only in the original Volume I of the proposal.)
2. All bidders who intend to submit responses to the RFP **must attend** the bidders’ conference on January 12, 2022. The bidder’s conference will be held by conference call. Please see section I.B. for details.
3. 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 **February 23, 2022** 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 RFP by all bidders 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 consideration of 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.

1. Cover or Transmittal Letter
2. Eligibility Certification (see V.A.6.)

III. Acceptance of Mandatory Requirements (see Section II.B.)

IV. Responses to Specific Questions (see Section II.C.)

V. Community Investment (see section V.G., and **Appendix H**)

VI. Completed applicable portions of the Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization (see section III.E.6 and **Appendix K)**

b. Volume II – Pricing Proposal

(1.) This volume must contain the completed pricing tables (**Appendix F**) as well as any other charges or pricing applicable to the STO with volume assumptions included. (If volume assumptions are not included and documented, the Contractor will not be able to charge more than the extended cost on the pricing table for any single year during the contract period.)

(2.) This volume should be organized into distinctive sections as outlined below.

I. Completed Pricing Tables (**Appendix F**)

* + - * 1. 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 February 2, 2022**.

a. In addition to the original proposal, the bidder should include five (5) hard copies of Volume I of the proposal. Only the original copy of Volume II is required.

b. Volume I of the proposal shall be submitted in a three- (3) ring loose-leaf binder. Volume II shall be separate in a 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 1/2 x 11 inch paper, using a legible font.

c. In addition to the above, bidders are required to submit one CD-ROM or flash drive containing the bidder’s entire proposal(s). (If any discrepancies between the hard (paper) copy and the electronic copy are discovered, the hard (paper) copy will prevail.)

3. The bidder shall respond to this RFP by submitting all data required. Failure to submit such data shall be deemed sufficient cause for disqualification of a proposal from further consideration for award.

**C. CLARIFICATION OF REQUIREMENTS**

1. Any and all questions regarding specifications, requirements, competitive procurement process, etc., must be directed in writing to Nicole Hackmann, Director of Banking via e-mail to [STORFP@treasurer.mo.gov](mailto:STORFP@treasurer.mo.gov). This is the only method of communication that will be accepted. The deadline to submit questions is January 26, 2022.

**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 position 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 shall be based on the evaluation criteria stated below:

**Price 50%**

**Proposed Method of Performance 20%**

**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 e-mail to the officer signing the proposal, and will generally require **response in 48 hours**.

3. The STO reserves the right to consider historic information and facts, whether gained from the bidder's proposal, question and answer conferences, references, or any other source, in the evaluation process.

4. It is the bidder's sole 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 Pricing Tables (**Appendix F)** of this RFP and submit them with the proposal in a separate sealed envelope or folio. Any pricing involved in providing required services must be reflected on the pricing tables. All costs must be portrayed.

a. The bidder must quote a firm, fixed price for each identified transaction, multiply it by the indicated volume, and state an estimated annual cost for each transaction.

b. For any service listed that has no charge or does not apply, insert zero for the unit price and estimated annual cost.

c. Where appropriate, the bidder must quote a firm, fixed price for providing a system.

d. The bidder must include a proposed ECR as defined in section IV, part A., Method of Compensation.

2. Any cost and/or pricing data submitted or related to the bidder's proposal including any cost and/or pricing data related to contractual extension options, whether required or voluntary, shall be subject to evaluation if deemed by the STO to be in the best interests of the State of Missouri.

1. The Total Package Price will be determined by adding together the annual transaction

charges (i.e., the extended transaction charge prices, if any, factored in the calculation) and calculating the required compensating balance by applying any spread bid from the ECR.

**F. PROPOSED METHOD OF PERFORMANCE**

1. Proposals will be evaluated based on the bidder's distinctive plan for performing the requirements of the RFP.

2. The bidder must initial mandatory items listed in Section II.B. and must present written responses to the questions posed in Section II.C.

**G. COMMUNITY INVESTMENT**

1. All bidders must complete and include with their proposal the Community Investment Questionnaire located in **Appendix H**.

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 H** from item number 1 above.

**VI. Glossary of Terms**

| **Term or Abbreviation** | | Definition |
| --- | --- | --- |
| 1. | **ACH** | Automated Clearing House |
| 2. | **Alternative Solution** | A proposed method or procedure to meet the needs or intent of the mandatory requirements of a request for proposal (RFP). |
| 3. | **Availability** | The number of days of float; or the delay in the ability to use, withdraw, or spend amounts deposited. |
| 4. | **BAI** | Bank Administration Institute |
| 5. | **Bank** | A financial institution. |
| 6. | **Banking Day** | The standard day of operation of the federal reserve system. |
| 7. | **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.”) |
| 8. | **Check** | Any written document instructing a bank to pay money from the payor's account. |
| 9. | **CHIP** | The Children’s Health Insurance Program |
| 10. | **Collected Balance** | The difference between ledger balance and deposit float. |
| 11. | **Collection Accounts** | Depositary Accounts maintained by the STO for agencies with an office outside of Jefferson City. The agencies deposit monies received locally, report the deposits to the state accounting system, and the STO initiates ACH debits to the accounts to consolidate funds for investment. |
| 12. | **Community Investment** | The contribution a financial institution makes to the community it serves. |
| 13. | **Contract** | Collectively refers to: the Depositary 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. |
| 14. | **Contractor** | The business entity or organization that is awarded the contract to perform the service specified within the request for proposal. (The Contractor may also be referred to as the “bidder” prior to contract award.) |
| 15. | **Coupon** | A machine readable document issued by the State to clients or program participants that should be remitted with payment. |
| 16. | **CRA** | Community Reinvestment Act |
| 17. | **CSAF** | Child Support Annual Fee |
| 18. | **CST** | Central Standard Time |
| 19. | **Daylight Overdraft Limit** | An intra-day overdraft limit approved by the financial institution. |
|  | **DCI** | The Department of Commerce and Insurance, located in Jefferson City. |
| 20. | **DCN** | Department Client Number |
| 21. | **DDA** | Demand Deposit Account |
| 22 | **DFAS** | The Division of Finance and Administrative Services of the Department of Social Services |
| 23. | **Direct Deposit Accounts** | An account with no checking privileges. At a minimum, account holders should be able to have paychecks direct deposited and make withdrawals by automated teller machine (ATM) or debit card. |
| 24. | **Division of Finance** | The state agency responsible for oversight of financial institutions within the State of Missouri. A division of the Department of Commerce and Insurance (DCI), located in Jefferson City. |
| 25. | **DOR** | The Department of Revenue of the State of Missouri, located in Jefferson City. |
| 26. | **DSS** | The Department of Social Services of the State of Missouri, located in Jefferson City. |
| 27. | **ECR** | Earnings Credit Rate |
| 28. | **End of Contract** | The end of the Contract may occur at the expiration of the contract period, or extension thereof; termination or cancellation or the Contract; or other event that causes the contractual relationship between the STO and the Contractor to cease. |
| 29. | **Endpoint** | The bank routing number to which a deposited item is ultimately presented for payment. |
| 30. | **Endpoint Analysis** | The examination of a deposit item by its bank routing number indicating the roadmap of which a monetary item has followed until clearing including clearing time. |
| 31. | **EOB** | Explanation of Benefits |
| 32. | **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). |
| 33. | **FDIC** | Federal Deposit Insurance Corporation. |
| 34. | **FFIEC** | Federal Financial Institution Examination Council. |
| 35. | **Float** | The time between the deposit of a check and its payment. |
| 36. | **Frequency Code** | A two - (2) digit code denoting the applicable premium program on the coupon remitted with payment. 01 = CHIP, 02 = Spenddown, 03 = Ticket to Work, 04 = Child Support Annual Fee |
| 37. | **FSD** | The Family Support Division of the Department of Social Services |
| 38. | **FTP** | File Transfer Protocol |
| 39. | **HIPAA** | The Health Insurance Portability and Accountability Act of 1996 as amended. |
| 40. | **HITECH** | The Health Information Technology for Economic and Clinical Health Act. |
| 41. | **Hot Site** | Alternative processing location in the event of an event that interrupts processing and/or service at the primary processing location. |
| 42. | **ICMO** | The Investment and Cash Management Office of the Department of Revenue (DOR). ICMO serves as the centralized location for all state agency deposits in Jefferson City. |
| 43. | **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. |
| 44. | **IP** | Internet Protocol |
| 45. | **Ledger Balance** | The bank balance that reflects all accounting entries that affect a bank balance, regardless of any deposit float. |
| 46. | **Location Code** | An identifier included in the MICR line of a deposit ticket used to identify the depositing entity. |
| 47. | **Lockbox** | A lockbox is a post office box opened in the name of the depositor, but accessed and serviced by the remittance processor. |
| 48. | **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 the State of Missouri’s needs are met by the lockbox services Contractor. |
| 49. | **MHD** | Missouri HealthNet Division of the Department of Social Services. |
| 50. | **NACHA** | National Automated Clearing House Association. The governing body responsible for oversight and rulemaking surrounding ACH processing. |
| 51. | **NSRSO** | Nationally Recognized Statistical Rating Organizations recognized by the Securities and Exchange Commission. |
| 52. | **NSF - Insufficient funds** | A check that is rejected by the financial institution on which it is drawn due to insufficient funds in the check writer’s account. |
| 53. | **OA** | The Office of Administration of the State of Missouri located in Jefferson City. |
| 54. | **OCC** | Office of the Comptroller of the Currency. |
| 55. | **OTPL** | Other Third Party Liability. |
| 56. | **Premium** | Payment received from individuals to receive coverage under Medicaid programs in which they would not otherwise be eligible to participate. |
| 57. | **Pricing** | The dollar amount affixed by the bidder to a prescribed service or requirement of the State Treasurer’s Office included in the request for proposal. All costs bids are firm, fixed costs for the duration of the contract period. |
| 58. | **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. |
| 59. | **Proposed Method of Performance** | The distinctive plan for performing the requirements of the request for proposal (RFP) as defined by the bidder. |
| 60. | **RCK** | Represented Check Entry |
| 61. | **Reasonable Fee** | The reasonable cost or limitation placed upon a service to be performed in execution of a duty. |
| 62. | **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. |
| 63. | **Returned Item** | A check that is rejected by the financial institution on which it is drawn. |
| 64. | **RFP** | Request for Proposal |
| 65. | **Secure FTP** | The secured version of FTP, also known as FTPS, and using SSL certifications to secure transfers. |
| 66. | **Spenddown** | The amount of medical expenses that are a person’s financial responsibility similar to an insurance deductible. |
| 67. | **SSL** | Secure Sockets Layer |
| 68. | **State** | The State of Missouri |
| 69. | **State Fiscal Year** | The state’s annual accounting period of July 1 through June 30. |
| 70. | **STO** | The office of the Missouri State Treasurer located in Jefferson City, Missouri. |
| 71. | **Ticket to Work** | Ticket to Work Health Assurance (TWHA) program created by the federal Ticket to Work and Work Incentives Improvement Act of 1999. |
| 72. | **Timely Manner** | A reasonable period of time for a desired outcome to occur or to be accomplished. |
| 73. | **TPL** | Third Party Liability |
| 74. | **Well Capitalized** | As determined by the FDIC, an insured depositary institution is “well capitalized” if it significantly exceeds the required minimum level for each relevant capital measure. |
| 75. | **Wire** | A wire transfer initiated through the FedWire system. |
| 76. | **ZBA** | Zero balance account. An account that may have deposit and/or disbursement activity, in which the balance in the account is maintained at zero by daily transfers of funds to and from a master account at the same financial institution. |

VII. APPENDICES

A. Standard Lockbox Operating Procedures (“Instructions”) Third Party Liability Lockbox

B. Standard Lockbox Operating Procedures (“Instructions”) Other Third Party Liability Lockbox

C. Standard Lockbox Operating Procedures (“Instructions”) Premium Lockboxes

D. Standard Lockbox Operating Procedures (“Instructions”) Child Support Annual Fee Lockbox

E. Sample Coupons Retail Lockboxes

F. Pricing Tables

G. Sample Depositary Contract, Pledge Agreement and Contract for Lockbox Services

H. Community Investment Questionnaire

I. File Transmission Information

J. Lockbox Volumes

K. Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization

L. Health Insurance Portability and Accountability (HIPAA) Provisions

APPENDIX A

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

THIRD PARTY LIABILITY LOCKBOX

**APPENDIX A**

**MISSOURI DEPARTMENT OF SOCIAL SERVICES**

**MO HEALTHNET DIVISION**

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

**THIRD PARTY LIABILITY LOCKBOX**

The Contractor’s Lockbox Department will open envelopes, remove and inspect the contents, and will then process remittances received as provided below, and deposit the checks or drafts in the State Treasurer’s designated account in accordance with the following procedures:

1. **Payee:** Inspect each check or draft for one or more acceptable payees as set forth below; or a reasonable variation, combination or abbreviation thereof. If a check or draft does not compare favorably to one of these payees, or if the check is written to two (2) or more payees, it will not be deposited but instead will be mailed to the MO HealthNet Division (MHD), at the address contained in Paragraph “P” of these procedures.

Acceptable Payees *(reasonable variations, combinations or abbreviations are allowed)*:

1. Missouri Medicaid
2. Missouri Medicaid Program
3. Missouri Division of Medical Services (DMS)
4. MO Department of Social Services (DSS, DOS)
5. Department of Social Services, Division of Medical Services (DSS, DMS)
6. MO Third Party Liability (Unit) (TPL)
7. MO Financial Services (Unit) (FSU)
8. MO Cash Control (Unit ) (FSU)
9. Medicaid
10. Treasurer of State of Missouri
11. State of Missouri
12. MO HealthNet Division (MHD)
13. **Check Endorsement:** The following endorsement will be applied to each check and draft deposited in the account and received by the Contractor through the P.O. Box designated for TPL remittances “For Deposit Only to the Credit of Missouri State Treasurer, DSS, Third Party Liability Lockbox” account. (Substitute endorsements may be permitted with the approval of the STO and DSS.)
14. **Foreign Items:** Checks drawn in foreign currency will not be deposited. These checks will be sent to MHD at the address contained in Paragraph “P” of these procedures.
15. **Undated Check:** Contractor shall use its best efforts to identify any undated checks or drafts and shall date such checks as of the date received and will deposit them in the account.
16. **Postdated Checks:** Contractor shall use its best efforts to identify and segregate any checks or drafts postdated three days or more from the date received, or postdated checks that would not be paid on presentation and shall not deposit them. These checks will be sent to MHD at the address contained in Paragraph “P” of these procedures.
17. **Stale Dated Checks:** Contractor shall use its best efforts to identify and segregate any checks or drafts dated six months or more prior to the date of receipt and shall not deposit them. These checks will be sent to MHD at the address contained in Paragraph “P” of these procedures.
18. **Differing Amounts:** Checks on which the written and numeric amounts differ shall be guaranteed and processed by the Contractor only if the correct amount can be determined from the accompanying documents. Otherwise, the check shall not be deposited and such checks shall be sent to MHD at the address contained in Paragraph “P” of these procedures.
19. **Remittance Discrepancy:** Checks received with different amounts from remittances shall be deposited. The Contractor shall sort and separately identify these checks before sending copies to Health Management Systems, Inc. (HMS) [the State of Missouri’s TPL Fund Recovery contractor], and MHD at the addresses contained respectively in Paragraphs “O” and “P” of these procedures.
20. **Signature Missing:** If the drawer is identified by the face of the check, the Contractor shall deposit and process the check by affixing a stamped impression requesting the drawee bank to contact the drawer for authority to pay. Checks which do not bear the drawer’s signature and do not indicate the drawer’s identity will not be deposited. Such checks shall be sent to MHD at the address contained in Paragraph “P” of these procedures.
21. **Restrictions and Conditional Notations:** (**Extremely Important**) Contractor shall use its best efforts to identify and segregate any checks or drafts bearing restrictive notations such as “Payment in Full”, “Balance on Account”, or “Account to Date” and to not deposit such checks or drafts into the account. However, Contractor shall have no liability to customer should it process and deposit a check(s) or a draft(s) bearing any such restrictive notation. All checks or drafts identified with restrictive or conditional notations shall be sent to MHD at the address contained on Paragraph “P” of these procedures.
22. **Returned Checks:** Checks deposited in the account which are returned unpaid because of “Insufficient Funds”, etc. shall be redeposited by the Contractor one time. If redeposit of the item is not warranted for reasons such as “Account Closed” or “Payment Stopped” or if a check is returned unpaid a second time, the Contractor will charge the Account and send the actual check with a copy of debit advice to the Department of Social Services (DSS) at the address contained below and a copy of the check to MHD at the address contained in Paragraph “P” of these procedures.

Division of Finance and Administrative Services (DFAS)

Cash Receipts Unit

P.O. Box 1082

Jefferson City, MO 65102

1. **Imaging:**
2. **Checks** - All checks processed for deposit shall be imaged. The images shall be retained by the Contractor for a period of seven (7) years from the date processed in accordance with the Contract with the State Treasurer’s Office.
3. **Other Correspondence** - All miscellaneous correspondence including envelopes, which contain no checks, together with all correspondence and other contents of the envelopes, which includes, denied explanation of benefits (EOBs), and unacceptable checks shall be imaged by receipt date. The images shall be retained by the Contractor for a period of seven (7) years from the date of receipt in accordance with the Contract with the State Treasurer’s Office.
4. **Image Transmission** – All data imaged shall be transmitted by Secure FTP to HMS. HMS will pick up the transmission from the Contractor’s secure FTP site.
5. **Deposits:** To maximize receipts and funds availability, the Contractor shall make one or more deposits and credit the account daily. All funds shall be deposited on the day of receipt. A duplicate deposit slip(s) will be sent daily to DFAS, HMS, and MHD daily along with other remittance material to be distributed as specified in Paragraphs “N”, “O” and “P”. All funds received by the Contractor from the post office box established for this service shall be deposited to the “State Treasurer, DSS Third Party Liability Lockbox” account.
6. **Online Reports:** A copy of each deposit detail report will be made available online to the DSS Division of Finance and Administrative Services (DFAS), Cash Receipts Unit.
7. **Photocopies:** The Contractor is directed in the following way with regard to processes relevant to HMS.

**1. Checks.** Envelopes containing only checks, or a combination of checks and correspondence, shall be processed as follows:

a. Checks shall be examined to ensure that the payee name is acceptable and then immediately deposited into the appropriate account.

b. Copies of all checks received, together with all associated original supporting documentation, shall be sent to HMS or its designee the same day. In preparation for sending, the following protocols shall be followed:

(1) All documents shall be removed from the envelopes and unfolded to their full length.

(2) Check copies must be of the original check size or on 8 ½ x 11 paper, but shall not be reduced.

(3) Check copies shall be one per page—multiple checks shall not be copied together.

(4) Check copies shall be placed in the upper right hand corner of associated document group (collated).

(5) Copies and documents shall be batched in the same order as listed on the daily deposit slip.

(6) Copies and documents shall not be stapled, clipped, or attached in any way.

**2.** A copy of the daily-itemized deposit slip and/or summary schedule or the equivalent, showing the day's receipts and total amount deposited, shall accompany each batch of check copies.

**3. Mail Method.** Daily mailings shall be sent to HMS via Federal Express (using the HMS account) or a comparable overnight mail service for next-day delivery to the following address:

SourceHOV - HMS

Attn: Christian Macasu

1250 W 14 Mile Rd

Troy, MI 48083

Telephone: (248)837-7203

1. **Additional Photocopies:** A copy of the deposit slip and a copy of each check deposited, along with the original checks rejected from Paragraphs A, C, and E through J of these procedures as well as copies of the returned checks in Paragraph K shall be delivered the next business day:

MO HealthNet Division

Financial Services Unit

615 Howerton Court

Jefferson City, MO 65109

1. **Invoices:** Monthly invoices for Contractor lockbox services will be forwarded to HMS at the address indicated below. Compensation for lockbox services shall be made to the Contractor by HMS.

Health Management Systems, Inc.

Attn: Accounts Payable

5615 High Point Dr, Suite 100

Irving, TX 75038

1. **Daily Statement:** The Contractor will generate a daily statement for the Office of the Missouri State Treasurer.

S. **Contact Person:** The Contractor shall provide HMS with appropriate primary and secondary contact persons in the event any problems or issues arise.

T. **Monthly Bank Statement:** The monthly bank statement shall be provided to HMS by the 3rd business day of each month for the prior month's activity. The statement or a notification of its availability online shall be sent to MHDRecovery@hms.com.

**U. Credit or Debit Adjustments:** The Contractor shall notify the DSS Receipts Unit at the address contained in Paragraph K and the MHD Financial Services Unit at the address contained in Paragraph P or any credit or debit adjustment to the account. The adjustment notice must contain:

1. the date the adjustment is posting to the account
2. a copy of the deposit slip being adjusted
3. a copy of the item that caused the adjustment and a copy of its associated coupon or the information entered into the online exception processing system if a coupon was not received
4. an explanation of the adjustment (such as item processed for $40.00 but legal amount is $30.00.)

Appendix B

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

OTHER THIRD PARTY LIABILITY LOCKBOX

Appendix B

**MISSOURI DEPARTMENT OF SOCIAL SERVICES**

**MO HEALTHNET DIVISION**

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

**OTHER THIRD PARTY LIABILITY LOCKBOX**

The Contractor’s Lockbox Department will open envelopes, remove and inspect the contents, and will then process remittances received as provided below, and deposit the checks or drafts in the State Treasurer’s designated account in accordance with the following procedures:

**A. Payee:** Inspect each check or draft for one or more acceptable payees as set forth below; or a reasonable variation, combination or abbreviation thereof. If a check or draft does not compare favorably to one of these payees, or if the check is written to two (2) or more payees, it will not be deposited but instead will be mailed to the MO HealthNet Division (MHD), at the address contained in Paragraph “O” of these procedures.

Acceptable Payees *(reasonable variations, combinations or abbreviations are allowed)*:

1. Missouri Medicaid
2. Missouri Medicaid Program
3. Missouri Division of Medical Services (DMS)
4. MO Department of Social Services (DSS, DOS)
5. Department of Social Services, Division of Medical Services (DSS, DMS)
6. MO Third Party Liability (Unit) (TPL)
7. MO Financial Services (Unit) (FSU)
8. MO Cash Control (Unit ) (FSU)
9. Medicaid
10. Treasurer of State of Missouri
11. State of Missouri
12. MO HealthNet Division (MHD)
13. Health Management Systems, Inc. (HMS)
14. Missouri Medicaid Estate Recovery Program
15. MO Estate Recovery Program
16. Medicaid Estate Recovery Program
17. Missouri Medicaid Estate Recovery Contractor

**B. Check Endorsement:** The following endorsement will be applied to each check and draft deposited in the account and received by the Contractor through the P.O. Box designated for OTPL remittances “For Deposit Only to the Credit of Missouri State Treasurer, DSS, Other Third Party Liability Lockbox” account. (Substitute endorsements may be permitted with the approval of the STO and DSS.)

**C. Foreign Items:** Checks drawn in foreign currency will not be deposited. These checks will be sent to MHD at the address contained in Paragraph “O” of these procedures.

**D. Undated Check:** Contractor shall use its best efforts to identify any undated checks or drafts and shall date such checks as of the date received and will deposit them in the account.

**E. Postdated Checks:** Contractor shall use its best efforts to identify and segregate any checks or drafts postdated three days or more from the date received, or postdated checks that would not be paid on presentation and shall not deposit them. These checks will be sent to MHD at the address contained in Paragraph “O” of these procedures.

**F. Stale Dated Checks:** Contractor shall use its best efforts to identify and segregate any checks or drafts dated six months or more prior to the date of receipt shall not deposit them. These checks will be sent to MHD at the address contained in Paragraph “O” of these procedures.

**G. Differing Amounts:** Checks on which the written and numeric amounts differ shall be guaranteed and processed by the Contractor only if the correct amount can be determined from the accompanying documents. Otherwise, the check shall not be deposited and such checks shall be sent to MHD at the address contained in Paragraph “O” of these procedures.

**H. Remittance Discrepancy:** Checks received with different amounts from remittances shall be deposited. The Contractor shall sort and separately identify these checks before imaging for Health Management Systems, Inc. (HMS) [the State of Missouri’s TPL Fund Recovery contractor], and sending a copy to MHD at the address contained in Paragraph “O” of these procedures.

**I. Signature Missing:** If the drawer is identified by the face of the check, the Contractor shall deposit and process the check by affixing a stamped impression requesting the drawee bank to contact the drawer for authority to pay. Checks which do not bear the drawer’s signature and do not indicate the drawer’s identity will not be deposited. Such checks shall be sent to MHD at the address contained in Paragraph “O” of these procedures.

**J. Restrictions and Conditional Notations:** (**Extremely Important**) Contractor shall use its best efforts to identify and segregate any checks or drafts bearing restrictive notations such as “Payment in Full”, “Balance on Account”, or “Account to Date” and to not deposit such checks or drafts into the account. However, Contractor shall have no liability to customer should it process and deposit a check(s) or a draft(s) bearing any such restrictive notation. All checks or drafts identified with restrictive or conditional notations shall be sent to MHD at the address contained on Paragraph “O” of these procedures.

**K. Returned Checks:** Checks deposited in the account which are returned unpaid because of “Insufficient Funds”, etc. shall be redeposited by the Contractor one time. If redeposit of the item is not warranted for reasons such as “Account Closed” or “Payment Stopped” or if a check is returned unpaid a second time, the Contractor will charge the Account and send the actual check with a copy of debit advice to the Department of Social Services (DSS) at the address contained below and a copy of the check to MHD at the address contained in Paragraph “O” of these procedures.

Division of Finance and Administrative Services (DFAS)

Cash Receipts Unit

P.O. Box 1082

Jefferson City, MO 65102

**L. Imaging:**

1. **Checks** - All checks processed for deposit shall be imaged. The images shall be retained by the Contractor for a period of seven (7) years from the date processed in accordance with the Contract with the State Treasurer’s Office.
2. **Other Correspondence**  - All miscellaneous correspondence including envelopes, which contain no checks, together with all correspondence and other contents of the envelopes, which includes, denied explanation of benefits (EOBs), and unacceptable checks shall be imaged by receipt date. The images shall be retained by the Contractor for a period of seven (7) from the date of receipt in accordance with the Contract with the State Treasurer’s Office.
3. **HMS Access** – HMS staff will access images of checks and other correspondence daily via the Contractor’s online systems.
4. **Image Transmission** – All data imaged shall be transmitted by Secure FTP to HMS. HMS will pick up the transmission from the Contractor’s secure FTP site.

**M. Deposits:** To maximize receipts and funds availability, the Contractor shall make one or more deposits and credit the account daily. All funds shall be deposited on the day of receipt. A duplicate deposit slip(s) will be sent daily to DFAS, and MHD daily as instructed in Paragraphs “N” and “O”. HMS will view deposits via online access to the Contractor’s system. All funds received by the Contractor from the post office box established for this service shall be deposited to the “State Treasurer, DSS, Other Third Party Liability Lockbox” account.

**N. Online Reports:** A copy of each deposit detail report will be made available online to the DSS Division of Finance & Administrative Services (DFAS), Cash Receipts Unit.

**O. Photocopies:** A copy of the deposit slip and original checks rejected from Paragraphs A, C, and E through J of these procedures as well as copies of the returned checks in Paragraph K shall be delivered the next business day to:

MO HealthNet Division

Financial Services Unit

615 Howerton Court

Jefferson City, MO 65109

**P. Invoices:** Monthly invoices for Contractor lockbox services will be forwarded to HMS at the address indicated below. Compensation for lockbox services shall be made to the Contractor by HMS.

Health Management Systems, Inc.

Attn: Accounts Payable

5615 High Point Dr, Suite 100

Irving, TX 75038

**Q. Daily Statement:** The Contractor will generate a daily statement for the Office of the Missouri State Treasurer.

**R. Contact Person:** The Contractor shall provide HMS with appropriate primary and secondary contact persons in the event any problems or issues arise.

**S. Monthly Bank Statement:** The monthly bank statement shall be provided to HMS each month for the prior month's receivables. The statement or a notification of its availability online shall be sent to MHDRecovery@hms.com.

**T. Credit or Debit Adjustments:** The Contractor shall notify the DSS Receipts Unit at the address contained in Paragraph K and the MHD Financial Services Unit at the address contained in Paragraph O or any credit or debit adjustment to the account. The adjustment notice must contain:

1. the date the adjustment is posting to the account
2. a copy of the deposit slip being adjusted
3. a copy of the item that caused the adjustment and a copy of its associated coupon or the information entered into the online exception processing system if a coupon was not received
4. an explanation of the adjustment (such as item processed for $40.00 but legal amount is $30.00.)

**Appendix C**

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

**PREMIUM LOCKBOXES**

**APPENDIX C**

**MISSOURI DEPARTMENT OF SOCIAL SERVICES**

**MO HEALTHNET DIVISION**

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

**DSS PREMIUM LOCKBOX OPERATING PROCEDURES:**

**CHILDREN’S HEALTH INSURANCE PREMIUM (CHIP)**

**SPENDDOWN**

**TICKET TO WORK**

*Note: The procedures are the same for all three lockboxes: Children’s Health Insurance Premium(CHIP), Spenddown Premium and Ticket to Work Premium lockboxes EXCEPT that separate lockboxes shall exist, separate deposits shall be made for each lockbox into individually designated accounts, and separate reports and transactions shall be created for each lockbox.*

The Contractor’s Lockbox Department will open envelopes, remove and inspect the contents, and will then process remittances received as provided below, and deposit the checks or money orders in the State Treasurer’s designated lockbox account in accordance with the following procedures:

**A. Payee:** All payees will be accepted in the lockbox.

**B. Check Endorsement**: The following endorsement will be applied to each check and money order deposited in the account:

Credit Acct

Mo. State Treasurer

DSS Premium

(Substitute endorsements may be permitted with the approval of the STO and DSS.)

**C. Foreign Items**: Contractor will use its best efforts to identify and segregate any checks or money orders drawn in foreign currency and to not deposit those checks or money orders to the account. These items will be sent to MHD at the address contained in Paragraph "O" of these procedures.

**D. Undated Check**: Contractor will deposit them in the account.

**E. Postdated Checks**: Contractor shall use its best efforts to identify and segregate any checks or money orders postdated three days or more from the date received, or postdated checks that would not be paid on presentation and shall not deposit them. These items will be sent to MHD at the address contained in Paragraph "O" of these procedures.

**F. Stale Dated Checks**: Contractor shall use its best efforts to identify and segregate any checks or money orders dated six months or more prior to the date of receipt and shall not deposit them. These items will be sent to MHD at the address contained in Paragraph "O" of these procedures.

**G. Differing Amounts**: Checks on which the written and numeric amounts differ shall be guaranteed and processed by the Contractor only if the correct amount can be determined from the accompanying documents. Otherwise, the check shall not be deposited and such checks shall be sent to MHD at the address contained in Paragraph “O” of these procedures.

**H. Rejects**: The Contractor will process only single payments that have one or more coupon documents and one check. Underpayments of $10 or less shall be processed. The following will be rejected:

Any checks received without a document\*. (Check only items)

Checks received with different amounts from the document. *(Underpayments of $10 or less are acceptable. Overpayments are not.)*

Multiple checks with a single coupon.

Multiple checks with multiple coupons.

The Bank will send the rejected payments to MHD at the address contained in Paragraph "O" of these procedures. **All correspondence received will be kept with the rejected check.**

\*The document (coupon or invoice) is supplied to program participants and will be presented with the check or money order to the bank for identification purposes. Paragraph "Q" defines the data and transmission of the data to the State.

**Online Decisioning of Rejects:** For any lockbox designated by the State Treasurer’s Office and MHD (currently all three (3) premium boxes), any items rejected under (1) above where a check is received without a document, and where a single check is received with multiple coupons but the amounts do not match, the Contractor shall provide the ability for MHD to make online edits to payment information and accept the payment into the lockbox.

At a minimum, MHD must be able to enter the following data on the rejected item:

(a) Case Number

(b) Coverage Date

(c) Amount

(d) Coupon type (lockbox program identifier)

(e) Invoice number

Items edited by MHD shall be included in the data file required by Paragraph “Q” of these procedures. Items rejected by MHD during this editing process shall be sent to MHD at the address contained in Paragraph “O” of these procedures.

**I. Signature Missing:** If the drawer is identified by the face of the check, the Contractor will deposit and process the check by affixing a stamped impression requesting the drawee bank to contact the drawer for authority to pay. Checks and money orders that do not bear the drawer's signature and do not indicate the drawer's identity shall not be deposited. Such checks and money orders shall be sent to MHD at the address contained in Paragraph "O" of these procedures.

**J. Restrictions and Conditional Notations**: **(Extremely Important)** Contractor shall use its best efforts to identify and segregate any checks or money orders bearing restrictive notations such as "Payment in Full", "Balance on Account" or "Account to Date" and to not deposit such checks or money orders into the account. However, Contractor shall have no liability to customer should it process and deposit a check(s) or a money order(s) bearing any such restrictive notation. All checks or money orders identified with restrictive or conditional notation shall be sent to MHD at the address contained in Paragraph "O" of these procedures.

**K. Returned Checks**: Checks deposited in the account which are returned unpaid because of "Insufficient Funds",etc, shall be redeposited by the Contractor one time. If redeposit of the item is not warranted for reasons such as "Account Closed" or "Payment Stopped" or if a check is returned unpaid a second time, , the Contractor will charge the Account and send the actual check with a copy of debit advice to the Department of Social Services (DSS) at the address contained below.

Division of Finance and Administrative Services (DFAS)

Cash Receipts Unit

P.O. Box 1082

Jefferson City, MO 65102

**L. Imaging**: All checks and money orders processed for deposit will be imaged. The images will be retained by the Contractor for a period of seven (7) years from the date processed in accordance with the Contract with the State Treasurer’s Office.

**M. Deposits:** To maximize receipts and funds availability, the Contractor shall make one or more deposits and credit the account daily. All funds will be deposited on the day of receipt. A duplicate deposit slip(s) will be faxed daily to Division of Finance and Administrative Services (DFAS) Cash Receipts Unit as specified in Paragraph "N", and a duplicate deposit slip(s) will be sent daily along with other remittance material or correspondence included with a processed transaction to MHD at the address contained in Paragraph "O". All funds received by the Contractor from the post office boxes established for these services will be deposited to the designated "State Treasurer, DSS, Premium Lockbox" account. A detail deposit report shall be prepared to support the deposit ticket and shall be provided to DFAS and MHD as specified in paragraphs “N” and “O” of these procedures.

**N. Online Reports**: A copy of each deposit detail report will be made available online to the DSS Division of Finance and Administrative Services (DFAS), Cash Receipts Unit.

**O. Photocopies, Miscellaneous Correspondence and Unacceptable Checks**: The following shall be delivered daily to the MO HealthNet Division, Financial Services Unit located at 615 Howerton Court, Jefferson City MO 65109.

(1) A copy of the detail deposit report.

(2) The original checks, back-up documentation or correspondence including envelopes for any items rejected from Paragraphs A, C, and E through J of these procedures.

(3) Any envelopes containing correspondence and no checks

The packet containing the items noted above shall be delivered each State business day between 8:00 AM and 10:00 AM CST.

**P. Daily Statement:** The Contractor shall generate a daily statement for the Office of the Missouri State Treasurer.

**Q. Transaction Files:** The Contractor shall generate daily transaction files to the State that will identify deposited checks and invoice information for each check or money order. Each transaction will contain: Case DCN, Invoice Date, Invoice Number, Invoice Amount, Payment Date and Check Number. The Contractor shall format the file as specified by the State.

Transaction files must be transmitted to the State by 4pm each banking day. If there is not a file generated because no work was processed that day, MHD and STO must be notified by 2:30 pm that banking day.

The Contractor must have in place internal system notifications warning when a file has not been generated by 2:30 pm each banking day.

Should the contractor deliver multiple files in a single day, a notification procedure must be in place and the MHD and STO must be notified which file is the correct file to process before 4pm each banking day.

R. **Credit or Debit Adjustments:** The Contractor shall notify the DSS Receipts Unit at the address contained in Paragraph N and the MHD Financial Services Unit at the address contained in Paragraph O or any credit or debit adjustment to the account. The adjustment notice must contain:

1. the date the adjustment is posting to the account
2. a copy of the deposit slip being adjusted
3. a copy of the item that caused the adjustment and a copy of its associated coupon or the information entered into the online exception processing system if a coupon was not received
4. an explanation of the adjustment (such as item processed for $40.00 but legal amount is $30.00.)

**Appendix D**

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

**CHILD SUPPORT ANNUAL FEE LOCKBOX**

**Appendix D**

**MISSOURI DEPARTMENT OF SOCIAL SERVICES**

**FAMILY SUPPORT DIVISION**

**STANDARD LOCKBOX OPERATING PROCEDURES (“INSTRUCTIONS”)**

**CHILD SUPPORT ANNUAL FEE LOCKBOX**

The Contractor’s Lockbox Department will open envelopes, remove and inspect the contents, and will then process remittances received as provided below, and deposit the checks or money orders in the State Treasurer’s designated lockbox account in accordance with the following procedures:

**A. Payee:** All payees will be accepted in the lock box. The procedures contained in the following paragraphs of this document will govern the deposit of the checks received.

**B. Check Endorsement:** The following endorsement will be applied to each check and draft deposited in the account:

Credit Acct

Mo. State

Treasurer

DSS Child Support Annual Fee

(Substitute endorsements may be permitted with the approval of the STO and DSS.)

**C. Foreign Items:** Contractor will use its best efforts to identify and segregate any checks or drafts drawn in foreign currency and to not deposit those checks or drafts to the account. These checks will be sent to FSD at the address contained in Paragraph "N" of these procedures.

**D. Undated Check:** Contractor will deposit them in the account.

**E. Postdated Checks:** Contractor shall use its best efforts to identify and segregate any checks or drafts postdated three days or more from the date received, or postdated checks that would not be paid on presentation and shall not deposit them. These checks will be sent to FSD at the address contained in Paragraph “N” of these procedures.

**F. Stale Dated Checks:** Contractor shall use its best efforts to identify and segregate any checks or drafts dated six months or more prior to the date of receipt and shall not deposit them. These checks will be sent to FSD the address contained in Paragraph "N" of these procedures.

##### Differing Amounts: Checks on which the written and numeric amounts differ shall be guaranteed and processed by the Contractor only if the correct amount can be determined from the accompanying documents. Otherwise, the check shall not be deposited and such checks shall be sent to FSD at the address contained in Paragraph “N” of these procedures.

##### Rejects: The Contractor will process only single payments that have one document and one check. Underpayments are to be accepted. The following will be rejected:

##### Any checks received without a document\*. (Check only items)

##### Checks received with amounts in excess of what is stated on the document.

##### Multiple checks with a single coupon.

##### Multiple coupons with a single check.

##### Multiple checks with multiple coupons.

The Contractor will send the rejected payments to FSD at the address contained in Paragraph "N" of these procedures. **All correspondence received will be kept with the check and rejected.**

\*The document (coupon or invoice) is supplied to payors and will be presented with the check or money order to the bank for identification purposes. Paragraph "P" defines the data and transmission of the data to the State.

**I. Signature Missing:** If the drawer is identified by the face of the check, the Contractor will deposit and process the check by affixing a stamped impression requesting the drawee bank to contact the drawer for authority to pay. Checks and money orders that do not bear the drawer's signature and do not indicate the drawer's identity shall not be deposited. Such checks and money orders will be sent to FSD the address contained in Paragraph "N" of these procedures.

**J. Returned Checks:** Checks deposited in the account which are returned unpaid because of "Insufficient Funds", etc, shall be redeposited by the Contractor one time. If redeposit of the item is not warranted for reasons such as "Account Closed" or "Payment Stopped" or if a check is returned unpaid a second time, the Contractor will charge the Account and send the actual check with a copy of debit advice to the Department of Social Services (DSS) at the address below.

Division of Finance and Administrative Services (DFAS)

Cash Receipts Unit

P.O. Box 1082

Jefferson City, MO 65102

**K. Imaging:** All checks and money orders processed for deposit will be imaged. The images will be retained by the Contractor for a period of seven (7) years from the date processed in accordance with the Contract with the State Treasurer’s Office. DSS will have the ability to request a copy of a deposited item from the Contractor.

**L. Deposits:** To maximize receipts and funds availability, the Contractor shall, if checks or money orders have been received by the Contractor into the lockbox, make one or more deposits and credit the account daily. All funds will be deposited on the day of receipt. A duplicate deposit slip(s) will be faxed daily to Division of Finance and Administrative Services (DFAS) Cash Receipts as specified in Paragraph "M", and a duplicate deposit slip(s) will be sent daily along with other remittance material to FSD at the address contained in Paragraph "N". All funds received by the Contractor from the post office box established for this service will be deposited to the "State Treasurer, DSS, Child Support Annual Fee Lockbox" account. A detail deposit report shall be prepared to support the deposit ticket and shall be provided to DFAS and FSD as specified in paragraphs “M” and “N” of these procedures.

**M. Online Reports:** A copy of each deposit detail report will be made available to the DSS Division of Finance and Administrative Services (DFAS), Cash Receipts Unit.

**N. Photocopies, Miscellaneous Correspondence and Unacceptable Checks:** The following shall be delivered daily to the Family Support Division, Financial Resolutions Unit located at 615 Howerton Court, Jefferson City MO 65109.

(1) A copy of the detail deposit report,

(2) The original checks, back-up documentation or correspondence including, envelopes for any items rejected from Paragraphs A, C and E through I of these procedures,

(3) Any envelopes containing correspondence and no checks

The packet containing the items noted above shall be delivered each State business day between 8:00 AM and 10:00 AM CST.

Each banking day, prior to 4:00 p.m. CST, the Contractor shall initiated an e-mail to DSS staff stating the number of rejected checks that shall be sent to FSD from the current day’s processing. Such e-mails shall be directed to the following:

wendy.d.venable@dss.mo.gov

**O. Daily Statement:** The Contractor shall generate a daily statement for the Office of the Missouri State Treasurer

**P. Transaction Files:** The Contractor shall generate a daily transaction file to the State that will identify deposited checks and invoice information for each check. Each transaction will contain: Case ID Number, MACSS Member Number, Payment Amount, and Check Number. The Contractor shall l generate a daily email to the State when this file is transmitted to the State to the following contact: Aaron.Shaefer@oa.mo.gov

The Contractor shall format the file as specified by the State.

Transaction files must be transmitted to the State by 4pm each banking day. If there is not a file generated because no work was processed that day, FSD and STO shall be notified by 2:30 pm that banking day.

The Contractor must have in place internal system notifications warning when a file has not been generated by 2:30 pm each banking day.

Should the contractor deliver multiple files in a single day, a notification procedure must be in place and the FSD and STO must be notified which file is the correct file to process before 4pm each banking day.

1. **Credit or Debit Adjustments:** The Contractor shall notify the DSS Receipts Unit at the address contained in Paragraph J and the FSD Financial Resolutions Unit at the address contained in Paragraph N or any credit or debit adjustment to the account. The adjustment notice must contain:
2. the date the adjustment is posting to the account
3. a copy of the deposit slip being adjusted
4. a copy of the item that caused the adjustment and a copy of its associated coupon or the information entered into the online exception processing system if a coupon was not received
5. an explanation of the adjustment (such as item processed for $40.00 but legal amount is $30.00.)

Appendix E

**SAMPLE COUPONS**

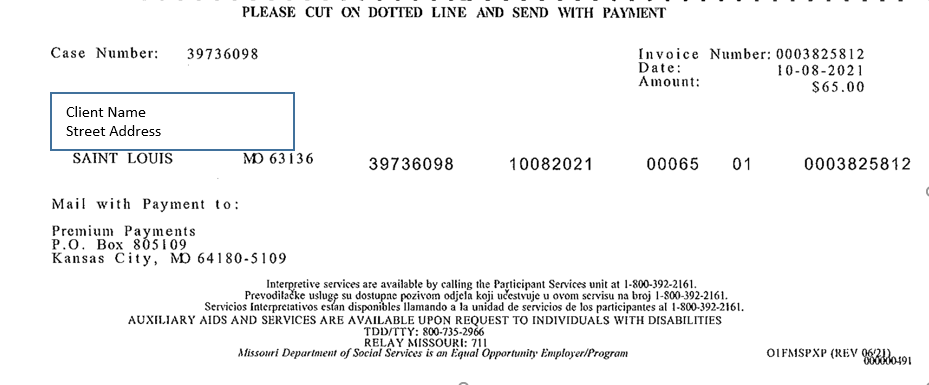
**RETAIL LOCKBOXES**

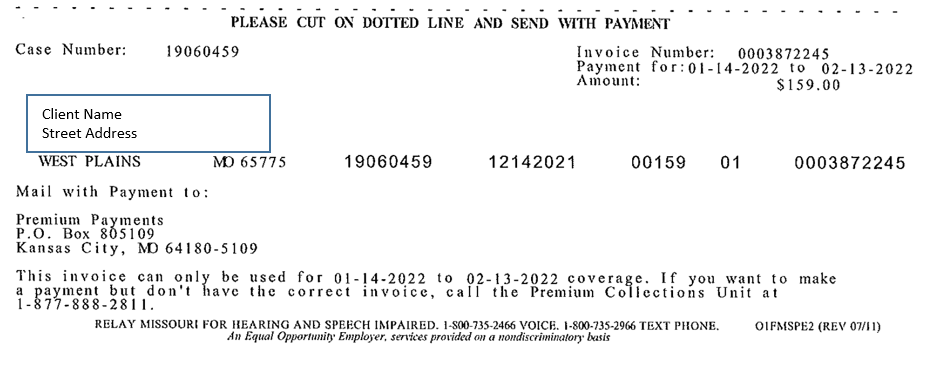
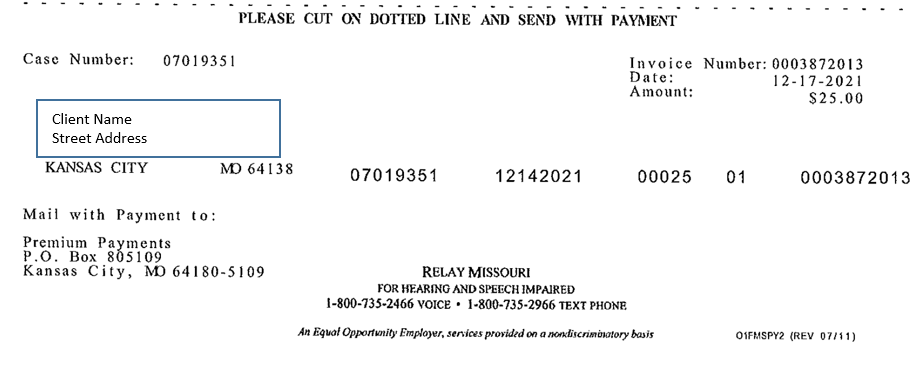
Appendix E

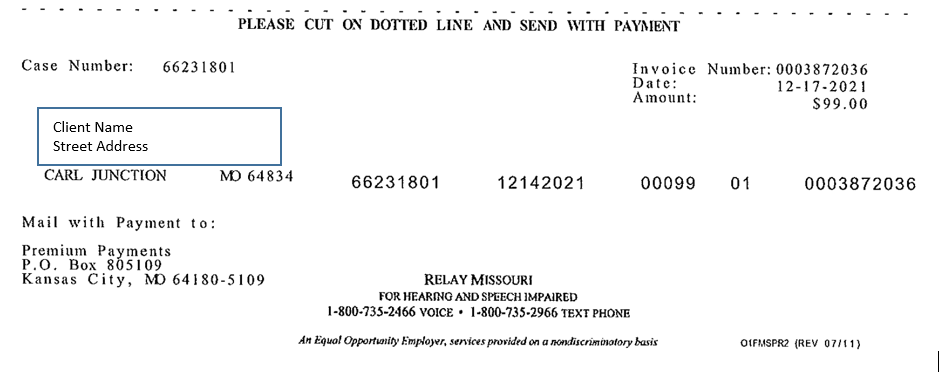
**Sample CHIP Coupon – program code 01**

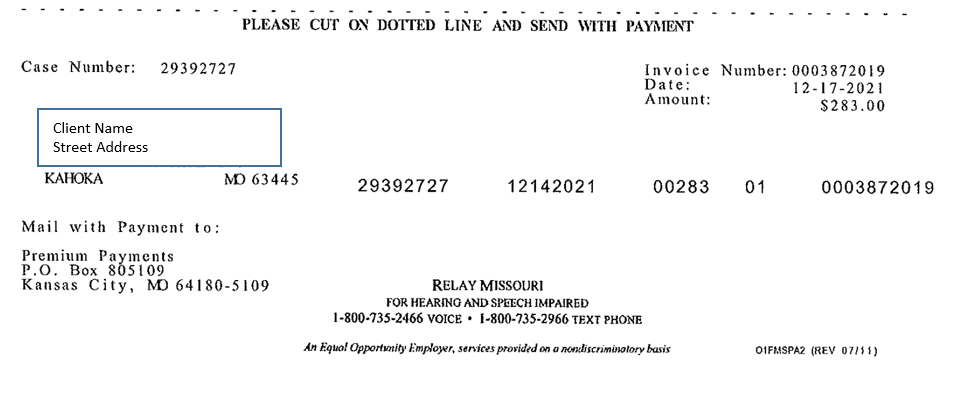
CHIP has five (5) coupon formats as shown below. The format of the scan lines on each are identical.

Coupons are 3 ½ inches high by 8 ½ inches wide



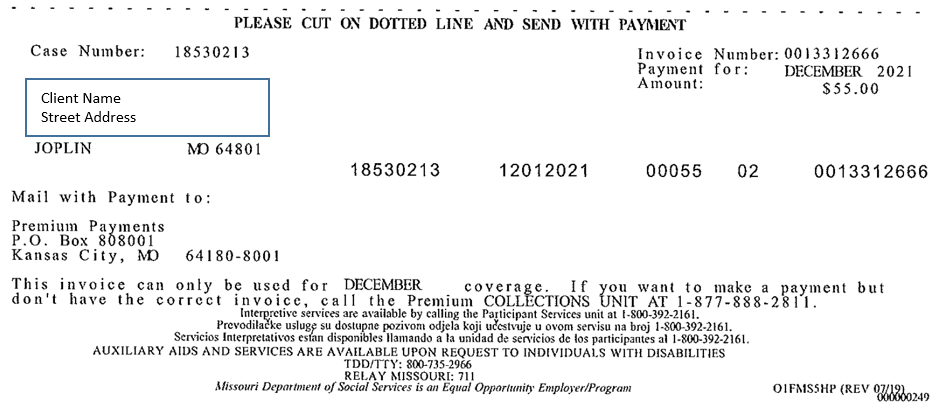






**Sample Spenddown Coupon – program code 02**

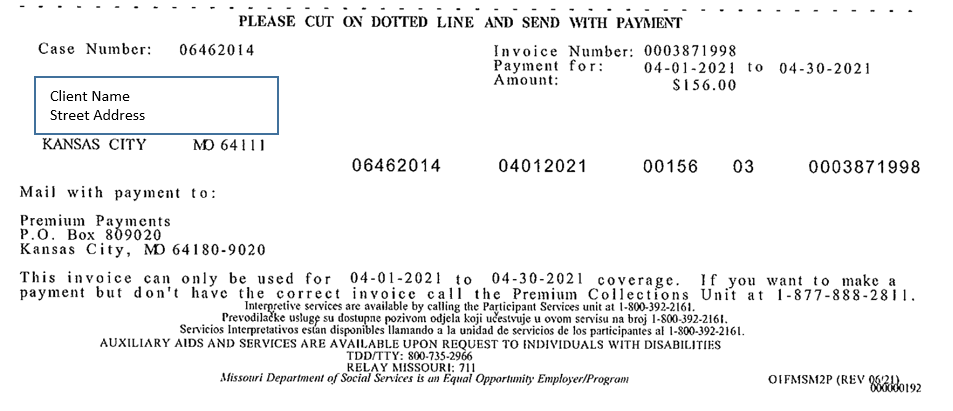
Coupons are 3 ½ inches high by 8 ½ inches wide

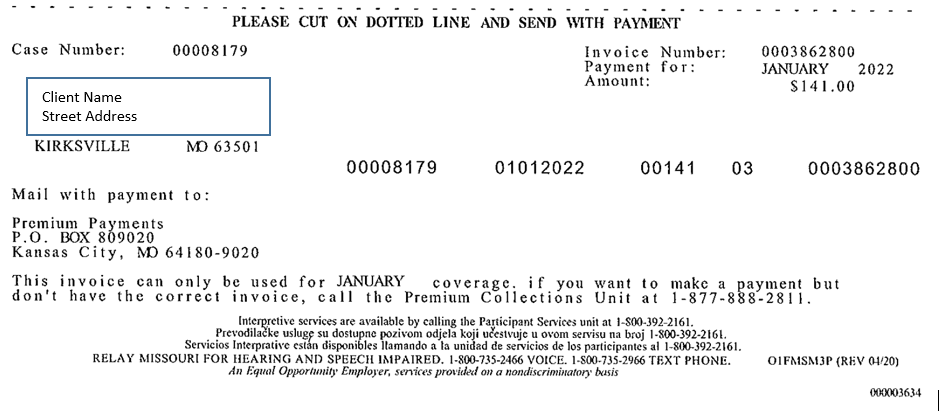


**Sample Ticket to Work Coupon – program code 03**

Ticket to Work has two (2) coupon formats as shown below. The format of the scan lines on each are identical.

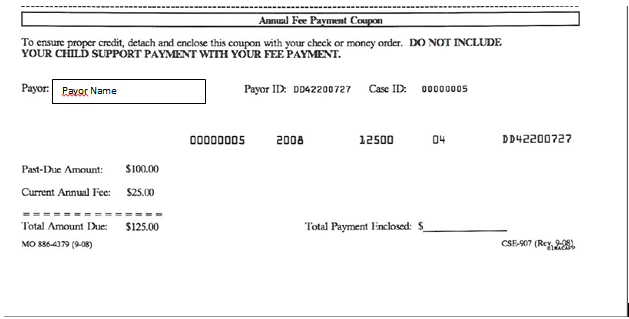
Coupons are 3 ½ inches high by 8 ½ inches wide





**Sample Child Support Annual Fee Coupon – program code 04**

Coupons are 4 ¼ inches high by 8 ½ inches wide.



Appendix F

pRICING tABLES

**APPENDIX F**

**PRICING TABLES**

Instructions to Bidders

1. Bidders must complete and return Pricing Tables 1, 2, 3, 4, and 5 in this Appendix in Volume II of their proposal.

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

**Appendix F**

**PRICING TABLES**

Notes to the Pricing Tables:

1. It is the STO’s intent to initiate an ACH debit daily based on the current day’s deposits and availability quoted for settlement the next banking day. The debit will be originated by the STO via the Electronic Banking Services contractor’s origination system.
2. If the contractor maintains other accounts for the STO, the STO may choose to transfer available funds to another STO account instead of establishing a consolidation account specifically for the lockboxes.

(The Pricing Tables are found in the associated Excel file.**)Appendix G**

**SAMPLE DEPOSITARY CONTRACT, PLEDGE AGREEMENT AND**

**CONTRACT FOR LOCKBOX SERVICES**

**Appendix G**

**STATE OF MISSOURI**

**OFFICE OF the STATE TREASURER**

**DEPOSITARY CONTRACT, PLEDGE AGREEMENT AND**

**CONTRACT FOR LOCKBOX SERVICES**

THIS DEPOSITARY CONTRACT, PLEDGE AGREEMENT AND CONTRACT FOR LOCKBOX SERVICES is entered into between the State Treasurer of Missouri (“State Treasurer”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, of \_\_\_\_\_\_city, Missouri (“Bank”) (collectively, the “Parties”).

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

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

WHEREAS, the parties desire to incorporate the State Treasurer’s 2022 Request for Proposals for Lockbox Services and Bank’s Response to same into a comprehensive Depositary Contract, Pledge Agreement and Contract for Lockbox Services;

NOW THEREFORE, the Parties hereby agree as follows:

1. The State Treasurer will from time to time deposit moneys with Bank on demand deposit. Such deposits, in aggregate, shall not exceed the amount of Bank’s equity capital as shown by Bank’s most recent financial statement. Bank shall not at any time accept additional deposits of state funds when same could cause the total amount of state funds on deposit with Bank to exceed Bank’s equity capital.
2. Bank agrees to safely keep the demand deposits made hereunder, to promptly collect all checks, drafts and other instruments of exchange deposited with it under this Depositary Contract, Pledge Agreement and Contract for Lockbox Services, the State Treasurer’s Request for Proposals, and Bank’s response (all of which shall hereby be collectively known as the “Lockbox Services Contract”), and to pay out of the accounts of the State Treasurer such sums as the State Treasurer may draw by check, Automated Clearing House (ACH), wire transfer, or book transfer, upon written, verbal, or electronic instruction by an authorized employee of the State Treasurer against the balances of said accounts.
3. The Parties acknowledge and agree that, pursuant to this Lockbox Services Contract, the State Treasurer may have more than one demand deposit account at Bank, and additionally agree that individual demand accounts may be overdrawn as long as combined total balances are positive. The State Treasurer and Bank further acknowledge and agree that the parties will attempt to minimize the occurrence of daylight overdrafts and associated costs through the utilization of appropriate operational procedures.
4. In addition to any services or responsibilities undertaken in this Lockbox Services Contract, Bank will provide the State Treasurer with (a) Check Deposit and Lockbox Processing Services; (b) Balance Reporting Services; (c) Account Activity Analysis and Reporting; (d) Periodic Quality Review Meetings; (e) Additional Service Requirements, all as set forth in and in accordance with the State Treasurer’s Request for Proposals for Banking Services and Bank’s Response to same, including any amendments made from time to time in writing, which are hereby incorporated.
5. In return for the services to be performed by Bank under this Lockbox Services Contract the State Treasurer agrees to maintain sufficient amounts so that earnings on the average of the collected balances appearing in the accounts at the close of business for Bank on each day during the accounting period shall be equal to the estimated costs incurred for services rendered. Details regarding the fees for services under this Lockbox Services Contract, the requisite compensating balance for such services, the calculation and adjustment of the compensating balance, the earnings credit rate on accounts of the State Treasurer, the daily treatment of balances in the accounts of the State Treasurer, and all other matters concerning the compensation of Bank under this Lockbox Services Contract are specifically set forth in the Request for Proposals for Banking Services and Bank’s Response to same.
6. To secure the moneys deposited under this Lockbox Services Contract, Bank will deposit securities of the kind and character specified in Chapter 30, RSMo., as amended (“Securities”), in an amount specified by the State Treasurer, which shall be at least equal in market value to one hundred percent of the aggregate amount on deposit with Bank hereunder less the amount thereof, if any, which is insured by the Federal Deposit Insurance Corporation, or any successor federal government agency or entity established by law to insure deposits. The Securities shall be delivered to, receipted for and retained by the State Treasurer or by banks or trust companies or other safe depositaries that the Governor, State Auditor and State Treasurer agree upon, at the expense of Bank. Bank does hereby grant, bargain, convey and pledge a security interest in any and all Securities deposited with the State Treasurer or their designated custodian(s) in accordance with the terms of this Lockbox Services Contract. In every pledge and transfer of Securities hereunder, Bank shall take all steps necessary to effect a perfected first priority security interest in the Securities in favor of the State Treasurer by ensuring that the State Treasurer has “control” of the Securities under Sections 400.8-106 and 400.9-106 RSMo, as amended, or where applicable, under any state or federal law or regulation governing perfection of security interests in the Securities in favor of the State Treasurer. In addition to the rights and remedies given to the State Treasurer hereunder, including the Request for Proposals for Banking Services, the State Treasurer shall have the rights and remedies of a secured party under Chapter 400, RSMo., as amended.
7. The State Treasurer, the Governor or the State Auditor may, from time to time, inspect the Securities or book entry receipts for the Securities or request an accounting of the Securities to determine that they are kept and maintained as required by this Lockbox Services Contract. The necessary expenses incidental to the deposit and inspection of the Securities shall be paid by Bank (such expenses could reasonably include certain photocopying, reports, and delivery of the information to the appropriate parties). If, at any time, or for any reason, the State Treasurer, Governor or State Auditor determine that the Securities given by Bank do not satisfactorily secure the deposits made or to be made hereunder, the State Treasurer, Governor or State Auditor may require that additional or substitute Securities be given and Bank shall furnish such additional or substitute Securities as are satisfactory to the State Treasurer, Governor or State Auditor, as appropriate.
8. Bank shall not at any time withdraw any of the Securities without the written consent of the State Treasurer, but with such consent Bank (a) shall be permitted to withdraw Securities to the extent that the market value of the Securities remaining on deposit exceeds the amount required under this Lockbox Services Contract; and (b) shall be permitted to withdraw Securities upon the delivery of Securities in substitution for those to be withdrawn, so long as the market value of the Securities remaining on deposit exceeds the amount required under this Lockbox Services Contract.
9. Bank shall render statements or reports to the State Treasurer showing the daily balance, account activity, or other information regarding the accounts of the State Treasurer at all times and in every manner specified in this Lockbox Services Contract.
10. In the event that Bank defaults in any manner in performing any of the terms and conditions of this Lockbox Services Contract, or if Bank fails to safely keep the moneys deposited with it, the State Treasurer shall be authorized forthwith, without notice, advertisement or demand, and at public or private sale, to convert into money the Securities deposited by Bank or as many of them as may be necessary to pay the whole amount of the moneys deposited with Bank. The State Treasurer may purchase any or all of the Securities sold at any such sale.
11. If at any time during which there are state moneys on deposit under this Lockbox Services Contract, Bank comes under investigation (other than the ordinary review of financial institutions), management or control of the Federal Deposit Insurance Corporation (“FDIC”) or any other federal governmental entity authorized by law to implement the provisions of the Financial Institutions Reform and Recovery Act (“FIRREA”) or any similar or successor federal law, Bank shall so notify the State Treasurer and shall further notify the FDIC or other appropriate federal agency or entity of the existence and terms of this Lockbox Services Contract. Bank or any successor, assignee or transferee in whole or part of the Bank’s interests under this Lockbox Services Contract agrees to be bound exclusively by the terms of this Lockbox Services Contract and Missouri law, and further agrees that the terms of this Lockbox Services Contract shall not be preempted by federal law without advance written notice to the State Treasurer detailing the specific provisions of this Lockbox Services Contract which may be subject to preemption and the specific provisions of federal law which purport to authorize preemption.
12. If at any time during which there are state moneys on deposit under the Lockbox Services Contract, Bank comes under investigation (other than the ordinary review or financial institutions), management or control of any State regulatory agency, Bank shall so notify the State Treasurer and shall further notify the State agency or entity of the existence and terms of the Lockbox Services Contract. Bank or any successor, assignee or transferee in whole or part of the Bank’s interests under this Lockbox Services Contract agrees to be bound exclusively by the terms of this Lockbox Services Contract and Missouri law, and further agrees that the terms of this Lockbox Services Contract shall not be preempted by any state or federal law without advance written notice to the State Treasurer detailing the specific provisions of this Lockbox Services Contract which may be subject to preemption and the specific provisions of state or federal law which purport to authorize preemption.
13. Bank shall not transfer, by assignment, subcontract or otherwise, any interest or duty in this Lockbox Services Contract, including the services or responsibilities described in the Request for Proposals for Banking Services and Bank’s Response to same, without the prior written consent of the State Treasurer.
14. The State Treasurer shall not be liable in the event of loss, destruction or theft of equipment, software or technical literature provided by Bank, under lease or otherwise, pursuant to this Lockbox Services Contract.
15. Bank must maintain the capability to reconstruct necessary data files in the event of destruction, and to operate on substitute equipment within one (1) calendar day if Bank’s equipment is rendered inoperative.
16. Bank shall permit reasonable access by the State Treasurer or the State Auditor for purposes of performing audit procedures relating to any aspect of services provided by Bank to the State Treasurer in connection with this Lockbox Services Contract.
17. Bank must maintain complete confidentiality of all records relating to services performed under this Lockbox Services Contract in accordance with state and federal laws, rules and regulations. No listing, report or other material generated from data covered by this Lockbox Services Contract may be disclosed or transferred by Bank to any other person.
18. By execution of this Lockbox Services Contract, Bank attests that it is aware of and in compliance with the requirements of the Americans with Disabilities Act (“ADA”), as amended, as well as all regulations pertinent thereto, as well as all other state and federal laws, regulations, and executive orders, including but not limited to Executive Orders No. 87-6 and No. 07-13. Specifically, Bank attests that it has taken all appropriate steps to facilitate the participation of people with disabilities in programs and activities undertaken on behalf of the State Treasurer. Bank acknowledges that failure to comply with the provisions of the ADA constitutes sufficient cause to terminate this Lockbox Services Contract. Bank further acknowledges and agrees to indemnify and otherwise hold the State Treasurer harmless for any derivative liability for discrimination by Bank under the ADA.

This Lockbox Services Contract and all aforementioned components listed in paragraph 1 above, representing the full and complete agreement between the Parties shall remain in force and effect from July 1, 2022 until June 30, 2026, or until such later date as designated by the State Treasurer, provided, however, that each party reserves the right to terminate this Lockbox Services Contract, at any time, by giving one hundred twenty days (120) written notice to the other party of its intent to do so. Details regarding the rights and responsibilities of the Parties with respect to termination of this Lockbox Services Contract are set forth in the Request for Proposals for Banking Services and Bank’s Response to same. This Lockbox Services Contract shall continue in effect until terminated in accordance with the provisions of the Request for Proposals for Banking Services and Bank’s Response to same. This Lockbox Services Contract shall not be deemed to supersede the Depositary Contract and Pledge Agreement entered into between Bank and the State Treasurer on or about \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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

IN WITNESS WHEREOF, the parties have executed this Lockbox Services Contract in duplicate and affixed their seals as of the dates below noted.

STATE TREASURER

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Scott Fitzpatrick

State Treasurer

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

BANK

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Officer

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

**CERTIFIED COPY OF RESOLUTION**

**AUTHORIZING EXECUTION OF STATE OF MISSOURI**

**DEPOSITARY CONTRACT, PLEDGE AGREEMENT AND CONTRACT FOR LOCKBOX SERVICES**

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

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

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

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

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

(BANK SEAL) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary (or Cashier)

Appendix H

**Community Investment Questionnaire**

Appendix H

**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 **$**

1. Describe your institution’s financial participation (e.g., lending, equity) in local community economic development efforts in Missouri.
2. 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.
3. Describe your institution’s efforts to attract deposits or banking relationships with non-banked and under-banked customers in Missouri.
4. Describe any financial literacy programs your institution offers in Missouri. Who is your target audience?
5. Describe your institution’s check cashing policy for checks issued by the State of Missouri for non-customers.
6. How many full-time individuals does your institution employ in the State of Missouri?
7. Provide your institution’s current Community Reinvestment Act (CRA) rating, your Federal Financial Institutions Examination Council (FFEIC) ID, and the agency providing the review (OCC, FDIC, …). For confirmation purposes, indicate your financial institution’s five-digit FDIC Certificate Number.

APPENDIX I

**FILE TRANSMISSION INFORMATION**

APPENDIX I

**FILE TRANSMISSION INFORMATION**

**For the Child Support Lockbox, Secure FTP is the only file transmission option.**

**For the Premium Lockboxes, the following options for file transmissions have been identified. Communications must be established with the designated DSS contractor as well as the State Data Center. All costs associated with communications and connectivity shall be the Contractor’s responsibility.**

**Connect:Direct Software:**

CONNECT:Direct is a software product produced by Sterling Commerce used by Missouri Social Services to transmit and receive data from remote nodes. These remote nodes can be on one of several platforms including Mainframe, AS/400, UNIX, and WINDOWS based. The transmission protocol must be TCP/IP. Connect:Direct provides data compression along with audit and control for tracking data transmissions. This software integrates well with the Missouri State Data Center mainframe batch job scheduling software that provides automation in the processing of the transferred files. Network connectivity may be accomplished by purchasing a dedicated data circuit terminating on the outside of the Missouri Social Services firewall or via the Internet with the implementation of a VPN tunnel. The contractor is required to purchase the Connect:Direct software for their remote node and is responsible for all costs associated with network connectivity.

**Secure FTP:**

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

APPENDIX I

**FILE TRANSMISSION INFORMATION**

**CHILD SUPPORT LOCKBOX**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Field Name** | **Length** | **A/N** | **Example** | **Starting Position** | **Ending Position** |
|  |  |  |  |  |  |
| **DETAIL RECORD** |  |  |  |  |  |
| Record Type Detail Value 'D' Trailer Value 'T' | 1 | A/N | D | 1 | 1 |
|
| Case ID | 8 | N | 12345678 | 2 | 9 |
| Total Amount Due | PIC 9(5)V9(2) | N | 0005000 | 10 | 16 |
| Program Number | 2 | N | 04 | 17 | 18 |
| Payor ID | 10 | A/N | DD12345678 | 19 | 28 |
| MM12345678 |
| Total Payment Enclosed | PIC 9(5)V9(2) | N | 0002500 | 29 | 35 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TRAILER RECORD** |  |  |  |  |  |
| Record Type Detail Value 'D' Trailer Value 'T' | 1 | A/N | T | 1 | 1 |
|
| Total Records Sent | 9 | N | 000001200 | 2 | 10 |
| Total of Total Amount Due | PIC 9(12)V9(2) | N | 00000012345678 | 11 | 24 |
| Total of Total Payment Enclosed | PIC 9(12)V9(2) | N | 00000000123456 | 25 | 38 |

01 FILE-REC-IN.

02 RECORD-TYPE PIC X(1).

02 CASE-ID PIC 9(8).

02 TOT-AMT-DUE PIC 9(5)V9(2).

02 PROGRAM-NUMBER PIC X(2) VALUE '04'.

02 PAYOR-ID PIC X(10).

02 TOT-PAY-ENCLOSED PIC 9(5)V9(2).

APPENDIX I

**FILE TRANSMISSION INFORMATION**

**PREMIUM LOCKBOXES**

FIELD

 --------- FIELD LEVEL/NAME -------- -PICTURE- -NUMBER START     END  LENGTH

 :PFX:-AR-PAY-TRAN                                         1      84      84

 5 :PFX:-RECORD-TYPE                 X              1      1       1       1

 5 :PFX:-BANK-14                     XX             2      2       3       2

 5 :PFX:-OPERATOR-ID                 XX             3      4       5       2

 5 :PFX:-CASEHEAD                    9(8)           4      6      13       8

 5 :PFX:-TOA-SEQ                     XX             5     14      15       2

 5 :PFX:-FREQUENCY                   XX             6     16      17       2

 5 :PFX:-ORIGIN-INVOICE-DATE         9(8)           7     18      25       8

5 :PFX:-TRANSACTION-AMOUNT          S9(5)          8     26      30       5

 5 :PFX:-MICROFILM-REEL-NBR          9(6)           9     31      36       6

 5 :PFX:-MICROFILM-SEQ-NBR           9(6)          10     37      42       6

 5 :PFX:-PAYMENT-METHOD              XXX           11     43      45       3

 5 :PFX:-PROCESS-DATE                9(6)          12     46      51       6

 5 :PFX:-PAYMENT-SOURCE              XXX           13     52      54       3

 5 :PFX:-ORIGIN-INVOICE-ID           9(10)         14     55      64      10

 5 :PFX:-COMBINE-CC                  X             15     65      65       1

 5 :PFX:-TRANS-EXPAND-AMT            S9(4)V99      16     66      71       6

 5 FILLER                            X(13)         17     72      84      13

              > > > > > START OF LAYOUT NUMBER   2 < < < < <

:PFX:-AR-PAY-TRAN-TRAILER                                 1      84      84

5 FILLER                            X              1      1       1       1

5 :PFX:-TOTAL-NBR-OF-ITEMS          9(5)           2      2       6       5

5 :PFX:-TOTAL-AMOUNT                9(7)           3      7      13       7

5 FILLER                           X(71)          4     14      84      71

APPENDIX J

**LOCKBOX VOLUMES**

(This data is located in the associated Excel file)

APPENDIX K

**BUSINESS ENTITY CERTIFICATION, ENROLLMENT DOCUMENTATION,**

AND AFFIDAVIT OF WORK AUTHORIZATION APPENDIX K

**BUSINESS ENTITY CERTIFICATION, ENROLLMENT DOCUMENTATION,**

**AND AFFIDAVIT OF WORK AUTHORIZATION**

**BUSINESS ENTITY CERTIFICATION:**

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

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

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

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| BOX A – CURRENTLY NOT A BUSINESS ENTITY | | | | |
| I certify that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Company/Individual Name) **DOES NOT CURRENTLY MEET** the definition of a business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo as stated above, because: (check the applicable business status that applies below)  - I am a self-employed individual with no employees; **OR**  - The company that I represent employs the services of direct sellers as defined in subdivision (17) of subsection 12 of section 288.034, RSMo.  I certify that I am not an alien unlawfully present in the United States and if \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Company/Individual Name) is awarded a contract for the services requested herein under \_\_\_\_\_\_\_\_\_\_\_\_ (RFP Number) and if the business status changes during the life of the contract to become a business entity as defined in section 285.525, RSMo pertaining to section 285.530, RSMo then, prior to the performance of any services as a business entity, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Company/Individual Name) agrees to complete Box B, comply with the requirements stated in Box B and provide the Division of Purchasing with all documentation required in Box B of this exhibit. | | | | |
|  |  |  |  |  |
|  | Authorized Representative’s Name (Please Print) |  | *Authorized Representative’s Signature* |  |
|  |  |  |  |  |
|  | Company Name (if applicable) |  | Date |  |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BOX B – CURRENT BUSINESS ENTITY STATUS** | | | | |
| I certify that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Business Entity Name) **MEETS** the definition of a business entity as defined in section 285.525, RSMo pertaining to section 285.530. | | | | |
|  |  |  |  |  |
|  | Authorized Business Entity Representative’s Name (Please Print) |  | *Authorized Business Entity*  *Representative’s Signature* |  |
|  |  |  |  |  |
|  | Business Entity Name |  | Date |  |
|  |  |  |  |  |
|  | E-Mail Address |  |  |  |
| As a business entity, the vendor must perform/provide each of the following. The vendor should check each to verify completion/submission of all of the following:  - Enroll and participate in the E-Verify federal work authorization program (Website: <http://www.uscis.gov/e-verify>; Phone: 888-464-4218; Email: [e-verify@dhs.gov](mailto:e-verify@dhs.gov)) with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services required herein;  AND  - Provide documentation affirming said company’s/individual’s enrollment and participation in the E-Verify federal work authorization program. Documentation shall include EITHER the E-Verify Employment Eligibility Verification page listing the vendor’s name and company ID OR a page from the E-Verify Memorandum of Understanding (MOU) listing the vendor’s name and the MOU signature page completed and signed, at minimum, by the vendor and the Department of Homeland Security – Verification Division. If the signature page of the MOU lists the vendor’s name and company ID, then no additional pages of the MOU must be submitted;  AND  - Submit a completed, notarized Affidavit of Work Authorization provided on the next page of this Exhibit. | | | | |

**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.)***

|  |  |  |
| --- | --- | --- |
|  |  |  |
| *Authorized Representative’s Signature* |  | 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)

|  |  |  |
| --- | --- | --- |
|  |  |  |
| *Signature of Notary* |  | *Date* |

***(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 |  |
|  | | | | |

**APPENDIX L**

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY (HIPAA) PROVISIONS**

APPENDIX L

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY (HIPAA) PROVISIONS**

1. Health Insurance Portability and Accountability Act of 1996, as amended - The state agency (DSS) and the Contractor are subject to and must comply with provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) (PL-111-5) (collectively, and hereinafter, HIPAA) and all regulations promulgated pursuant to authority granted therein. The Contractor constitutes a “Business Associate” of the state agency. Therefore, the term, “Contractor” as used in this section shall mean “Business Associate.”

* + - 1. The Contractor agrees that for purposes of the Business Associate Provisions contained herein, terms used but not otherwise defined shall have the same meaning as those terms defined in 45 CFR Parts 160 and 164 and 42 U.S.C. §§ 17921 *et. seq.* including, but not limited to the following:

a. “Access”, “administrative safeguards”, “confidentiality”, “covered entity”, “data aggregation”, “designated record set”, “disclosure”, “hybrid entity”, “information system”, “physical safeguards”, “required by law”, “technical safeguards”, “use” and “workforce” shall have the same meanings as defined in 45 CFR 160.103, 164.103, 164.304, and 164.501 and HIPAA.

b. “Breach” shall mean the unauthorized acquisition, access, use, or disclosure of Protected Health Information which compromises the security or privacy of such information, except as provided in 42 U.S.C. § 17921. This definition shall not apply to the term “breach of contract” as used within the contract.

c. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the contractor.

d. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the state agency.

e. “Electronic Protected Health Information” shall mean information that comes within paragraphs (1)(i) or (1)(ii) of the definition of Protected Health Information as specified below.

1. “Enforcement Rule” shall mean the HIPAA Administrative Simplification: Enforcement; Final Rule at 45 CFR Parts 160 and 164.
2. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
3. “Individual” shall have the same meaning as the term “individual” in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502 (g).
4. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
5. “Protected Health Information” as defined in 45 CFR 160.103, shall mean individually identifiable health information:

Except as provided in paragraph (b) of this definition, that is: (i) Transmitted by electronic media; or (ii) Maintained in electronic media; or (iii) Transmitted or maintained in any other form or medium.

Protected Health Information excludes individually identifiable health information in (i) Education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. 1232g; (ii) Records described at 20 U.S.C. 1232g(a)(4)(B)(iv); and (iii) Employment records held by a covered entity (state agency) in its role as employer.

1. “Security Incident” shall be defined as set forth in the “Obligations of the Contractor” section of the Business Associate Provisions.
2. “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C.
3. “Unsecured Protected Health Information” shall mean Protected Health Information that is not secured through the use of a technology or methodology determined in accordance with 42 U.S.C. § 17932 or as otherwise specified by the secretary of Health and Human Services.
   * + 1. The contractor agrees and understands that wherever in this document the term “Protected Health Information” is used, it shall also be deemed to include Electronic Protected Health Information.
       2. The contractor must appropriately safeguard Protected Health Information which the contractor receives from or creates or receives on behalf of the state agency. To provide reasonable assurance of appropriate safeguards, the contractor shall comply with the business associate provisions stated herein, as well as the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) (PL-111-5) and all regulations promulgated pursuant to authority granted therein.
       3. The state agency and the contractor agree to amend the contract as is necessary for the parties to comply with the requirements of HIPAA and the Privacy Rule, Security Rule, Enforcement Rule, and other rules as later promulgated (hereinafter referenced as the regulations promulgated thereunder). Any ambiguity in the contract shall be interpreted to permit compliance with the HIPAA Rules.

6. Permitted Uses and Disclosures of Protected Health Information by the Contractor:

a. The contractor may not use or disclose Protected Health Information in any manner that would violate Subpart E of 45 CFR Part 164 if done by the state agency, except for the specific uses and disclosures in the contract.

b. The contractor may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, the state agency as specified in the contract, provided that such use or disclosure would not violate HIPAA and the regulations promulgated thereunder.

c. The contractor may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR 164.502(j)(1) and shall notify the state agency by no later than ten (10) calendar days after the contractor becomes aware of the disclosure of the Protected Health Information.

d. If required to properly perform the contract and subject to the terms of the contract, the contractor may use or disclose Protected Health Information if necessary for the proper management and administration of the contractor’s business.

e. If the disclosure is required by law, the contractor may disclose Protected Health Information to carry out the legal responsibilities of the contractor.

f. If applicable, the contractor may use Protected Health Information to provide Data Aggregation services to the state agency as permitted by 45 CFR 164.504(e)(2)(i)(B).

g. The contractor may not use Protected Health Information to de-identify or re-identify the information in accordance with 45 CFR 164.514(a)-(c) without specific written permission from the state agency to do so.

h. The contractor agrees to make uses and disclosures and requests for Protected Health Information consistent with the state agency’s minimum necessary policies and procedures.

7. Obligations and Activities of the Contractor:

a. The contractor shall not use or disclose Protected Health Information other than as permitted or required by the contract or as otherwise required by law, and shall comply with the minimum necessary disclosure requirements set forth in 45 CFR § 164.502(b).

b. The contractor shall use appropriate administrative, physical and technical safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by the contract. Such safeguards shall include, but not be limited to:

(1) Workforce training on the appropriate uses and disclosures of Protected Health Information pursuant to the terms of the contract;

(2) Policies and procedures implemented by the contractor to prevent inappropriate uses and disclosures of Protected Health Information by its workforce and subcontractors, if applicable;

(3) Encryption of any portable device used to access or maintain Protected Health Information or use of equivalent safeguard;

(4) Encryption of any transmission of electronic communication containing Protected Health Information or use of equivalent safeguard; and

(5) Any other safeguards necessary to prevent the inappropriate use or disclosure of Protected Health Information.

c. With respect to Electronic Protected Health Information, the contractor shall use appropriate administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic Protected Health Information that contractor creates, receives, maintains or transmits on behalf of the state agency and comply with Subpart C of 45 CFR Part 164, to prevent use or disclosure of Protected Health Information other than as provided for by the contract.

d. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), the contractor shall require that any agent or subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of the contractor agrees to the same restrictions, conditions, and requirements that apply to the contractor with respect to such information.

e. By no later than ten (10) calendar days after receipt of a written request from the state agency, or as otherwise required by state or federal law or regulation, or by another time as may be agreed upon in writing by the state agency, the contractor shall make the contractor’s internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, created by, or received by the contractor on behalf of the state agency available to the state agency and/or to the Secretary of the Department of Health and Human Services or designee for purposes of determining compliance with the HIPAA Rules and the contract.

f. The contractor shall document any disclosures and information related to such disclosures of Protected Health Information as would be required for the state agency to respond to a request by an individual for an accounting of disclosures of Protected Health Information in accordance with 42 USCA §17932 and 45 CFR 164.528. By no later than five (5) calendar days of receipt of a written request from the state agency, or as otherwise required by state or federal law or regulation, or by another time as may be agreed upon in writing by the state agency, the contractor shall provide an accounting of disclosures of Protected Health Information regarding an individual to the state agency. If requested by the state agency or the individual, the contractor shall provide an accounting of disclosures directly to the individual. The contractor shall maintain a record of any accounting made directly to an individual at the individual’s request and shall provide such record to the state agency upon request.

g. In order to meet the requirements under 45 CFR 164.524, regarding an individual’s right of access, the contractor shall, within five (5) calendar days following a state agency request, or as otherwise required by state or federal law or regulation, or by another time as may be agreed upon in writing by the state agency, provide the state agency access to the Protected Health Information in an individual’s designated record set. However, if requested by the state agency, the contractor shall provide access to the Protected Health Information in a designated record set directly to the individual for whom such information relates.

h. At the direction of the state agency, the contractor shall promptly make any amendment(s) to Protected Health Information in a Designated Record Set pursuant to 45 CFR 164.526.

i. The contractor shall report to the state agency’s Security Officer any security incident immediately upon becoming aware of such incident and shall take immediate action to stop the continuation of any such incident. For purposes of this paragraph, security incident shall mean the attempted or successful unauthorized access, use, modification or destruction of information or interference with systems operations in an information system. This does not include trivial incidents that occur on a daily basis, such as scans, “pings,” or unsuccessful attempts that do not penetrate computer networks or servers or result in interference with system operations. By no later than five (5) days after the contractor becomes aware of such incident, the contractor shall provide the state agency’s Security Officer with a description of any remedial action taken to mitigate any harmful effect of such incident and a proposed written plan of action for approval that describes plans for preventing any such future security incidents.

j. The contractor shall report to the state agency’s Privacy Officer any unauthorized use or disclosure of Protected Health Information not permitted or required as stated herein immediately upon becoming aware of such use or disclosure and shall take immediate action to stop the unauthorized use or disclosure. By no later than five (5) calendar days after the contractor becomes aware of any such use or disclosure, the contractor shall provide the state agency’s Privacy Officer with a written description of any remedial action taken to mitigate any harmful effect of such disclosure and a proposed written plan of action for approval that describes plans for preventing any such future unauthorized uses or disclosures.

k. The contractor shall report to the state agency’s Security Officer any breach immediately upon becoming aware of such incident and shall take immediate action to stop the continuation of any such incident. By no later than five (5) days after the contractor becomes aware of such incident, the contractor shall provide the state agency’s Security Officer with a description of the breach, the information compromised by the breach, and any remedial action taken to mitigate any harmful effect of such incident and a proposed written plan for approval that describes plans for preventing any such future incidents.

l. The contractor’s reports required in the preceding paragraphs shall include the following information regarding the security incident, improper disclosure/use, or breach, (hereinafter “incident”):

(1) The name, address, and telephone number of each individual whose information was involved if such information is maintained by the contractor;

(2) The electronic address of any individual who has specified a preference of contact by electronic mail;

(3) A brief description of what happened, including the date(s) of the incident and the date(s) of the discovery of the incident;

(4) A description of the types of Protected Health Information involved in the incident (such as full name, Social Security Number, date of birth, home address, account number, or disability code) and whether the incident involved Unsecured Protected Health Information; and

(5) The recommended steps individuals should take to protect themselves from potential harm resulting from the incident.

m. Notwithstanding any provisions of the Terms and Conditions attached hereto, in order to meet the requirements under HIPAA and the regulations promulgated thereunder, the contractor shall keep and retain adequate, accurate, and complete records of the documentation required under these provisions for a minimum of six (6) years as specified in 45 CFR Part 164.

n. Contractor shall not directly or indirectly receive remuneration in exchange for any Protected Health Information without a valid authorization.

o. If the contractor becomes aware of a pattern of activity or practice of the state agency that constitutes a material breach of contract regarding the state agency's obligations under the Business Associate Provisions of the contract, the contractor shall notify the state agency’s Security Officer of the activity or practice and work with the state agency to correct the breach of contract.

p. The contractor shall indemnify the state agency from any liability resulting from any violation of the Privacy Rule or Security Rule or Breach arising from the conduct or omission of the contractor or its employee(s), agent(s) or subcontractor(s). The contractor shall reimburse the state agency for any and all actual and direct costs and/or losses, including those incurred under the civil penalties implemented by legal requirements, including but not limited to HIPAA as amended by the Health Information Technology for Economic and Clinical Health Act, and including reasonable attorney’s fees, which may be imposed upon the state agency under legal requirements, including but not limited to HIPAA’s Administrative Simplification Rules, arising from or in connection with the contractor’s negligent or wrongful actions or inactions or violations of this Agreement.

8. Obligations of the State Agency:

a. The state agency shall notify the contractor of limitation(s) that may affect the contractor’s use or disclosure of Protected Health Information, by providing the contractor with the state agency’s notice of privacy practices in accordance with 45 CFR 164.520.

b. The state agency shall notify the contractor of any changes in, or revocation of, authorization by an Individual to use or disclose Protected Health Information.

c. The state agency shall notify the contractor of any restriction to the use or disclosure of Protected Health Information that the state agency has agreed to in accordance with 45 CFR 164.522.

d. The state agency shall not request the contractor to use or disclose Protected Health Information in any manner that would not be permissible under HIPAA and the regulations promulgated thereunder.

9. Expiration/Termination/Cancellation - Except as provided in the subparagraph below, upon the expiration, termination, or cancellation of the contract for any reason, the contractor shall, at the discretion of the state agency, either return to the state agency or destroy all Protected Health Information received by the contractor from the state agency, or created or received by the contractor on behalf of the state agency, and shall not retain any copies of such Protected Health Information. This provision shall also apply to Protected Health Information that is in the possession of subcontractor or agents of the contractor.

a. In the event the state agency determines that returning or destroying the Protected Health Information is not feasible, the contractor shall extend the protections of the contract to the Protected Health Information for as long as the contractor maintains the Protected Health Information and shall limit the use and disclosure of the Protected Health Information to those purposes that made return or destruction of the information infeasible. If at any time it becomes feasible to return or destroy any such Protected Health Information maintained pursuant to this paragraph, the contractor must notify the state agency and obtain instructions from the state agency for either the return or destruction of the Protected Health Information.

10. Breach of Contract – In the event the contractor is in breach of contract with regard to the business associate provisions included herein, the contractor agrees that in addition to the requirements of the contract related to cancellation of contract, if the State determines that cancellation of the contract is not feasible, the STO may elect not to cancel the contract, but the state agency shall report the breach of contract to the Secretary of the Department of Health and Human Services.