

**REQUEST FOR PROPOSAL**  
**CENTRAL BANKING SERVICES**



**RFP #:** \_\_\_\_\_ **#17-001** \_\_\_\_\_

**PROPOSAL DUE DATE/TIME: APRIL 17, 2017 AT 2:00 PM CST**

**State of Louisiana  
Department of Treasury**

**(March 10, 2017)**

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**REQUEST FOR PROPOSAL  
FOR  
STATE CENTRAL BANKING SERVICES**

**PART I: ADMINISTRATIVE AND GENERAL INFORMATION**

**1.1 Background**

The Department of the Treasury administers the state's centralized cash management system to receive, disburse and safely keep all monies required to be held by Treasury. This cash management system uses a central depository bank ("pooling") account for the receipt, custody and investment and disbursement of monies maintained in the Department of the Treasury.

The central depository bank account receives deposits of checks, Automated Clearing House credits, wire transfer credits, deposits of other negotiable instruments, and transfers from other bank accounts including reverse zero-balance accounts within the bank.

The central depository bank account disburses monies via wire transfer, clears checks, interbank transfers to zero balance disbursement bank accounts, and Automated Clearing House debits originated by the State (not by outside parties).

Deposits made to the central depository bank account at any bank branch locations are included in the bank account ledger balance as if the deposits were made in the Baton Rouge bank location.

The Department of the Treasury uses a deposit ticket form designed for the state's centralized accounting system ("ISIS"). The bank will be required to accept this deposit 1 ticket form in lieu of any other deposit ticket forms used by the bank. A copy of this deposit ticket form is in Attachment D. Each agency will use a unique 3 digit numeric identifier followed by sequential numbering. This will be the deposit ticket number in the MICR field. **These identifier numbers shall be listed in most reports, statements, inquiry and data displays and files that are transmitted to the Department of the Treasury and viewable by the Department of the Treasury.**

The Department of the Treasury uses numerous reverse zero balance bank accounts and zero balance disbursement bank accounts tied to the central depository bank account.

The central depository bank account is reconciled daily by the Department of the Treasury. **The Department of the Treasury uses proprietary PC based automated reconciliation software solution for this purpose.** The bank provides a daily electronic file of paid items, deposit items, and other items which post to the central pooling bank account. An encrypted file, in a BAI format, is accessed by Treasury from the bank's server and decrypted at Treasury for import into the PC based reconciliation software. The file format is in Attachment D.

Daily balance reporting, by bank account, of ledger balances, collected balances, clearings, and outstanding items are provided via computer-to-computer viewing.

The bank also provides a daily report of investment activity that is used by the Department of the Treasury to reconcile to the Department of the Treasury's investment portfolio. This daily investment activity report reflects all trades with specific detailed information on each security. A copy of the daily investment activity report is in Appendix II.

The Department of the Treasury has two centralized vendor zero balance disbursement bank accounts used by many state agencies to pay operating expenditures. One controlled disbursement bank account is used for check disbursements and the second bank account is used for electronic disbursement via Automated Clearinghouse transactions which are initiated by the State.

State agencies in rural areas of the state may make deposits to banks other than the central banking services bank. These deposits are swept into the central depository bank account on a regular basis, usually once a week. The bank is required to provide software to automate the sweep process.

The bank selected shall be expected to keep abreast of new innovations, products and methods in the industry with respect to electronic commerce, data interchanges, and similar advances and changes and to provide them to the Department of the Treasury, at its option, at competitive prices.

### **1.1.1 Purpose**

The purpose of this Request for Proposal (RFP) is to obtain competitive proposals as allowed by Louisiana Revised Statute 39:1595 B. from bona fide, qualified proposers who are interested in providing specific banking services.

The RFP solicits proposals for the delivery and installation of centralized banking services and investment options in the broadest context of those terms.

The RFP includes administrative information, instructions, guidelines, governing the proposals and the material to be included therein. It also describes the evaluation process, and delineates certain terms, conditions, caveats, and requirements to be incorporated in the contract that may result from the RFP. Mandatory requirements, which must be met to be eligible for consideration, and other requirements and instructions to be met by each proposer are appropriately explained. Specific qualifications for banks submitting proposals are included in ATTACHMENTS A-1, A-3 and A-5.

The bank submitting the proposal shall provide a timely fully-operational implementation no later than November 1, 2017.

All provisions hereto which in any manner limit, waive, or release any claims for liability on the part of the Department of the Treasury, and all other similar provisions hereto, shall expressly include the State Treasurer and all other elected officials and employees of the Department of the Treasury.

### 1.1.2 Goals and Objectives

**The goal of this RFP is to obtain banking services as outlined in Section 2.1 of this RFP with the objective that the provider will:**

- (1) offer efficient and effective services and product solutions that will support the State's current and future banking needs;
- (2) will employ, in its own processes, advanced technology that will help the state apply technologies that improve its banking processes; and
- (3) establish optimal pricing for the banking services defined within this RFP; and
- (4) maintain all current services for a total five (5) year period; and
- (5) provide a timely fully-operational implementation no later than November 1, 2017.

### 1.2 Definitions

- A. Shall and Will– The terms “shall” and “will” denote mandatory requirements.
- B. Must - The term “must” denotes mandatory requirements.
- C. May and Can- The terms “may” and “can” denote an advisory or permissible action.
- D. Should – The term “should” denotes a desirable action.
- E. Contractor – Any person having a contract with a governmental body; the selected proposer.
- F. Agency- Any department, commission, council, board, office, bureau, committee, institution, agency, government, corporation, or other establishment of the executive branch of this state authorized to participate in any contract resulting from this solicitation.
- G. State- The State of Louisiana.
- H. Discussions- For the purposes of this RFP, a formal, structured means of conducting written or oral communications/presentations with responsible Proposers who submit a proposal in response to this RFP.
- I. DOA - Division of Administration

J. OSP – Office of State Procurement

K. Proposer – A firm, venture, consortium, or individual who responds to this RFP. The successful Proposer responsive to this RFP is also described as the Contractor in this document.

L. Consortium of Banks –Two or more banks offering one proposal for all services in this RFP. The consortium is composed of the Primary Bank and the Secondary Bank(s).

M. Primary Bank- The bank responsible for submitting the proposal, providing the primary banking functions listed in Section 2.1 Overview, ensuring all services are covered during the proposal and throughout the contract term, signing a contract with the state, preparing and submitting a monthly consolidated invoice and direct agency invoices and will be financially responsible for guaranteeing any transition and implementation costs for the State. The bank must currently be and remain, throughout the term of the contract, a designated state depository/fiscal agent, as designated by the State of Louisiana Interim Emergency Board in accordance with LA R.S. 49:317.

N. Secondary Bank(s)- The bank(s) responsible within the consortium for only the secondary banking functions as described in Section 2.1 Overview. The bank(s) must currently be and remain, throughout the term of the contract, a designated state depository/fiscal agent, as designated by the State of Louisiana Interim Emergency Board in accordance with LA R.S. 49:317.

O. RFP – Request for Proposal

P. Earnings Credit Allowance - The calculated value of balances maintained during the month allowed to offset bank service charges and/or be representative of interest earnings due to the State. The calculated value is computed as follows:

$$\frac{(\text{AVG INVESTABLE BAL}) \times (\text{EARN CRED RATE}) \times (\# \text{ OF DAYS IN MO})}{\text{ACTUAL NUMBER OF DAYS IN THE YEAR.}}$$

Q. Earnings Credit Rate (Earn Cred Rate) - The average of the weekly 13 week U.S. Treasury Bill Discount Rates for the prior calendar month period rounded down to the nearest five basis points (0.05%) plus basis points.

R. Invoice - The invoice shall be in the form of a monthly consolidated account analysis statement; however, certain bank accounts designated by Treasury may be listed separately. Certain banking services for designated bank accounts shall be direct billed to the agencies which use the bank accounts and/or the services. Agencies must receive Treasury approval for any banking services under the central banking services contract. In addition, any charges not included on the account analysis statement shall be listed separately on the invoice. As documentation for the invoice, each bank account shall have an account analysis statement listing each service provided, the volume of the

service for the period and the cost of each service as shown on the Pricing Grid, Attachment H.

S. Treasurer - Treasurer of the State of Louisiana or his designee.

T. Treasury - The Department of the Treasury of the State of Louisiana.

U. MICR – Magnetic Ink Character Recognition – Used to verify the legitimacy of original documents

V. BAI – Bank Administration Institute –a file format used by banks to transmit financial information.

### 1.3 Schedule of Events

<u>Event</u>	<u>Date</u>	<u>TIME (CT)</u>
1. RFP mailed to prospective proposers; posted to LaPAC; and Blackout Period begins	3/10/2017	
2. Deadline to receive written inquiries	3/30/2017	4:00 PM
3. Deadline to answer written inquiries	4/7/2017	4:00 PM
4. Proposal Submission Deadline	4/17/2017	2:00 PM
5. Proposal Opening Date	4/17/2017	
6. Notice of Intent to Award to be mailed	5/1/2017	
7. Contract Initiation	5/2/2017	

**NOTE: The State of Louisiana reserves the right to revise this schedule. Revisions before the Proposal Submission Deadline, if any, will be formalized by the issuance of an addendum to the RFP.**

### 1.4 Proposal Submission

This RFP is available in electronic form at the LaPAC website <http://wwwprd1.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm>.

It is the Proposer's responsibility to check the Office of State Procurement LaPAC website frequently for any possible addenda that may be issued. The Department of Treasury is not responsible for a proposer's failure to download any addenda documents required to complete a Request for Proposal.

**Important - - Clearly mark outside of envelope, box or package with the following information and format:**

- X Proposal Name: Identify
- X Central Banking Services, Solicitation Number: \_\_\_\_#17-001
- X Proposal Opening Date and Time: Identify

**Proposers are hereby advised that the U. S. Postal Service does not make deliveries to our physical location.**

Proposals may be mailed through the U. S. Postal Service to Department of Treasury at:

Aisha K. Mirza, Staff Attorney  
Department of Treasury  
P.O. Box 44154  
Baton Rouge, LA 70804-4154

If delivering by U.S. Postal Service to the P.O. Box listed above, please allow sufficient time for the mail to then be transmitted to the Department of Treasury. The Department of Treasury must receive the proposal by the date and time specified in Section 1.3 Schedule of Events.

Proposals may be delivered by hand or courier service to our physical location at:

Department of Treasury  
Attn: Aisha K. Mirza, Staff Attorney  
900 N. Third Street  
State Capitol, 3<sup>rd</sup> Floor  
Baton Rouge, LA 70802

Proposer shall solely be responsible for ensuring that its courier service provider makes inside deliveries to our physical location. The Department of Treasury shall not be responsible for any delays caused by the proposer's chosen means of proposal delivery.

Proposers should be aware of security requirements for the State Capitol.

Proposer shall solely be responsible for the timely delivery of its proposal. Failure to meet the proposal opening date and time shall result in rejection of the proposal.

**PROPOSALS SHALL BE OPENED PUBLICLY AT THE PHYSICAL LOCATION IDENTIFIED ABOVE AND ONLY PROPOSERS SUBMITTING PROPOSALS SHALL BE IDENTIFIED ALOUD. PRICES SHALL NOT BE READ.**

**The primary banking proposer, if a consortium of banks is proposed, shall be solely responsible for the accuracy and completeness of the proposal for all required services.**

#### 1.4.1 Mandatory Qualification for Proposer

Proposers must meet the following minimum qualifications:

Proposer minimum qualifications are listed in Attachments A-1, A-3 and A-5 – Minimum Qualifications for Participating Banks.

**Any proposal that deviates, substitutes or omits any minimum qualification shall be immediately disqualified.**

#### 1.5 Proposal Format

Proposals submitted for consideration should follow the format and order of presentation described below:

- A. **Cover Letter:** The cover letter must be on Proposer's official business letterhead and should exhibit the Proposer's understanding of the services requested under this RFP and the intent of the Proposer.

The cover letter should also

- Identify the submitting Proposer and provide their federal tax identification number;
  - **If the proposal represents a consortium of banks, the Proposal must identify the participants and the specific functions as listed in Section 2.1 that each participant will be providing under the contract.**
  - State the signer's name and position and show evidence of signature authority of the signer of the Proposal. In addition, the cover letter should identify the name, title, address, telephone number, fax number, and email address of each person authorized by the Proposer to contractually obligate the Proposer;
  - Identify the name, address, telephone number, fax number, and email address of the contact person for technical and contractual clarifications throughout the evaluation period.
- B. **Table of Contents:** The proposal should be organized in the order contained herein.
- C. **Executive Summary:** This section should define the scope of the proposal and summarize the Proposer's ability to perform the services requested in this RFP and confirm that the Proposer is willing to perform those services

and enter into a contract with the State. **The Proposer must confirm that it will perform all services requested in this RFP, whether as Primary Bank or by identifying which of the other bank(s) in a consortium will be providing the other services and which services.** The summary should briefly describe why the Proposer can best provide the banking services requested in this RFP. It should include a stipulation that the proposal is valid for a time period of at least 90 calendar days from the date of submission. It shall include a statement that the November 1, 2017, deadline for full implementation can be met and that any and all costs associated with implementation and transition will be provided for by the Proposer. It should also include a positive statement of compliance with the contract terms. If the Proposer cannot comply with any of the contract terms, an explanation of each exception should be supplied. The Proposer should address the specific language in Attachment I, Sample Contract, and submit whatever exceptions or exact contract modifications that its firm may seek. While final wording will be resolved during contract negotiations, the intent of the provisions will not be substantially altered.

- D. **Company Background and Experience:** The Proposer should give a brief description of their financial institution including a brief history, corporate structure and organization, number of years in business.

This section should provide a detailed discussion of the Proposer's prior experience with customers similar in size, scope, and function to the proposed contract. Proposer should emphasize their experience working with other governmental entities of comparable size and diversity and with large corporate customers who use a broad range of banking services.

- E. **Approach and Methodology:** The RFP describes the State's cash management program and how the central banking services play an essential role in that program. The RFP further describes specific components of the central banking services in Attachments D, E and F and require Proposer's responses to each of these components. The Proposer should describe a clear approach to and method of providing which, if any, components contained in the attachments that cannot be met with standard banking solutions.

- F. **Staff Qualifications:** The Proposer should provide detailed information about the experience and qualifications of the Proposer's assigned personnel considered key to the success of the project.

This information should include education, training, technical experience, functional experience, specific dates and names of employers, relevant and related experience, past and present projects with dates and responsibilities and any applicable certifications. This should also specifically include the role and responsibilities of each person on this project, their planned level of effort, their anticipated duration of involvement, and their on-site availability. Customer references (name, title, company name, address, and telephone number) should be provided for the cited projects in the individual resumes.

Proposer should clearly describe their ability to meet or exceed the minimum qualifications described in Section 1.4.1.

- G. **Cost Proposal:** Proposer's total fees and other costs, if any, shall be submitted only on Attachment H – Pricing Grid. Prices proposed shall be firm for the duration of the contract. This Attachment H shall include any and all costs which the Contractor wishes to be paid and to have considered in the contractual arrangement with the State
- H. **Proposed Solution/Technical Response:** The RFP contains Attachments D, E and F which describe specific banking services requested by the State and require Proposer's responses to these services. The Proposer should provide clear explanations to any services that cannot be met with alternative solutions.
- I. **Innovative Concepts:** Presentation of innovative concepts, if any, for consideration.
- J. **Project Schedule:** Detailed schedule of implementation plan for full statewide implementation by August 1, 2017. This schedule is to include implementation actions, timelines, responsible parties, etc. Proposer must be responsible for all transition and implementation costs.
- K. **Veteran-Owned and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative For Small Entrepreneurships (Hudson Initiative) Programs Participation**

The State of Louisiana Veteran and Hudson Initiatives are designed to provide additional opportunities for Louisiana-based small entrepreneurships (sometimes referred to as LaVet's and SE's respectively) to participate in contracting and procurement with the state. A certified Veteran-Owned and Service-Connected Disabled Veteran-Owned small entrepreneurship (LaVet) and a Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) small entrepreneurship are businesses that have been certified by the Louisiana Department of Economic Development. All eligible vendors are encouraged to become certified. Qualification requirements and online certification are available at <http://smallbiz.louisianaeconomicdevelopment.com>

If a proposer is not a certified small entrepreneurship as described herein, but plans to use certified small entrepreneurship(s), proposer shall include in its proposal the names of their certified Veteran Initiative or Hudson Initiative small entrepreneurship subcontractor(s), a description of the work each will perform, and the dollar value of each subcontract.

During the term of the contract and at expiration, the Contractor will also be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

The statutes (R.S 39:2171 et. seq.) concerning the Veteran Initiative may be viewed at <http://legis.la.gov/lss/lss.asp?doc=671504>; and the statutes (R.S. 39:2001 et. seq.) concerning the Hudson Initiative may be viewed <http://legis.la.gov/lss/lss.asp?doc=96265>. The rules for the Veteran Initiative (LAC 19:VII. Chapters 11 and 15) and for the Hudson Initiative (LAC 19:VIII Chapters 11 and 13) may be viewed at <http://www.doa.louisiana.gov/osp/se/se.htm>.

A current list of certified Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurships may be obtained from the Louisiana Economic Development Certification System at <http://smallbiz.louisianaeconomicdevelopment.com>. Additionally, a list of Hudson and Veteran Initiative small entrepreneurships, which have been certified by the Louisiana Department of Economic Development and who have opted to register in the State of Louisiana LaGov Supplier Portal [https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest\\_user=self\\_reg](https://lagoverpvendor.doa.louisiana.gov/irj/portal/anonymous?guest_user=self_reg) may be accessed from the State of Louisiana Procurement and Contract (LaPAC)Network <http://wwwprd1.doa.louisiana.gov/OSP/LaPac/Vendor/VndPubMain.cfm?tab=2sp>

When using this site, determine the search criteria (i.e. alphabetized list of all certified vendors, by commodities, etc.) and select SMALLE, VSE, or DVSE.

L. **Certification Statement:**

The Proposer must sign and submit the Certification Statements shown in Attachments A-1, A-3 and A-5 – Minimum Qualifications for Participating Banks. Additionally, the Proposer is required to sign and submit the Statement of Disclosure, Certification Statement, Attachment G.

## **Volumes**

There are three (3) Volumes that compose the total response to the RFP. Each volume should be submitted in a separate enclosure that is clearly labeled with the proposer's name, RFP #17-001, and volume title (e.g. "Volume 1 – Minimum Qualifications"). The Volumes are described as follows:

- Volume 1. Minimum Qualifications - The proposer **must** certify that all tasks and activities associated with the applicable service and requirements in Attachments A-1, A-3 and A-5 will be performed.

The responses and documentation to the questions in Attachments A-1, A-3, and A-5 shall be submitted with proposals in Attachments A-2, A-4, and A-6 (See sample form A-2.)

Each Proposer shall respond to the minimum qualifications as necessary including the applicable services they intend on providing. Among all proposers, all minimum qualifications must be met for consideration.

Volume 2. Required Information – The proposer must submit written responses and documentation as applicable in Attachments B-1, B-2, D, E, and F

The information **shall** be submitted with proposals in the referenced attachments should be presented in the following format:

Attachment  
Question Number  
Question  
Response to Question.

Volume 3. Pricing Grid – The proposer **must** complete Attachment H, Pricing Grid in the same format as provided in the RFP\*. The quantities listed under the column “Pricing Per” shall not be changed. The proposer to whom this contract is awarded will be required to bill for services in the same manner as listed in the Pricing Grid. The proposer **shall not** make any revisions, deletions or additions to the nineteen (19) services listed on the Pricing Grid.

During the term of the contract, new services and related service items may be added and amended into the Pricing Grid; however, no new services are to be added to the proposal. Strict adherence to the required format of the Pricing Grid is mandatory. A proposal that fails to follow this format will be rejected.

Except as expressly provided herein, no price increases will be allowed during the term of the contract.

NOTE: Information and materials that are promotional in nature should not be used.

On Attachment H, Pricing Grid, any proposal that deviates, substitutes or omits any of the nineteen (19) services shown on the pricing grid, the volumes or any of the specified method of price per item shall be immediately disqualified.

### **1.5.1 Number of Copies of Proposals**

All proposals must be received by the due date and time indicated on the Schedule of Events. Proposals received after the due date and time will not be considered. It is the sole responsibility of each proposer to assure that its proposal is delivered at the specified location prior to the deadline. Proposals which, for any reason, are not so delivered will not be considered.

Proposer shall submit one (1) original hard copy (The Certification Statement, Attachment G, must have original signature signed in blue ink), one (1) electronic copy (cd or flash drive) of the entire proposal and four (4) hard copies of the proposal. Proposer should provide one electronic copy of the Redacted (cd or flash drive). No facsimile or emailed proposals will be accepted. The cost proposal and financial statements should be submitted separately from the technical proposal; however, for mailing purposes, all packages may be shipped in one container.

### **1.5.2 Legibility/Clarity**

Responses to the requirements of this RFP in the formats requested are desirable with all questions answered in as much detail as practicable. The Proposer's response should demonstrate an understanding of the requirements. Proposals prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP are also desired. Each Proposer shall be solely responsible for the accuracy and completeness of its proposal. **The primary banking proposer, if a consortium of banks is proposed, shall be solely responsible for the accuracy and completeness of the proposal for all required services.**

### **1.6 Confidential Information, Trade Secrets, and Proprietary Information**

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

Under no circumstance shall the contractor discuss and/or release information to the media concerning this project without prior express written approval of the Treasury.

Only information which is in the nature of legitimate trade secrets or non-published financial data shall be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44: 1-44 and applicable rules

and regulations. Any proposal marked as confidential or proprietary in its entirety shall be rejected without further consideration or recourse.

## **1.7 Proposal Clarifications Prior to Submittal**

### **1.7.1 Pre-proposal Conference**

Not Applicable

### **1.7.2 Proposer Inquiries**

Written questions regarding RFP requirements or Scope of Services must be submitted to the RFP Coordinator as listed below.

Aisha K. Mirza, by mail, express courier, e-mail, hand, or fax:

Department of Treasury  
Attention: Aisha K. Mirza  
P. O. Box 44154  
Baton Rouge, LA 70804-4154

900 North Third St.  
State Capitol, 3<sup>rd</sup> Floor  
Baton Rouge, LA 70802

E-Mail: [Amirza@treasury.state.la.us](mailto:Amirza@treasury.state.la.us) Phone: (225) 342-4609- Fax: (225) 342-0064

The State will consider written inquiries and requests for clarification of the content of this RFP received from potential proposers. Written inquiries must be received by (4:00 PM) CST on the date specified in the Schedule of Events. The State shall reserve the right to modify the RFP should a change be identified that is in the best interest of the State.

Official responses to all questions submitted by potential proposers will be posted by 4/7/2017 at <http://wwwprd1.doa.louisiana.gov/OSP/LaPAC/pubMain.cfm>

Only Treasury has the authority to officially respond to a proposer's questions on behalf of the State. Any communications from any other individuals shall be not binding to the State.

## **1.8 Errors and Omissions in Proposal**

The State reserves the right to seek clarification of any proposal for the purpose of identifying and eliminating minor irregularities or informalities.

## **1.9 Changes, Addenda, Withdrawals**

State shall reserve the right to change the schedule of events or revise any part of the RFP by issuing an addendum to the RFP at any time. Addenda, if any, will be posted at <https://wwwcfprd.doa.louisiana.gov/osp/lapac/pubMain.cfm>. It shall be the responsibility of the proposer to check the website for addenda to the RFP, if any.

### **1.10 Withdrawal of Proposal**

A proposer may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request signed by the authorized representative of the proposer must be submitted to the RFP Coordinator.

### **1.11 Waiver of Administrative Informalities**

The State shall reserve the right, at its sole discretion, to waive minor administrative informalities contained in any proposal.

### **1.12 Proposal Rejection/RFP Cancellation**

Issuance of this RFP in no way shall constitute a commitment by the State to award a contract. The State shall reserve the right to accept or reject, in whole or part, all proposals submitted and/or cancel this RFP if it is determined to be in the State's best interest.

### **1.13 Ownership of Proposal**

All materials submitted in response to this RFP shall become the property of the State. Selection or rejection of a proposal shall not affect this right.

### **1.14 Cost of Offer Preparation**

The State shall not be liable for any costs incurred by proposers prior to issuance of or entering into a contract. Costs associated with developing the proposal, preparing for oral presentations, and any other expenses incurred by the Proposer in responding to this RFP shall be entirely the responsibility of the Proposer and shall not be reimbursed in any manner by the State.

### **1.15 Taxes**

Contractor shall be responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number will be required in the taxes section of the contract.

### **1.16 Determination of Responsibility**

Determination of the proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34:2536. The State must find that the selected proposer:

Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance;

Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them;

Is able to comply with the proposed or required time of delivery or performance schedule;

Has a satisfactory record of integrity, judgment, and performance; and

Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposer should ensure that their proposal contains sufficient information for the State to make its determination by presenting acceptable evidence of the above to perform the contracted services.

### **1.17 Use of Subcontractors**

The State shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for all deliverables specified in the RFP and proposal. This general requirement notwithstanding, proposers may enter into subcontractor arrangements, however, shall acknowledge in their proposals total responsibility for the entire contract.

If the proposer intends to subcontract for portions of the work, the proposer shall identify any subcontractor relationships and include specific designations of the tasks to be performed by the subcontractor. Information required of the proposer under the terms of this RFP shall also be required for each subcontractor. The prime contractor shall be the single point of contact for all subcontract work.

Unless provided for in the contract with the State, the prime contractor shall not contract with any other party for any of the services herein contracted without the express prior written approval of the State.

### **1.18 Written or Oral Discussions/Presentations**

NOT APPLICABLE TO THIS RFP

### **1.19 Acceptance of Proposal Content**

All proposals will be reviewed to determine compliance with administrative and mandatory requirements as specified in the RFP. Proposals that are not in compliance will be rejected from further consideration.

### **1.20 Evaluation and Selection**

The evaluation of proposals will be accomplished by an evaluation team, to be designated by the state, which will determine the proposal most advantageous to the state, taking into consideration price and the other evaluation factors set forth in the RFP.

### **1.20.1 Best and Final Offers (BAFO)**

The State reserves the right to conduct a BAFO with one or more proposers determined by the evaluation committee to be reasonably susceptible of being selected for award. If conducted, the proposers selected will receive written notification of their selection, with a list of specific items to be addressed in the BAFO along with instructions for submittal. The BAFO negotiation may be used to assist the state in clarifying the scope of work or to obtain the most cost effective pricing available from the proposers. BAFO will be graded with the same evaluation measurements as the initial proposal.

**The written invitation to participate in BAFO will not obligate the state to a commitment to enter into a contract.**

### **1.21 Contract Award and Execution**

The State shall reserve the right to enter into a contract without further discussion of the proposal submitted based on the initial offers received.

The State shall reserve the right to contract for all or a partial list of services offered in the proposal.

The RFP and proposal of the selected Proposer shall become part of any contract initiated by the State.

The selected Proposer shall be expected to enter into a contract that is substantially the same as the sample contract included in Attachment I. In no event shall a Proposer submit its own standard contract terms and conditions as a response to this RFP. The Proposer should submit with its proposal any exceptions or exact contract deviations from Attachment I and this RFP that its firm wishes to negotiate. Negotiations may begin with the announcement of the selected Proposer.

If the contract negotiation period exceeds (30) days from date of the Notice of Intent to Award or if the selected Proposer fails to sign the final contract within (7) business days of delivery, the State may elect to cancel the award and award the contract to the next-highest-ranked Proposer.

### **1.22 Notice of Intent to Award**

The evaluation team will compile the scores and make a recommendation to the head of the agency on the basis of the responsive and responsible proposer with the highest score.

The State will notify the successful Proposer and proceed to negotiate terms for final contract. Unsuccessful proposers will be notified in writing accordingly.

The proposals received (except for that information appropriately designated as confidential in accordance with R.S. 44.1 et seq), selection memorandum, list of criteria used with the weight assigned each criteria, scores of each proposal considered along with a summary of scores, and a narrative justifying selection shall be made available,

upon request, to all interested parties after the "Notice of Intent to Award" letter has been issued.

Any Proposer aggrieved by the proposed award has the right to submit a protest in writing to the head of the agency issuing the proposal within 14 calendar days after the award has been announced by the agency.

The award of a contract shall subject to the approval of the Division of Administration, Office of State Procurement.

### **1.23 Right to Prohibit Award**

In accordance with the provisions of R.S. 39:2192, any public entity shall be authorized to reject a proposal from, or not award a contract to, a business in which any individual with an ownership interest of five percent or more, has been convicted of, or has entered a plea of guilty or nolo contendere to any state felony or equivalent federal felony crime committed in the solicitation or execution of a contract or RFP awarded under the laws governing public contracts under the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, and all contracts under Title 39, Chapter 17 of the Louisiana Procurement Code, including contracts for professional, personal, consulting, and social services.

### **1.24 Insurance Requirements**

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI.

This rating requirement shall be waived for Worker's Compensation coverage only.

Contractor's Insurance: The Contractor shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company written or countersigned by an authorized Louisiana State agency, shall be filed with the State of Louisiana for approval. The Contractor shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the State of Louisiana before work is commenced. Said policies shall not hereafter be canceled, permitted to expire, or be changed without thirty (30) calendar days' notice in advance to the State of Louisiana and consented to by the State of Louisiana in writing and the policies shall so provide.

Compensation Insurance: Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any

and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

**Commercial General Liability Insurance:** The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the State, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either or them, or in such a manner as to impose liability to the State. Such insurance shall name the State as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

**Insurance Covering Special Hazards:** Special hazards as determined by the State shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

**Licensed and Non-Licensed Motor Vehicles:** The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

**Subcontractor's Insurance:** The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

## **1.25 Indemnification and Limitation of Liability**

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

Contractor shall be fully liable for the actions of its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State and its Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State. If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without

limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## 1.26 Payment

The compensation to be paid by the Treasury to the Bank for Bank Services will be payable as follows:

- (a) By check drawn on the Central Depository Account payable to the Bank on a monthly basis.
- (b) By maintenance of the Treasury Average Investable Balances for all Accounts each month and in such an amount whereby the sum of all Earnings Credit Allowances for all Accounts computed thereon is equal to or greater than the price for Banking Services for that same month that the Bank would have charged and included on an Invoice; or
- (c) By a combination of (a) and (b) above, determined at the discretion of the Treasury, so that the total amount of compensation to the Bank by the Treasury satisfies in full all charges and fees for Bank Services performed under this contract.

The Treasury shall pay Contractor in accordance with the Pricing Grid set forth in Attachment H.

The Contractor shall invoice the Treasury and user Agencies monthly at the billing address designated by the Treasury. Payments will be made by the Treasury and user Agencies within approximately thirty (30) days after receipt of a properly executed invoice, and approval by the Treasury.

**Any outstanding invoices for the fiscal year, including the final June invoice must be received within 30 days of June 30<sup>th</sup>.**

**The invoice shall be in the form of a monthly consolidated account analysis statement, however, certain bank accounts designated by Treasury may be listed separately. Agencies must receive Treasury approval for any banking services under the central banking services contract. In addition, any charges not included on the account analysis statements shall be listed separately on the invoice. As documentation for the invoice, each bank account shall have an account analysis statement listing each service provided, the volume of the service for the period and the cost of each service as shown on the Pricing Grid, Attachment H.** At the discretion of the Treasurer the primary bank will prepare and submit direct invoices to designated state agencies as well as a copy of the invoice provided to Treasury for specific bank accounts and/or services in the monthly consolidated account analysis statement.

Invoices submitted without the referenced documentation will not be approved for payment until the required information is provided. Interest due by a State agency for late payments shall be in accordance with R.S. 39:1695 and 13:4202.

## **1.27 Termination**

### **1.27.1 Termination of the Contract for Cause**

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) calendar days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) calendar days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

In addition, throughout the term of the contract, the selected bank shall not operate under or be subject to any such decree, order, contract or agreement with any state or federal regulatory agency or body without providing immediate written notification to the State Treasurer. In such event, the contract may be immediately terminable by the State Treasurer notwithstanding any other provision hereof or the contract to the contrary.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract provided that the Contractor shall give the State written notice specifying the State agency's failure and a reasonable opportunity for the State to cure the defect. **If a Proposer comprised of a consortium of banks is selected, only the primary contracting bank shall have the right to terminate for cause with the State.**

### **1.27.2 Termination of the Contract for Convenience**

State may terminate the Contract at any time without penalty by giving one hundred eighty (180) calendar days written notice to the Contractor of such termination or negotiating with the Contractor an effective date. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

### **1.27.3 Termination for Non-Appropriation of Funds**

The continuation of this contract shall be contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

### **1.28 Assignment**

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

### **1.29 Audit of Records**

The State Legislative Auditor, federal auditors and internal auditors of the Department of Treasury, Division of Administration, or others so designated by the DOA, shall have the option to audit all accounts directly pertaining to the resulting contract for a period of five (5) years from the date of final payment or as required by applicable State and Federal law. Records shall be made available during normal working hours for this purpose.

### **1.30 Civil Rights Compliance**

The Contractor shall agree to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor shall agree to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor shall agree not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

### **1.31 Record Ownership**

All records, reports, documents, or other material related to any contract resulting from this RFP and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of the State and shall, upon request, be returned by Contractor to the State, at Contractor's expense, at termination or expiration of the contract.

### **1.32 Entire Agreement/ Order of Precedence**

This contract, together with the RFP and addenda issued thereto by the State, the proposal submitted by the Contractor in response to the State's RFP, and any exhibits incorporated herein by reference, shall constitute the entire agreement between the parties with respect to the subject matter.

In the event of any inconsistent or incompatible provisions, this signed agreement (excluding the RFP and the Contractor's proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the Contractor's proposal.

### **1.33 Non-negotiable Contract Terms**

Non-negotiable contract terms include but are not limited to taxes, assignment of contract, audit of records, EEOC and ADA compliance, record retention, content of contract/order of precedence, contract changes, governing law, claims or controversies, and termination based on contingency of appropriation of funds.

#### **1.33.1 Contract Changes**

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract shall be binding on any of the parties.

### **1.34 Substitution of Personnel**

Due to the complexity of the state's banking requirements, the state will request that specific bank personnel and backup personnel be assigned as a direct contact for the day to day operations of the state's bank accounts. The Contractor's personnel assigned as a direct contact shall not be replaced without the prior written notice to the State. In the event that any State or Contractor personnel become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The contractor will make every reasonable attempt to assign the personnel listed in his proposal.

### **1.35 Governing Law**

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

### **1.36 Claims or Controversies**

Any claims or controversies shall be resolved in accordance with the Louisiana Procurement Code, R.S. 39:1672.2-1672.4.

### **1.37 Code of Ethics**

Proposers shall be responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. The Louisiana Board of Ethics shall be the only entity which can officially rule on ethics issues.

### **1.38 Corporate Requirements**

If the contractor is a corporation not incorporated under the laws of the State of Louisiana, the contractor shall have obtained a certificate of authority pursuant to R. S. 12:301-302 from the Secretary of State of Louisiana.

If the contractor is a for-profit corporation whose stock is not publicly traded, the contractor shall ensure that a disclosure of ownership form has been properly filed with the Secretary of State of Louisiana.

### **1.39 Outsourced Key Controls**

The State will require the Contractor who outsources IT services to provide banking services to the State to provide the State with a copy of the sub-contractor's independent SSAE 16 type 2 audit of its internal controls.

The Contractor shall supply the State with an exact copy of the report within thirty (30) calendar days of completion. The Contractor shall implement recommendations as suggested by the audits within three months of report issuance at no cost to the State Agency.

### **1.40 Record Retention**

The State Legislative Auditor, agency and/or federal auditors and internal auditors of the Department of Treasury shall have the option to audit all accounts directly pertaining to the contract for a period of at least five (5) years from the date of last activity. Records shall be made available during normal working hours for this purpose.

### **1.41 No Guarantee of Quantities**

This RFP includes volume statistics for the bank accounts under the central banking services contract for the period January 2015 through December 2015. This information may be helpful in determining pricing. However, the Department of the Treasury DOES NOT IN ANY WAY GUARANTEE OR WARRANT that the levels of activity indicated in these statistics reflect future levels of activity nor that they reflect the number of bank accounts to be opened or used in the future under the central banking services contract.

### **1.42 Blackout Period**

The blackout period is a specified period of time during a competitive sealed procurement process in which any Proposer, bidder, or its agent or representative, is prohibited from communicating with any state employee or contractor of the State involved in any step in the procurement process about the affected procurement. The blackout period applies not only to state employees, but also to any contractor of the State. "Involvement" in the procurement process includes but may not be limited to project management, design, development, implementation, procurement management, development of specifications, and evaluation of proposals for a particular procurement. All solicitations for competitive sealed procurements will identify a designated

contact person, as per Proposer Inquiries section of this RFP. All communications to and from potential Proposers, bidders, vendors and/or their representatives during the blackout period must be in accordance with this solicitation's defined method of communication with the designated contact person. The blackout period will begin upon posting of the solicitation. The blackout period will end when the contract is awarded.

In those instances in which a prospective Proposer is also an incumbent contractor, the State and the incumbent contractor may contact each other with respect to the existing contract only. Under no circumstances may the State and the incumbent contractor and/or its representative(s) discuss the blacked-out procurement.

Any bidder, Proposer, or state contractor who violates the blackout period may be liable to the State in damages and/or subject to any other remedy allowed by law.

Any costs associated with cancellation or termination will be the responsibility of the Proposer or bidder.

Notwithstanding the foregoing, the blackout period shall not apply to:

- A protest to a solicitation submitted pursuant to La. R.S. 39:1671;
- Duly noticed site visits and/or conferences for bidders or Proposers;
- Oral presentations during the evaluation process
- Communications regarding a particular solicitation between any person and staff of the procuring agency provided the communication is limited strictly to matters of procedure. Procedural matters include deadlines for decisions or submission of proposals and the proper means of communicating regarding the procurement, but shall not include any substantive matter related to the particular procurement or requirements of the RFP

## **PART II: SCOPE OF WORK/SERVICES**

### **2.1 Overview**

Under the authority of the Louisiana Constitution, the State Treasurer controls the deposit, investment and disbursement of all funds into or out of the Department of Treasury. This Request for Proposal provides an opportunity for the submission of a proposal from a single bank providing all services or a proposal from a “consortium of banks, led by a primary bank. **Each proposal must designate one bank only to establish and provide depository (collection) service. This bank will be designated the primary bank and will be responsible for the delivery of all services provided by the proposer, whether through a single bank or a consortium, under a contract developed in accordance with the Request for Proposals.** The bank designated as the central depository bank account must meet the minimum qualifications described in Attachment A-1. All bank(s) in the “consortium of banks” that are designated for the Disbursement Function- ACH services must meet the minimum qualifications described in Attachment A-3. All bank(s) in the “consortium of banks” that are designated for Safekeeping and Custodial Services, Investment Tracking and Reporting Services and Repurchase Agreement, Reverse Repurchase Agreements and Securities Lending Services must meet the minimum qualifications described in Attachment A-5.

The State Treasurer is conducting a Request for Proposals (RFP) to select providers and services for a contract term of three years commencing November 1, 2017, with an option to renew for two (2) consecutive one (1) year periods at the discretion of the State Treasurer. The winning proposer must be prepared to provide the required services for a total of 5 years, as that is the maximum term contemplated.

The primary banking functions requested under this RFP include:

- (i) Depository (Collection) Services
- (ii) Disbursement Services without ACH services
- (iii) Lockbox Services
- (iv) Check printing services

The secondary banking functions requested under this RFP include:

- (i) Disbursement Services- Only ACH services
- (ii) Safekeeping and Custodial Services for State owned investment securities, repurchase agreements and collateral securities
- (iii) Investment Tracking and Reporting Services

- (iv) Repurchase Agreements, Reverse Repurchase Agreements and Securities Lending Services.

## **2.2 Period of Agreement**

The term of any contract resulting from this solicitation shall begin on November 1, 2017 and end October 31, 2020, for an initial period of three (3) years. At the option of the State and acceptance of the Contractor, the contract may be extended for two (2) one-year periods at the same price, terms and conditions. Total contract term may not exceed five (5) years.

## **2.3 Tasks and Services**

The services to be provided by the Contractor, are described in the sections below.

### **Primary Banking Services**

A description of the accounts involved, in this proposal, is included in Attachment C. The services required comprise of four primary areas:

#### **1) The Depository (Collection) Services**

This function is oriented to the deposit of state funds and concentrates on the most rapid collection and crediting of checks and other deposit items presented by the State. See Attachment D for specific details of this function.

#### **2) The Disbursement Services**

This function includes numerous zero balance accounts, controlled disbursement accounts. Disbursement accounts are added and closed on a periodic basis. Proposals should include a discussion of the bank's capabilities and experience with those types of accounts. See Attachment E for specific details of this function.

#### **3) Lockbox Services**

State Agencies may implement lockbox services for the receipt of items for deposit and processing. The lockbox service should offer quick deposit of checks, the transmission of original documents to the State, and image items and hold for a period of at least seven years from the date of the transaction and provide image retrieval.

#### **4) Check Printing Services**

State agencies may request check printing services to disburse funds to various types of entities and to individuals. The bank will be required to print, prepare for mailing and mail checks as directed by state agencies. The bank will provide to the state agencies for each batch a check register prior to

mailing checks and a reconciliation of the check register to the agencies' request for issuance of the checks.

### **Secondary Banking Services**

A description of the accounts involved, in this proposal, is included in Attachment C. The services required may be provided by either the primary bank or secondary bank(s):

1) **The Disbursement Services**

This function includes electronic funds transfer (ACH) accounts. See Attachment E for specific details of this function.

2) **The Safekeeping and Custodian Services**

The capability to receive and transmit book entry securities, securities purchased under agreements to resell and pledged collateral housed in a separate count through the bank is a requirement. This shall include securities eligible for the Federal Reserve and Depository Trust Company systems. This function includes the receipt, safekeeping, and release of securities purchased by the State Treasurer and collateral pledged to secure state deposits. Attachment F addresses the requirements for collateral and safekeeping for demand deposit accounts, repurchase agreements and investments. See Attachment F for a list of current eligible investments. This may be revised during the term of the contract to reflect changes in the State's investment laws or policies.

3) **Investment Tracking and Reporting Services**

The bank shall be able to provide safekeeping and investment tracking of "state-owned" securities. The investment function includes portfolio maintenance and accounting and daily and/or monthly reporting of securities in an electronic and hardcopy format approved by the State Treasurer. A sample of the reports required is in APPENDIX II. However, these reports are not all inclusive. Additional reports or modification to existing reports may be required from time-to-time. The bank shall respond promptly to such requests.

4) **Repurchase Agreements, Reverse Repurchase Agreements, and Securities Lending Services**

– The State has a Securities Lending Program, which requires the transfer of securities to/from lending agents and/or counter parties by the Safekeeping or Custodial Function. The Securities Lending transactions are structured as Reverse Repurchase Agreements. The bank shall be able to provide investment-tracking reports of securities transferred as part of the State's Securities Lending agreement(s). The State requires the use of Repurchase Agreements as part of its Central Depository account cash management program. The bank shall enter into a Repurchase Agreement with the state for cash management purposes.

## **2.4 Deliverables**

The deliverables requested in this RFP are the successful delivery and installation of centralized banking services and investment tracking and safekeeping for the state. The services required to provide the deliverables are specifically detailed in Attachments D, E, and F of this RFP.

## **2.5 Location**

The bank providing primary banking services shall have a full service branch office in Baton Rouge.

## **2.6 Scope of Work Elements**

### **2.6.1 Functional Requirements**

The State's function is to protect the rights of individuals and provide for the good of the citizens of the State. In order to meet the monetary requirements of this function in the most efficient manner, the State has developed a centralized cash management system. The business needs of this system require reliable banking services for the receipt, custody, and disbursement of public funds. This RFP solicits the delivery of these services with the greatest level of efficiency at the least costs to the citizens.

### **2.6.2 Technical Requirements**

Any equipment required by State, furnished by Proposer, shall be identified in Attachment H- Pricing Grid.

### **2.6.3 Project Requirements**

The conversion of central banking services from one financial institution to another financial institution will require a short-term timeframe which may result in additional costs and personnel commitment for the winning bidder to complete the conversion by November 1, 2017. The Treasury will oversee the conversion for the State and coordinate with the Contractor and individual state agencies to implement deposit and disbursement systems. First, Treasury will work with the Contractor to finalize the conversion plan and required timeline. Second, State and Contractor resources will be identified and assigned responsibilities for completion of tasks associated with the conversion plan. To ensure the timeline is adhered to, Treasury will meet with the Contractor through regular meetings to discuss and resolve issues that may arise during the conversion process. The State expects the Contractor to fully comply with these project requirements and to provide the appropriate resources for this purpose in order to meet the November 1, 2017 deadline.

Offset and waiving of implementation and transition costs will not be considered

## **PART III: EVALUATION**

Proposals that pass the preliminary screening for mandatory requirements will be evaluated based on information provided in the proposal.

**Any proposal that deviates, substitutes or omits any minimum qualification shall be immediately disqualified prior to being evaluated.**

The evaluation will be conducted according to the following.

**For a proposal submitted by one single bank, that particular bank will be graded on the below criteria for a total of 2000 available points.**

**For a proposal including a consortium of banks, both the primary and secondary bank(s) will be graded on the below criteria, and share in the total 2000 available points.**

The evaluation team will evaluate and score the proposals using the criteria and scoring as follows:

<b>Evaluation Criteria</b>	<b>Possible Points</b>
Cost Evaluation of Financial Proposal (Section 3.1)	<b>700</b>
Technical Proposal (Section 3.2)	<b>900</b>
Financial Condition (Section 3.3)	<b>100</b>
Earnings Credit Rate (Section 3.4)	<b>100</b>
Veteran and Hudson Initiative (Section 3.5)	<b>200</b>
<b>Total Possible Points</b>	<b>2000</b>

### **3.1 Cost Evaluation (700 points)**

The Cost Evaluation **will be evaluated as follows:**

Prices proposed by the Proposer shall be submitted on the Pricing Grid furnished in Attachment H. Prices proposed shall be firm.

**For Evaluation Purposes, the Proposer's overall total costs will be the sum of the proposed fee for each service multiply by the annual volume for each service as shown on the Pricing Grid – Attachment H.**

A proposer's **BCS (Computed cost score (points))** will be based on the **proposer's overall total** cost provided in the Pricing Grid - Attachment H and computed as follows:

$$BCS = (LPC/PC \times FPP)$$

Where: BCS = Computed cost score (points) for proposer being evaluated  
LPC = Lowest proposed total annual cost of all proposers  
PC = Total annual cost of proposer being evaluated  
FPP = Financial Proposal Points (700 points)

### 3.2 Technical Proposal (900 points)

The following criteria are of importance and relevance to the evaluation of this RFP and will be used by the evaluation team in the evaluation of the technical proposal. Such factors include:

- **Experience with public fund accounts – 100 points**
- **Transition and implementation plan – 500 points**
- **Ability to meet depository (collection) requirements – 100 points**
- **Ability to meet disbursement functions – 100 points**
- **Ability to meet collateral/safekeeping functions – 100 points**

### 3.3 Financial Condition (100 points)

The proposer's financial condition will be graded based on the following financial ratios, which will be calculated using financial performance data through financial analysis software:

#### Capital Adequacy (Equity Capital/Assets):

Tier 1 risk-based capital	30 points
Tier 2 risk-based capital	10 points

The above two ratios under Capital Adequacy will be graded based on the following evaluation formula:

$$PCP = (PC/HPC \times FCP)$$

Where: PCP = Points computed for proposer being evaluated  
HPC = Highest Tier 1/ Tier 2 capital ratio of all proposers  
PC = Proposer's Tier 1/Tier 2 capital ratio  
FCP = Financial Condition Points (30 points for Tier 1 and 10 points for Tier 2)

#### Asset Quality:

Total noncurrent loans/gross loans	10 points
Adjusted noncurrent assets/total assets	10 points

The above two financial ratios under Asset Quality will be graded based on the following evaluation formula:

$$PCP = (LPR/RP \times FCP)$$

Where: PCP = Points computed for proposer being evaluated  
LPR = Lowest ratio of all proposers  
RP = Ratio of proposer being evaluated  
FCP = Financial Condition Points (10 points)

**Earnings:**

Return on average assets	10 points
Return on average equity	10 points

The above two financial ratios under Earnings will be graded based on the following evaluation formula:

$$PCP = (PR/HPR \times FCP)$$

Where: PCP = Points computed for proposer being evaluated  
HPR = Highest return of all proposers  
PR = Return of proposer being evaluated  
FCP = Financial Condition Points (10 points)

**Liquidity:**

Liquid assets/total assets	10 points
Core deposits/total deposits	10 points

The above two financial ratios under Liquidity will be graded based on the following evaluation formula:

$$PCP = (PR/HPR \times FCP)$$

Where: PCP = Points computed for proposer being evaluated  
HPR = Highest ratio of all proposers  
PR = Ratio of proposer being evaluated  
FCP = Financial Condition Points (10 points)

**3.4 Earnings Credit Rate (100 points)**

Earnings credit rate is the 91 Day U.S. Treasury Discount rate plus basis points. This Section will be graded using the following evaluation formula:

$$PCP = (PBP/HBP \times ECR)$$

Where: PCP = Points computed for proposer being evaluated  
HBP = Highest number of basis points offered from all proposers  
PBP = Basis points offered by proposer being evaluated  
ECR = Earnings Credit Rate Points (100 points)

### **3.5 Veteran-Owned and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Participation (200 points)**

Ten percent (10%) of the total evaluation points on this RFP shall be reserved for proposers who are themselves a certified Veteran or Hudson Initiative small entrepreneurship or who will engage the participation of one or more certified Veteran or Hudson Initiatives small entrepreneurships as subcontractors.

Reserved points shall be added to the applicable proposers' evaluation score as follows:

#### Proposer Status and Reserved Points

- Proposer is a certified small entrepreneurship: Full amount of the reserved points
- Proposer is not a certified small entrepreneurship but has engaged one or more certified small entrepreneurships to participate as subcontractors or distributors.

Points will be allocated based on the following criteria:

- the number of certified small entrepreneurships to be utilized
- the experience and qualifications of the certified small entrepreneurship(s)
- the anticipated earnings to accrue to the certified small entrepreneurship(s)

## **PART IV: PERFORMANCE STANDARDS**

### **4.1 Performance Requirements**

Performance requirements establish the acceptable level of service provided by the Contractor in the delivery of essential banking functions outlined in Section 2 Scope of Work/Services requested in this RFP. The Performance Requirements for this RFP include:

1. Maintaining a secure online environment to protect banking transactions and the integrity of banking data accessible online.
2. A fully functioning disaster recovery and business continuity plan to continue full scope of operations without interruption.
3. Providing depository and disbursement services for the state as listed in Attachment D and Attachment E of this RFP.
4. Timely and accurate online and hardcopy reports and account analyses of depository and disbursement services with the central depository bank account and related zero balance bank accounts.
5. Performing safekeeping and custodial services for state owned investments and the collateralization of public funds as outlined in Attachment F.
6. Providing accurate and timely investment tracking and reporting.

### **4.2 Performance Measurement/Evaluation**

The Contractor's performance to meet the essential banking functions outlined in Section 2 Scope of Work/Services will be monitored to ensure compliance with performance requirements stated in Section 4.1 Performance Requirements. The performance monitoring plan will include:

1. Treasury performing timely daily and monthly reconciliation of bank account analysis reports to ISIS bank activity reports to determine accuracy of banking transactions.
2. Treasury annually monitoring the contractor for successful scheduled test of the disaster recovery work plan.
3. Treasury performing timely reconciliation of Treasury's investment tracking software activity reports to the contractor's daily investment activity report to verify accuracy of the contractor's reporting.

4. Treasury monthly monitoring collateralization of public fund held by the bank by comparison of cash on hand to amount of collateral pledged by the bank for compliance with Louisiana statutory requirements.

#### **4.3 Veteran-Owned and Service-Connected Disabled Veteran-Owned Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Reporting Requirements**

During the term of the contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

**ATTACHMENT A-1**  
**VOLUME 1 – MINIMUM QUALIFICATIONS FOR DEPOSITORY (COLLECTION)**  
**SERVICES**

At the time of submission of the proposal, the submitting bank must certify that it is capable of performing all tasks and activities associated with the requirements of this Request for Proposal (RFP), attachments, and appendices.

**Any proposal that deviates, substitutes or omits any minimum qualification shall be immediately disqualified.**

The following minimum criteria **must** be met by written documentation submitted with the proposal.

1. The bank submitting the proposal must currently have and maintain, throughout the term of the contract, total equity capital as shown on the most recent Federal Financial Institutions Examination Council's Consolidated Report of Condition and Income of at least \$500,000,000.00.
2. The bank submitting the proposal must currently be and remain, throughout the term of the contract, a designated state depository/fiscal agent, as designated by the State of Louisiana Interim Emergency Board in accordance with LA R.S. 49:317.
3. The bank submitting the proposal must currently be and remain, throughout the term of the contract, a member of, or have access to the Federal Reserve System with full wire transfer capabilities in order to send requests for funds to the United States Government, receive funds, transfer funds to other banks as directed by the State Treasurer, and to also receive and send book entry securities. In conjunction with the receipt and transfer of book entry securities, the bank must verify and remit funds immediately involving securities purchased under agreements to resell.
4. The bank submitting the proposal must currently have and maintain, throughout the term of the contract, a trust or safekeeping department capable of issuing safekeeping receipts immediately upon receipt of securities that are acceptable to the Department of the Treasury. (R.S. 49:321)
5. The bank submitting the proposal must currently have and maintain, throughout the term of the contract, the ability to pledge collateral in quantity, form, and manner prescribed by LA R.S. 49:321 et. seq. This includes pledges against balances and daily deposits. The ability to provide monthly reports of securities collateralizing deposits is required. The market values of those securities are also required as part of the monthly report.

6. The bank submitting the proposal must currently have and maintain, throughout the term of the contract, access to an international wire desk with a specified institution supplying this capability.
7. The bank submitting the proposal must supply certification by the Chairman of the Board of Directors, attested by the Secretary of the Board of Directors, that the bank is not and does not contemplate or anticipate, as of the date of submission and the date of the execution of the contract, operation under or restriction or limitation by any consent or other decree and/or order or any other type of restrictive contract or agreement with any state or federal regulatory agency or body. Throughout the term of the contract, the selected bank shall not operate under or be subject to any such decree, order, contract or agreement with any state or federal regulatory agency or body without providing immediate written notification to the State Treasurer. In such event, the contract may be immediately terminable by the State Treasurer notwithstanding any other provision hereof or the contract to the contrary.
8. The bank submitting the proposal must currently meet and maintain, throughout the term of the contract, FDIC capital adequacy requirements.
9. The bank submitting the proposal must currently operate and maintain a full service branch bank within the city limits of Baton Rouge throughout the full term of the contract.
10. The bank submitting the proposal must agree that all branches, facilities and offices of the proposer shall maintain Fidelity and Indemnity Insurance coverage throughout the term of the contract.
11. The bank submitting the proposal must agree to the requirements of the Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA") as related to the transactions with the Louisiana Department of the Treasury, and each bank must agree to complete the collateralization documentation contained in Appendix III of the Request for Proposal.
12. The bank submitting the proposal must be capable of recording bank balances up to the single billion-dollar designation (\$9,999,999,999.99) in the bank statement totals.
13. The bank submitting the proposal must currently be and remain, throughout the term of the contract, a member of, or have access to the Depository Trust Company system.
14. The bank submitting the proposal must currently provide safekeeping and custodial services to public fund clients with at least \$1 billion in aggregate assets.
15. The bank submitting the proposal must currently provide safekeeping and custodial services to at least one (1) client with \$1 billion in assets.

16. The bank submitting the proposal must demonstrate familiarity and experience in dealing with GASB and FASB reporting requirements.
17. The bank submitting the proposal must demonstrate the ability to provide customized or multiple format institutional accounting statements.
18. The bank submitting the proposal must demonstrate the ability to develop and maintain a data processing interface with the Department of Treasury, Division of Administration, state agencies and its consultants by electronic data means acceptable to the State. The bank will be required to submit to the Department of Treasury a BAI format file for the central depository bank account, central vendor disbursement bank accounts, the unclaimed property bank account, and other designated bank accounts (See Attachment C – Description of Accounts). This recurring file is loaded into the Department of Treasury's reconciliation software. In addition, a daily EFT file in ANSI X12 EDI format and daily check issuance file in fixed-width format are sent to the bank. The bank will be required to submit files using SFTP protocol for the above described files loaded into the Department of Treasury's reconciliation software and must be able to submit files in other forms of FTP protocol as well. Any technical requirements that are unsupported or noncompliant including cost must be included in Attachment H- Pricing Grid.
19. The winning Proposer shall be solely responsible for any and all costs associated with developing, transitioning, and implementing file formats and data transfer systems that are necessary, complete, and compatible to the State's various information technology systems, including legacy systems for all services including, but not limited to, lockbox, positive pay, partial and full bank account reconciliation, check printing, and any and all other systems, in order to be fully operational on November 1, 2017.
20. The bank submitting the proposal must, at a minimum, provide trade date, cash based and accrual based accounting statements as part of its normal/ regular institutional accounting package.
21. The bank submitting the proposal must include in the Price Grid- ATTACHMENT H, any and all fees associated with new equipment, implementation, and upgrades of current equipment and alike.
22. The bank submitting the proposal shall provide a timely fully-operational implementation no later than November 1, 2017.

**ATTACHMENT A-2**  
**MINIMUM QUALIFICATIONS FOR SUBMITTING PROPOSALS**

\_\_\_\_\_, (Name of Institution), certifies that it meets all of the minimum qualifications as contained in the RFP and specifically in Attachment A-1. Our organization meets the minimum qualifications as follows (any required documentation is attached):

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Authorized Signer

Title \_\_\_\_\_

**ATTACHMENT A-3**  
**VOLUME 1 – MINIMUM QUALIFICATIONS FOR THE DISBURSEMENT SERVICES –**  
**ONLY ACH SERVICES**

At the time of submission of the proposal, the submitting bank must certify that it is capable of performing all tasks and activities associated with the requirements of this Request for Proposal (RFP), attachments, and appendices.

The following minimum criteria **must** be met by written documentation submitted with the proposal.

1. The bank submitting the proposal must currently be and remain, throughout the term of the contract, a designated state depository, as designated by the State of Louisiana Interim Emergency Board in accordance with LA R.S. 49:317.
2. The bank submitting the proposal must currently be and remain, throughout the term of the contract, a member of, or have access to the Federal Reserve System with full wire transfer capabilities in order to send requests for funds to the United States Government, receive funds, transfer funds to other banks as directed by the State Treasurer, and to also receive and send book entry securities. In conjunction with the receipt and transfer of book entry securities, the bank must verify and remit funds immediately involving securities purchased under agreements to resell.
3. The bank submitting the proposal must currently have and maintain, throughout the term of the contract, the ability to pledge collateral in quantity, form, and manner prescribed by LA R.S. 49:321 et. seq. This includes pledges against balances and daily deposits. The ability to provide monthly reports of securities collateralizing deposits is required. The market values of those securities are also required as part of the monthly report.
4. The bank submitting the proposal must currently have and maintain, throughout the term of the contract, access to an international wire desk with a specified institution supplying this capability.
5. The bank submitting the proposal must currently meet and maintain, throughout the term of the contract, FDIC capital adequacy requirements.
6. The bank submitting the proposal must agree that all branches, facilities and offices of the proposer shall maintain Fidelity and Indemnity Insurance coverage throughout the term of the contract.
7. The bank submitting the proposal **must** agree to the requirements of the Financial Institutions Reform, Recovery and Enforcement Act (“FIRREA”) as related to the transactions with the Louisiana Department of the Treasury, and each bank **must** agree to complete the collateralization documentation contained in Appendix III of the Request for Proposal.

8. The bank submitting the proposal must be capable of recording bank balances up to the single billion-dollar designation (\$9,999,999,999.99) in the bank statement totals.
9. The bank submitting the proposal must demonstrate familiarity and experience in dealing with GASB and FASB reporting requirements.
10. The bank submitting the proposal must demonstrate the ability to provide customized or multiple format institutional accounting statements.
11. The bank submitting the proposal must demonstrate the ability to develop and maintain a data processing interface with the Department of Treasury, Division of Administration, state agencies and its consultants by electronic data means acceptable to the State. The bank will be required to submit to the Department of Treasury a BAI format file for the central depository bank account, central vendor disbursement bank accounts, the unclaimed property bank account, and other designated bank accounts (See Attachment C – Description of Accounts). This recurring file is loaded into the Department of Treasury's reconciliation software. In addition, a daily EFT file in ANSI X12 EDI format and daily check issuance file in fixed-width format are sent to the bank. The bank will be required to submit files using SFTP protocol for the above described files loaded into the Department of Treasury's reconciliation software and must be able to submit files in other forms of FTP protocol as well. Any technical requirements that are unsupported or noncompliant including cost must be included in Attachment H- Pricing Grid.
12. The winning Proposer shall be solely responsible for any and all costs associated with developing, transitioning, and implementing file formats and data transfer systems that are necessary, complete, and compatible to the State's various information technology systems, including legacy systems for all services including, but not limited to, lockbox, positive pay, partial and full bank account reconciliation, check printing, and any and all other systems, in order to be fully operational on November 1, 2017.
13. The bank submitting the proposal must, at a minimum, provide trade date, cash based and accrual based accounting statements as part of its normal/ regular institutional accounting package.
14. The bank submitting the proposal must include in the Price Grid- ATTACHMENT H, any and all fees associated with new equipment, implementation, and upgrades of current equipment and alike.
15. The bank submitting the proposal shall provide a timely fully-operational implementation no later than November 1, 2017.

**ATTACHMENT A-4**  
**MINIMUM QUALIFICATIONS FOR SUBMITTING PROPOSALS FOR THE**  
**DISBURSEMENT SERVICES – ONLY ACH SERVICES**

\_\_\_\_\_, (Name of Institution), certifies that it meets all of the minimum qualifications as contained in the RFP and specifically in Attachment A-3. Our organization meets the minimum qualifications as follows (any required documentation is attached):

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Authorized Signer

Title \_\_\_\_\_

## ATTACHMENT A-5

### VOLUME 1 – MINIMUM QUALIFICATIONS FOR SAFEKEEPING AND CUSTODIAL SERVICES, INVESTMENT TRACKING AND REPORTING SERVICES AND REPURCHASE AGREEMENT, REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING SERVICES

At the time of submission of the proposal, the submitting bank must certify that it is capable of performing all tasks and activities associated with the requirements of this Request for Proposal (RFP), attachments, and appendices.

The following minimum criteria **must** be met by written documentation submitted with the proposal.

1. Currently have capital (exclusive of debt), surplus and reserves of at least \$20 million. The Treasurer will reduce the capital base by any negative amounts in the equity capital.
2. Currently have a minimum of \$200 million in assets of the proposer's financial institution.
3. Currently have a minimum of \$1 billion in assets under custody in the proposer's trust and/or safekeeping departments.
4. Currently be a state bank organized under the laws of Louisiana or a national bank with offices in Louisiana.
5. Currently be a member of, or have access to, the Federal Reserve System with full wire transfer capabilities to send requests to the United States Government, receive funds, transfer funds to other banks as directed by the State Treasurer's Office, and process the receipt, transfer and payment of book entry securities and to verify and remit funds immediately.
6. Currently be a member of, or have access to, the Depository Trust & Clearing Corporation to provide clearance, settlement and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, and money market instruments. In conjunction with the receipt, transfer and payment of book entry securities, the Proposer must have the capability to verify and remit funds immediately.
7. Have the capability to immediately verify and remit funds involving securities purchased under agreements to resell in conjunction with the receipt and transfer of book entry securities.
8. Supply certification by the Chairman of the Board of Directors, attested by the Secretary of the Board of Directors, that the Proposer is not and does not contemplate, as of the date of the proposal, operating under any consent decree or other type of restrictive contract with any state or federal regulatory agency.
9. Currently have FDIC capital adequacy requirements.
10. Currently have Fidelity and Indemnity Insurance coverage for all branches, facilities and offices.

11. The Proposer must have been in operation for a minimum of five (5) years prior to the deadline to receive proposals.
12. Demonstrate familiarity and experience in dealing with GASB and FASB reporting requirements through reporting capabilities.
13. Currently provide safekeeping and custodial services to public fund clients with at least \$1 billion in aggregate assets.
14. Currently provide safekeeping and custodial services to at least one (1) client with \$1 billion in assets.
15. Demonstrate the ability to provide customized or multiple format institutional accounting statements in print and electronic format (preferably Microsoft Excel spreadsheets).
16. Demonstrate the ability to maintain a data processing interface with the State Treasurer's Office and its consultants by tape, diskette, on-line capability and other acceptable electronic data means. The system must be able to download into an Excel spreadsheet.
17. Provide trade date, accrual based accounting statements at Original Purchase Cost as part of its normal/regular institutional accounting package. These statements must be made available in print and electronic format (preferably Microsoft Excel spreadsheets).
18. Demonstrate the ability to provide electronic access to the Funds on a daily basis preferably through a connection to one or more of the State Treasurer's Office's personal computers. Proposer should describe its capability to provide this service.
19. The winning Proposer shall be solely responsible for any and all costs associated with developing, training, transitioning, and implementing file formats and data transfer systems that are necessary, complete, and compatible to the State's various information technology systems, including legacy systems for all services including, but not limited to, lockbox, positive pay, partial and full bank account reconciliation, check printing, and any and all other systems, in order to be fully operational on November 1, 2017.
20. Provide a certificate of authority pursuant to R.S. 12:301-301 unless proposer is a corporation incorporated under the laws of the state of Louisiana.
21. Provide a Disclosure of Ownership form that has been properly filed with the Secretary of State of Louisiana if a for-profit corporation whose stock is not publicly traded.
22. Must become a designated fiscal agent for the State in accordance with LA-R.S. 49:317.

**ATTACHMENT A-6**  
**MINIMUM QUALIFICATIONS FOR SUBMITTING PROPOSALS FOR SAFEKEEPING**  
**AND CUSTODIAL SERVICES, INVESTMENT TRACKING AND REPORTING**  
**SERVICES AND REPURCHASE AGREEMENT, REVERSE REPURCHASE**  
**AGREEMENTS AND SECURITIES LENDING SERVICES**

\_\_\_\_\_, (Name of Institution), certifies that it meets all of the minimum qualifications as contained in the RFP and specifically in Attachment A-5. Our organization meets the minimum qualifications as follows (any required documentation is attached):

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Authorized Signer

Title \_\_\_\_\_

## ATTACHMENT B-1

### VOLUME 2 - INFORMATION REQUIRED

#### General Information for Single Proposer or Primary Bank of Consortium

In response to the following questions, please title the response as Attachment B-1 and number each response corresponding to the numbers listed below.

1. Addresses of all bank branch locations in Louisiana.
2. The last two years audited annual corporate reports.
3. The Holding Company 10K report (for holding companies) for the last two years.
4. The number of public fund accounts, total average annual amount of deposits contained in public fund accounts, and the percentage of the bank's total deposits composed of public funds.
5. The volume of proposer's largest demand deposit account, in terms of the number of debit items per month. The volume of proposer's largest deposit account, in terms of the number of credit items per month.
6. With the bank's current level of debit and credit item activity, what is the percentage of current maximum processing capacity utilized.
7. With the addition of 6,100,000 debit items and 6,150,000 credit items per year, what would then be the percentage of current maximum processing capacity utilized.
8. What is the bank's current availability schedule?
9. What is the bank's daylight overdraft policy for the bank's Baton Rouge branch and for all other branches?
10. Provide an executive summary of the bank's disaster recovery plan.
11. What is the bank's holiday schedule for calendar year 2017, 2018 and 2019.
12. Provide résumés of the primary contact bank officer and other key personnel who would be assigned to the **daily** functions of the accounts created under a contract resulting from this RFP. Describe the primary function(s) each will provide.
13. Provide a copy of the bank's account analysis format with an explanation of terms, abbreviations and the calculations.
14. Provide a copy of all signature agreements and brief explanation of each agreement required:
  - to open a bank account, whether depository or disbursement, including signature cards,
  - to initiate wire transfers,

- for ACH credit and debit transmissions,
  - for investment and collateral agreements,
  - for any other agreements that must be signed to use the services including in this RFP.
15. Provide a **concise detailed** plan, with time frame and milestones, of your proposed transition and implementation of the banking services required under this proposal. Proposer will pay all costs of their own resources for implementation and transition. Must describe what resources it will contribute towards implementation, training and transition.

**Failure to adhere to the proposed time frame resulting in an inability to commence all banking functions on November 1, 2017 shall result in a penalty of equal to the cost of continuing banking services under the current contract on a month to month basis**

## **ATTACHMENT B-2**

### **VOLUME 2 - INFORMATION REQUIRED**

#### **General Information for Sole Proposer/ Secondary Bank(s)**

In response to the following questions, please title the response as Attachment B-2 and number each response corresponding to the numbers listed below.

1. Addresses of all bank branch locations in Louisiana.
2. The last two years audited annual corporate reports.
3. The Holding Company 10K report (for holding companies) for the last two years.
4. The number of public fund accounts, total average annual amount of deposits contained in public fund accounts, and the percentage of the bank's total deposits composed of public funds.
5. The volume of bank's largest demand deposit account, in terms of the number of debit items per month. The volume of bank's largest deposit account, in terms of the number of credit items per month.
6. With the bank's current level of debit and credit item activity, what is the percentage of current maximum processing capacity utilized.
7. What is the bank's current availability schedule?
8. What is the bank's daylight overdraft policy for the bank's Baton Rouge branch and for all other branches?
9. Provide an executive summary of the bank's disaster recovery plan.
10. What is the bank's holiday schedule for calendar year 2017, 2018 and 2019.
11. Provide résumés of the primary contact bank officer and other key personnel who would be assigned to the **daily** functions of the accounts created under a contract resulting from this RFP. Describe the primary function(s) each will provide.
12. Provide a copy of the bank's account analysis format with an explanation of terms, abbreviations and the calculations.
13. Provide a copy of all signature agreements and brief explanation of each agreement required:
  - to open a bank account, whether depository or disbursement, including signature cards,
  - to initiate wire transfers,
  - for ACH credit and debit transmissions,
  - for investment and collateral agreements,

- for any other agreements that must be signed to use the services including in this RFP.

14. Provide a **concise detailed** plan, with time frame and milestones, of your proposed transition and implementation of the banking services required under this proposal.

Proposer will pay all costs of their own resources for implementation and transition. Must describe what resources it will contribute towards implementation, training and transition.

**Failure to adhere to the proposed time frame resulting in an inability to commence all banking functions on November 1, 2017 shall result in a penalty of equal to the cost of continuing banking services under the current contract on a month to month basis**

## **ATTACHMENT C** **DESCRIPTION OF ACCOUNTS**

Below is a description of the function of each of the current major accounts comprising the central banking relationship for the Department of the Treasury. The statistics shown in Appendix I are for the period January 2015 through December 2015, except for accounts opened after that date. Appendix II is a matrix of functional services provided for the various accounts under the current central banking services agreement.

### **OVERVIEW OF CURRENT BANK ACCOUNTS**

1. **The Central Depository Account** – This is the primary depository account for all State revenues received. This account is the master account for zero balance accounts and all controlled disbursement accounts. Approximately 1,525,787 checks are deposited into the account annually. Approximately 405 checks are drawn against the account annually. A daily bank statement is required. A daily report of deposit items is required to be submitted electronically to the Department of the Treasury.

2. **The Central Vendor Disbursement Accounts** – There are four central vendor disbursement accounts. In ISIS, the state's main accounting system, one account is used by state agencies to pay vendors by computer generated check. The annual volume is approximately 88,360 checks. Data tapes or electronic media of check issues are transmitted to the bank daily. The bank provides a daily report of paid items in an electronic media to the State. The second account is used by state agencies to pay vendors by Automated Clearing House (ACH). The annual volume is approximately 77,700 payments. In LaGov, the State's secondary accounting system, one account is used for Direct Deposit via Automated Clearing House (ACH) for approximately 650 vendor payments on a monthly basis. This account is also setup for BAI direct transmission. The other account is a zero balance disbursement account for clearing approximately 4,700 checks for vendor payments on a monthly basis. The volume statistics may increase for direct deposit and decrease for check issuance over the term of the contract. Considerable support for this account is required in the form of issue and paid files, abandoned property runs, monthly statements, cancelled checks, and other services, as necessary. The accounts are setup as zero balance. The level of disbursement transactions is expected to increase over the term of the contract.

3. **Department of Health and Department of Children and Family Services Accounts** – The Department of Health (LDH) and the Department of Children and Family Services (DCFS) use zero balance disbursement accounts to pay recipients of entitlement programs, providers of medical services, and other recipients of various programs. Separate accounts are used to issue Automated Clearing House (ACH) disbursements and other accounts are used to issue checks. LDH issues approximately 98,000 checks and DCFS issues approximately 10,500 checks annually.

4. **Division of Administration (DOA) Accounts** –Two DOA bank accounts are used for State’s main payroll system, one bank account for ancillary payroll services and one bank account for the State’s centralized travel disbursement system. The following is a description of each account:

- a. **THE PAYROLL ACCOUNTS** – The Division of Administration maintains a centralized payroll system to issue payroll for state agencies for approximately 48,000 state employees and 850 vendors. The State uses a zero balance disbursement bank account for Direct Deposit via Automated Clearinghouse (ACH) Account which processes approximately 75,000 ACH transactions on a biweekly basis and 100 vendors payments on a monthly basis and a zero balance disbursement account to issue payroll checks for approximately 350 employees paid on a biweekly basis and 600 vendors paid on a monthly basis. The volume statistics may increase for direct deposit and decrease for check issuance over the term of the contract. Considerable support for this account is required in the form of issue and paid files, abandoned property runs, monthly statements, cancelled checks and other services, which may be necessary.
- b. **The PAYROLL SERVICES ACCOUNT** – This account is utilized to make manual payments due to the restrictions/limitations in the payroll system. Currently, approximately 10 checks are processed annually. This account requires the return of paid checks and monthly statements.
- c. **THE TRAVEL ACCOUNT** – This account is utilized for Direct Deposit via Automated Clearinghouse (ACH) for approximately 5,000 employees for reimbursement of travel expenses made on a monthly basis. The travel account will require the bank to provide by electronic media to the state a daily report for ACH and ZBA activity and also a monthly bank statement.

5. **Department of Revenue** – The Department of Revenue maintains several zero balance disbursement bank accounts for the refunding of income and other taxes. The Department of Revenue issues approximately 1,084,000 EFTs and 421,600 checks annually.

6. **The Unclaimed Property Account** – This is the primary account of the Department of the Treasury used to issue checks to return abandoned properties to claimants. Approximately 23,900 checks are issued annually. Check issue files are submitted daily to the bank via electronic media. The bank provides a daily file of paid items via electronic media that is imported into the Department of the Treasury’s proprietary software for reconciliation.

7. **Other Accounts** – The Department of Public Safety and Corrections, Office of Risk Management, the Secretary of State and other state agencies and departments

also maintain disbursement accounts. The majority of these accounts are disbursement zero balance accounts. There are currently 25 zero balance disbursement accounts in this other accounts category.

8. **Deposit only “Reverse” Zero Balance Accounts** – The State also uses deposit only (referred to as “reverse”) zero balance account(s) to deposit checks, and receive credit from Automated Clearinghouse (ACH) and FED WIRE transactions. A single daily transfer is made for each bank account to the central depository bank account. There are currently 84 reverse zero balance accounts.

The above are illustrative of current major bank accounts utilized by the Department of the Treasury. However, it is understood and agreed that during the course of the contract the Treasurer may add to or delete from this list of accounts, and this factor should be considered in responding to this Request of Proposals.

**ATTACHMENT D**  
**VOLUME 2 – INFORMATION REQUIRED**  
**REQUIREMENTS FOR THE DEPOSITORY (COLLECTION) FUNCTION**

Listed below are the required services for the State's depository accounts. APPENDIX I: Volume Statistics provides statistical information. In response to the following questions, please title the response as Attachment D and number each response corresponding to the numbers listed below and include in Volume 2 – Required Information.

1. **Baton Rouge Depository Location Required**

Most major revenues of the State are collected through agencies headquartered in Baton Rouge. Payments are received by wire transfer, Automated Clearinghouse (ACH), checks and cash. Arrangements for daily deposits to be received from the courier at a local processing center is preferred (See 10. Courier Services). A Baton Rouge branch bank location is mandatory. **Can you comply with this requirement?**

2. **Late Day Deposit Capability**

Accommodations must be made in order that state agencies may make multiple deposits until 5:00 P.M. each banking day with credit on that day's bank ledger balance. The bank is required to give same day ledger credit and availability of funds for receipts from the Federal Reserve wire system (FED WIRE) regardless of the time of day received by the bank. **Can you comply with this requirement?**

3. **Information Reporting**

The bank will make available certain information reporting provided through PC or terminal access. Please provide the reporting costs per item/field of information listed below (See Appendix II). **Can you comply with this requirement?**

**i. Disbursement Reporting**

In Microsoft Excel spreadsheet format.

- a. Opening ledger balance
- b. Target balance
- c. Adjustments to balance
- d. Total ACH credits
- e. Total credit adjustment
- f. Total ACH disbursement funding debits
- g. Total ACH related debits
- h. Total checks paid
- i. Total controlled disbursement debits
- j. Total disbursement checks paid - Early

- k. Total disbursement checks paid – Late
- l. Disbursing funding requirements
- m. Late debits (after notification)
- n. Total debit adjustments

## **ii. Balance Reporting**

In Microsoft Excel spreadsheet format.

- a. Opening ledger balance
- b. Opening available balance
- c. Opening next day balance
- d. Opening 2 or more days
- e. Total credits
- f. Total available credits
- g. Total next day credits
- h. Total 2 or more day credits
- i. Total debits
- j. Total available debits
- k. Total next day debits
- l. Total 2 or more day debits
- m. Projected ledger balance
- n. Projected available balance

## **iii. Portfolio Information Download**

In Microsoft Excel Spreadsheet format.

- a. Account number
- b. Account name
- c. CUSIP
- d. Security description
- e. Coupon
- f. Maturity
- g. Shares par quantity
- h. Market price
- i. Market value

- j. Original acquisition price
- k. Original cost value
- l. Unrealized gain/loss
- m. S&P rating – current
- n. Moody rating – current
- o. Asset group
- p. Industry description
- q. Sector description
- r. Rate change frequency
- s. Bond payment frequency

4. **Availability Schedules/Daylight Overdraft Policy**

The bank shall provide the Department of the Treasury with its availability schedule and daylight overdraft policy and notify the Treasurer immediately of any proposed changes. **Can you comply with this requirement?**

5. **Deposit Analysis**

The bank shall, when requested, provide the Treasurer with an end point analysis of its deposits so that the Treasurer and the bank may endeavor to improve collection techniques in order to maximize the use of funds and their investment. **Can you comply with this requirement?**

6. **Depository Discount Pricing**

The bank is encouraged to provide discount pricing for pre-encoded items. The State has the capability of pre-encoding some deposit items; therefore, a separate fee per item should be quoted for that service. Approximately 1,750,000 items per year are being encoded by the State at the present time and approximately 210,000 items per year are not encoded. **Can you comply with this requirement?**

7. **Returned Items**

The Department of the Treasury requires an automatic second presentment of deposited items returned unpaid due to insufficient funds. The Department of the Treasury requires fax or telephone notification of deposit items returned in amounts over \$1,000,000. **Can you comply with this requirement?**

Numerous returned items are received per month. Returned items are sent back to the appropriate depositing agency or to the Department of the Treasury, at the Department of Treasury's direction. **Can you comply with this requirement?**

8. **Interest Paid on Excess Funds**

Banks are encouraged to offer proposals for the purchase of any excess funds remaining at the end of the day. This type of proposal should include the delivery of acceptable securities (direct obligations of the U.S. Treasury or other acceptable securities by the Department of the Treasury) to a third party institution with safekeeping receipts indicating that the securities are in the name of the State Treasurer. Pricing and increments of this type of investment and any other related details must be disclosed.

Specify (1) whether the collected balance includes all deposits in all accounts; (2) with or without deducting for the Federal Reserve requirement; and (3) if a 360 day or 365 day basis is used.

If funds are not purchased, the State insists on receiving credit for any un-invested account balances. The earnings credit rate is to be based on the coupon equivalent rate of the average of the 91 day U.S. Treasury Bill for the monthly period credit is earned. The proposer can offer a plus/minus specified number of basis points to the coupon equivalent rate to be indicated on the Attachment H-Pricing Grid. **Can you comply with this requirement?**

9. **Cash Concentration**

Banks are encouraged to offer in their proposals recommendations to maximize the capability of sweeping regional Department of the Treasury depository accounts in other banks in other cities in Louisiana on a daily basis in order to increase available funds to the State. Banks must provide deposit reporting capability. **Can you comply with this requirement?**

10. **Courier Services**

The bank must provide daily courier services in the Baton Rouge area to and from the State Treasurer's office, the Department of Revenue, the Department of Public Safety and other state offices as designated by the State Treasurer for multiple pickup and delivery of deposits of endorsed checks, bank statements, canceled checks, tapes, etc. In addition, the bank must provide daily armored car pickup and delivery of deposits, including coin and cash, from the Department of Revenue's New Orleans regional offices and the Office of Motor Vehicle's branch offices in Kenner, Metairie and the West Bank or other state offices as designated by the state treasurer. **Can you comply with this requirement?**

If Bank is unable to provide courier services, then Bank must be willing and able to find an alternative for the service that is acceptable to the State.

11. **Automated Clearinghouse Transactions**

The bank must be able to send and receive Automated Clearinghouse (ACH) transactions.

The bank should describe capabilities to process ACH transactions.

The bank must provide with the daily bank statement detailed credit advices on ACH credits either in hardcopy or electronic formats.

The bank must establish a method for payers to allow the State to debit their accounts. The payer must be able to input data by voice, touch tone, or PC terminal.

The bank will be required to collect the data and create an ACH output file(s) and a data output file(s) on a regular basis. The bank will be required to process the ACH file(s), send entries to the Federal Reserve, send a data output file(s) to the State and notify the State of any return items (NSF, account closed, etc.). **Can you comply with this requirement?**

12. **Deposit Tickets**

State Agencies use a three-digit, agency specific, identifier as the first three digits in sequentially numbered deposit tickets when depositing into the central depository account. The tickets are a four part, self-carboning form. The bank will be required to accept these deposit tickets from the state agencies. The required deposit ticket is included in Attachment D. **Can you comply with this requirement?**

13. **Blockage of ACH Debits Originated by Outside Sources**

The Department of the Treasury will require the bank to “block” or prevent unauthorized ACH debits to depository accounts which are originated by outside sources. Please confirm your ability to perform this function. **Can you comply with this requirement?**

14. **Lockbox Services**

Agencies may utilize lockbox services for the receipt of checks and remittance advices. Currently, the Office of Student Financial Assistance, the Department of Public Safety and the Department of Health and Hospitals use lockbox services. There are currently 657,457 transactions annually in the lockbox accounts. **Please describe your lock box services and the options you offer with lock box services, i.e. photocopying, imaging, electronic file transmission, reporting capabilities etc. Also, describe the file format(s) available for outbound files to the State to provide the data collected at the lockbox. Can you comply with this requirement?**

15. **Check "21" Remote Deposit Capture Conversion Services**

Agencies use check conversion services to convert paper checks for deposit into ("reverse") deposit only zero balance accounts. Check conversion services or remote deposit capture are currently made by Image Cash Letter (ICL) and Image Deposit Direct (IDD) services at JPMorgan Chase Bank. ACH transactions are processed as authorized by the Check Clearing for the 21<sup>st</sup> Century Act and applicable NACHA rules. Currently, the Secretary of State, the Louisiana Workforce Commission and the Department of Children and Family Services use ICL service and the Department of Insurance uses IDD service. **Please describe your remote deposit check conversion service and describe the requirements of the State to implement this service. Can you comply with this requirement?**

16. **Miscellaneous Items**

The bank will be required to provide, as needed, transport boxes, and locking cash and sealable coin bags used by state agencies to make deposits. **Can you comply with this requirement?**

**Required Deposit Ticket used by the State.**

**DEPOSIT TICKET**  
PLEASE BE SURE THAT ALL ITEMS ARE PROPERLY ENDORSED, LIST EACH CHECK SEPARATELY. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL. A HOLD FOR UNCOLLECTED FUNDS MAY BE PLACED ON FUNDS DEPOSITED BY CHECK OR SIMILAR INSTRUMENTS. THIS COULD DELAY THE DEPOSIT OF FUNDS TO YOUR ACCOUNT. IF ANY, WOULD NOT EXCEED THE PERIOD OF TIME PERMITTED BY LAW.

DATE	CURRENCY	DOLLARS	CENTS
	COIN		
	CHECKS LIST EACH SEPARATELY		
	1		
	2		
	3		
	4		
	5		
	6		
	7		
	8		
	9		
	10		
	11		
	12		
	13		
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	31		
	32		
	33		
	34		
	<b>TOTAL</b>		

**CHASE** JPMORGAN CHASE BANK, N.A. BATON ROUGE, LOUISIANA 70801

**STATE OF LOUISIANA**  
 DEPT. OF TREASURY  
 STATE TREASURER

TOTAL ITEMS [ ] TOTAL DEPOSIT [ ]

⑈ 148007009⑈ ⑆ 555 20 10 24 ⑆ 7900405426⑈

Seaward Business Systems, Inc.

**ATTACHMENT E**  
**VOLUME 2 – INFORMATION REQUIRED**  
**REQUIREMENTS FOR THE DISBURSEMENT FUNCTION**

The disbursement function will entail the processing of checks presented for payment and the processing of electronic disbursement items. In response to the following disbursement items, please title your response as Attachment E and number each response corresponding to the numbers listed below.

**Any proposal that deviates, substitutes or omits any minimum qualification shall be immediately disqualified.**

Include this response in Volume 2 – Required Information.

1. **Balance Reporting**

See Attachment D; Balance Reporting Section, Section 3. (ii). **Can you comply with this requirement?**

2. **Reconciliation**

Please provide a complete description of reconciliation services available for bank accounts. In your description identify services available to assist customers with account reconciliation, i.e. on-line viewing and printing of daily statement activity, reporting options, paid checks on CD-ROM, positive pay, electronic file transmission of paid items, etc. **Can you comply with this requirement?**

3. **Stop Payments**

The Department of the Treasury requires that stop payment requests be in effect with **no expiration date or renewal date**. Include in your proposal your means available (telephone, fax, computer to computer) to state agencies to communicate stop pay requests. **Can you comply with this requirement?**

4. **Forgery Endorsement Charge Backs**

All proposing banks shall process forgeries and issue credit in the amount of the forgery to the appropriate account within five (5) banking days upon receipt of notarized affidavit. **Can you comply with this requirement?**

5. **Stale Date/Post Date**

Checks drawn on state payroll accounts shall not have a stale date unless otherwise notified by the State Treasurer. **Can you comply with this requirement?**

6. **Error Correction**

Banks shall agree to individually itemize debit and credit bank adjustments rather than netting these adjustments and to provide detailed justification for each adjustment. **Can you comply with this requirement?**

7. **Direct Deposit of Payroll Items**

The State's Uniform Payroll System LaGov HCM provides payroll services for approximately 45,000 employees and approximately 850 vendors. LaGov HCM utilizes direct deposit of payroll for approximately 45,000 employees per pay period (65,000 direct deposit transactions), and 150 vendors per month, and issuance of checks for approximately 500 employees per pay period and approximately 550 vendors per month. **Can you provide direct deposit services for this account?**

The State's Payroll System (LaGov HCM) Account requires the following services (See Attachment H - Pricing Grid). **Can you comply with the below requirements?**

- a. State Banking Institution provides EFT services to accomplish the following:
  - (1) receive daily employee/vendor EFT transactions from Division of Administration (DOA) LaGov HCM Payroll System and transmit data through Automated Clearing House (ACH) to Receiving Financial Institutions,
  - (2) transmit daily agency EFT, dollar returns/notifications of change received from ACH to DOA LaGov HCM Payroll System,
  - (3) transmit daily via direct transmission to DOA LaGov HCM Payroll System any returned EFT dollars received through ACH and credit EFT Payroll Account accordingly.
- b. State Banking Institution provides for a separate bank account for EFT and Check transactions. Currently EFT transactions are about 46,000 biweekly and check transactions are about 1,650 monthly.
- c. State Banking Institution provides for separate processing fee charges for EFT transactions and check transactions.
- d. State Banking Institution provides means to accommodate the Office of State Uniform Payroll for transmitting Federal Tax Deposits via the Electronic Federal Tax Payment System (EFTPS) Credit depository method.
- e. State Banking Institution provides means to accommodate the Office of State Uniform Payroll for transmitting State Tax Deposits to the Louisiana Department of Revenue and other states.

- f. State Banking Institution provides supporting documentation for verification of Federal and State Tax payments.

8. **Zero Balance Accounts**

The bank will be required to establish numerous zero balance disbursement accounts. The accounts will be utilized to disburse checks and ACH transactions. These accounts will be funded by the central depository bank account. Currently, there are 25 zero balance disbursements accounts. **Can you comply with this requirement?**

9. **Controlled Disbursement Accounts**

Where are your locations for controlled disbursement? The State requires daily clearing totals at 9:00 A.M. Central Standard Time (CST) for early clearings (Federal Reserve 1<sup>st</sup> clearing) and at 11:00 A.M. CST, which would include any second or third presentments by the Federal Reserve, local and any over-the-counter items paid by the bank. Currently, there are 16 controlled disbursement accounts. **Can you comply with this requirement?**

10. **ACH Initiation**

The state requires the ability to initiate ACH debits and credits through Internet connection via PC or PC terminals. **Can you comply with this requirement? What are the hardware and software requirements?**

11. **International Wire Transfers**

State agencies require the ability for the bank to wire transfer funds to foreign countries. **Can you comply with this requirement?**

12. **Paid Check Sorting for State Accounts**

All rejected items must be manually sorted and interfiled with the sorted paid checks. The Department of the Treasury requires the sorted checks to be placed on CD by the bank and sent to agencies within ten working days of the statement date on a monthly basis. **Can you comply with this requirement?**

Office of State Uniform Payroll receives canceled checks via online document retrieval system for the Payroll account and the LaGov Vendor Disbursement account. The canceled checks for the service account are included with the monthly statements submitted by the bank to the state. **Can you comply with this requirement?**

13. **Positive Pay**

The bank will be required to provide “payee name” positive pay services for disbursement accounts designated by the Department of the Treasury for this

service. Describe the file format required to implement this service. **Can you comply with this requirement?**

14. **Imaging of Paid Checks**

The Department of the Treasury requires canceled checks to be provided to state agencies at the agencies' choice in CD format on a monthly basis. The bank will be required to furnish the software to access the CD. **Can you comply with this requirement?**

15. **Blockage of ACH Debits Originated by Outside Sources**

The Department of the Treasury requires the bank to prevent unauthorized ACH debits that are originated by outside sources to bank accounts. **Can you comply with this requirement?**

16. **Download Detailed Transactions**

The bank shall be required to provide to the Department of the Treasury on a daily basis files containing detailed transactions which can be retrieved by the Department of the Treasury to import into a proprietary bank reconciliation software program (Check Free Corporation "Recon Plus for Windows"). **Can you comply with this requirement?**

**ATTACHMENT F**  
**VOLUME 2 – INFORMATION REQUIRED**  
**REQUIREMENTS FOR THE COLLATERAL/SAFEKEEPING FUNCTION**

This function will entail the safekeeping of state owned securities, safekeeping of collateral for state deposits, repurchase agreement related activity, and securities lending related activity. All proposing banks are required to safekeep state-owned securities in a bank, or a wholly owned subsidiary of the bank or bank holding company. Daily interaction between the state and the bank regarding investment functions are to be handled by one bank employee dedicated as the account representative to the Investment Division of the Department of the Treasury. All state communications regarding investment functions with the bank will be directed to the appointed account representative. It is then the responsibility of the account representative to communicate with other bank employees on behalf of the state. Please title your response to each item as Attachment F and number each response corresponding to the numbers listed below. Include this response in Volume 2 – Information Required.

1. **Public Funds (on deposit)**

A joint custodial account to safekeep securities pledged as collateral by other institutions for public fund deposits may be required. This function requires that safekeeping receipts be issued to the State Treasurer in accordance with the state laws governing collateralization. (LA R.S. 49:321 et. seq.) This function also requires that securities not be released or substituted without the express authorization of the State Treasurer. Currently, there are approximately 400 different accounts with approximately 2,000 different pieces of collateral. **Can you comply with this requirement?**

2. **Repurchase Agreements**

This function requires that the bank be capable of receiving and sending securities, via Federal Reserve book entry system, for funds managed by the Department of the Treasury. Also required, in conjunction with the settlement of securities transactions, is a safekeeping receipt issued in the name of the State Treasurer for the appropriate fund.

When accepting securities for the benefit of the State under agreements to resell, the bank shall follow the usual and customary practices of transferring securities and funds unless notified otherwise by the Treasurer. Securities held by the bank for the Department of the Treasury under agreements to resell shall be maintained in the banks customer account at the Federal Reserve Bank established in the name of the State Treasurer. Throughout the term of the contract, the bank will accept and release additional and surplus securities under repurchase agreements and shall notify dealers of insufficient securities. The bank shall be considered an agent in these transactions. The Treasurer and respective dealer(s) will be considered the principals in the repurchase transactions.

The State will utilize master repurchase agreements with the bank and, or, certain dealers, as determined by the State Treasurer, which will be monitored by the bank.

These agreements will include a list of criteria acceptable to the State, such as type of securities, margin requirements (i.e., excess of market value of securities over principal amount of investment), etc.

The bank shall perform a manual calculation of the daily cash balance available for investment. The bank shall communicate the cash balance calculation to the Investment Division of the Department of the Treasury on a daily basis in a form and manner acceptable to the Department of the Treasury. The placing of investment orders, in repurchase agreements or other securities, will be handled by the Department of the Treasury. The bank will be responsible for (1) monitoring the collateral related to repurchase agreements and (2) pricing that collateral on a daily basis in order to determine the margin. It will be the bank's function to monitor the margin and to inform the Department of the Treasury and the dealers whenever any such margin is insufficient

The Department of the Treasury would prefer a charge per transaction (repo) fee. **Please provide your costs in terms of cost per repurchase agreement and in terms of a spread (basis point fee).**

The bank will provide a listing of securities purchased under agreements to resell along with appropriate valuations upon request of the Treasurer or designated representative. **Can you comply with this requirement?**

### 3. **State Owned Securities**

Separate bank investment accounts will be required to safe keep and issue receipts for securities held by various State investment accounts. **Can you comply with the below requirements?**

The bank will collect investment income in the various State accounts. The bank shall account securities premiums, discounts and income in the portfolios as directed by the State Treasurer, the Legislative Auditor, and/or the Office of Statewide Reporting and Accounting Policy. At a minimum this could require accounting for State owned securities under two accounting methods. One shall be a Cash Based accounting method as specified by GASB standards. The second may account for accretions, amortizations and accruals of securities calculated on a straight line or scientific method as required by the State Treasurer, the Legislative Auditor and/or the Office of Statewide Reporting and Accounting Policy.

The bank will process the purchases, sales and maturities of state owned securities. The actual execution of orders will be handled by the State Treasurer's Office with brokers, dealers, or outside managers employed by the Treasurer's Office.

Price the entire portfolio on a month end basis and provide the State Treasurer's Office with a minimum of three sets of detailed month end statements for each account. Statements must provide trade date accounting methods as directed by the State Treasurer, the Legislative Auditor, and/or the Office of Statewide Reporting and

Accounting Policy. Statements should also include transaction and position summaries for the various accounts. Detailed monthly statements must be provided in a format, in both electronic and print media, acceptable to the State Treasurer's Office. Reports of these holdings in various formats and media may be required for the purposes of income projection, cash flow projection, general portfolio management and performance evaluation.

Price the entire portfolio weekly and provide a copy via electronic media to the Investment Division.

Provide automated cash management by transferring any excess funds into a money market fund or an interest-bearing account on a daily basis. Any depository account must meet state collateralization requirements for public funds.

Provide assistance to the Legislative Auditor and/or the Office of Statewide Reporting and Accounting Policy when requested.

Be available for financial consultation concerning the investment accounts. Assume for purposes of this RFP, approximately two hours per quarter of financial consultation could be utilized by the Department of the Treasury.

Provide a quarterly account performance at a minimum. Account performance shall include measurements of total return, yield, coupon, duration and maturity. Comparisons to the 30 day U.S. Treasury Bill and the 2 year U.S. Treasury Note (legal indices) shall be required. Comparisons to other investment managers, as well as comparable market indexes for fixed income and equity portfolios, should be included.

The Treasurer requires electronic access to the investment accounts on a daily basis. It is preferred that electronic access is through an internet connection to one or more of the Department of the Treasury's personal computers. Please indicate if such capability will be available from your financial institution.

Cooperation with any outside investment consultant, performance measurer, or outside investment manager(s) as may be retained, at the sole discretion of the State Treasurer, will be necessary.

Below is a listing of permissible securities; however, this listing may change as state investment laws change.

#### **PERMISSIBLE INVESTMENTS – CENTRAL BANKING RFP**

Direct United States Treasury Obligations (Treasury Bills, Bonds, Notes and Strips)

Obligations of or obligations guaranteed by:  
Government National Mortgage Association (GinnieMae, GNMA);

Federal Agriculture Mortgage Corporation (FAMC);  
Farm Credit Financial Assistance Corporation (FCFAC);  
Farm Credit System Banks (FFCB);  
Farmers Home Administration (FmHA);  
Federal Home Loan Banks (FHLB);  
Federal Home Loan Mortgage (FreddieMac, FHLMC);  
Financing Corporation (FICO);  
Federal Land Bank Bonds (FLBB);  
Federal National Mortgage Corporation (FannieMae, FNMA);  
Resolution Funding Corporation (REFCO);  
Small Business Administration (SBA);  
Federal Deposit Insurance Corporation (FDIC);  
Tennessee Valley Authority (TVA);  
U.S. Postal Service (USPS).

Direct Security Repurchase Agreements  
Direct Security Reverse Repurchase Agreements  
Tri-Party Security Repurchase Agreements  
Tri-Party Security Reverse Repurchase Agreements

Investment Grade Commercial Paper  
Investment Grade Corporate Notes and Bonds

Money Market Funds consisting solely of securities otherwise eligible for investment

Municipal Bonds  
Sovereign Yankee Bonds

Common Stocks  
Preferred Stocks  
Closed End Mutual Funds  
Open End Mutual Funds  
Unit Investment Trusts

#### **4. Securities Lending**

The Department of the Treasury is actively engaged in a securities lending program through certain securities lending firms acting as either a principal or an agent of the State. Currently the State of Louisiana is using a Master Repurchase Agreement with a Paired Repurchase Transactions Custody Agreement. For the purposes of the securities lending program the bank shall follow the usual and customary practices of transferring securities and funds unless notified otherwise by the Treasurer. The bank shall not require greater than 24 hours advance notification for the transfer of securities and funds. The proposer may be required to work with a sub-custodian who would administer the securities lending and reverse repurchase agreements, holding the securities and

sending the cash to the custodian. Therefore, some of the administrative work of the custodian would be decreased, hence decreasing the cost of safekeeping and custodial services to the State. The Treasurer reserves the right to enter into securities lending and reverse repurchase agreements with firms of its choosing and to utilize other methods of securities lending. **Can you comply with this requirement?**

**5. Other Investments**

The State is authorized to invest in both money market funds and “tri-party” repurchase agreements. “Tri-Party” repurchase agreements require the transfer of money by the bank. **Please provide cost by transaction for this service on the Attachment H, Pricing Grid.**

## Attachment G: Statement of Disclosure

### CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

**OFFICIAL CONTACT.** The State requests that the Proposer designate one person to receive all documents and the method in which the documents are best delivered. The Proposer should identify the Contact name and fill in the information below: (Print Clearly)

Date \_\_\_\_\_ Official Contact Name: \_\_\_\_\_

A. E-mail Address: \_\_\_\_\_

B. Facsimile Number with area code: (     ) \_\_\_\_\_

C. US Mail Address: \_\_\_\_\_

Proposer shall certify that the above information is true and shall grant permission to the State or Agencies to contact the above named person or otherwise verify the information provided.

By its submission of this proposal and authorized signature below, Proposer shall certify that:

1. The information contained in its response to this RFP is accurate;
2. Proposer shall comply with each of the mandatory requirements listed in the RFP and will meet or exceed the functional and technical requirements specified therein;
3. Proposer shall accept the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP.
4. Proposer's quote shall be valid for at least 90 calendar days from the date of proposal's signature below;
5. Proposer understands that if selected as the successful Proposer, he/she will have   7   business days from the date of delivery of final contract in which to complete contract negotiations, if any, and execute the final contract document.
6. Proposer shall certify, by signing and submitting a proposal for \$25,000 or more, that their company, any subcontractors, or principals are not suspended or debarred by the General Services Administration (GSA) in accordance with the requirements in OMB Circular A-133. (A list of parties who have been suspended or debarred can be viewed via the internet at <https://www.sam.gov> .)

Authorized Signature: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

\_\_\_\_\_  
SIGNATURE of Proposer's Authorized Representative

\_\_\_\_\_  
DATE

## Attachment H: Pricing Grid

See attached Excel spreadsheet.

**Any proposal that deviates, substitutes or omits any minimum qualification shall be immediately disqualified.**

**ATTACHMENT I: SAMPLE CONTRACT**

**STATE OF LOUISIANA  
CONTRACT**

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the State of Louisiana, Louisiana Department of the Treasury, hereinafter sometimes referred to as the "State", and [CONTRACTOR'S NAME AND LEGAL ADDRESS INCLUDING ZIP CODE], hereinafter sometimes referred to as the "Contractor", do hereby enter into a contract under the following terms and conditions.

**1 SCOPE OF SERVICES**

**1.1 CONCISE DESCRIPTION OF SERVICES**

**1.2 STATEMENT OF WORK**

**{ GOALS AND OBJECTIVES**

**1.2.1. PERFORMANCE MEASURES**

The performance of the contract shall be measured by the State Project Manager, authorized on behalf of the State, to evaluate the contractor's performance against the criteria in the Statement of Work and are identified as:

**1.2.2. MONITORING PLAN**

[Name and Title or Position] will monitor the services provided by the contractor and the expenditure of funds under this contract. [Name and Title or Position] will be primarily responsible for the day-to-day contact with the contractor and day-to-day monitoring of the contractor's performance. The monitoring plan is the following:

**1.2.3. DELIVERABLES**

The Contract will be considered complete when Contractor has delivered and State has accepted all deliverables specified in the Statement of Work.

**1.2.4. Veteran-Owned and Service-Connected Small Entrepreneurships (Veteran Initiative) and Louisiana Initiative for Small Entrepreneurships (Hudson Initiative) Programs Reporting Requirements**

During the term of the contract and at expiration, the Contractor will be required to report Veteran-Owned and Service-Connected Disabled Veteran-Owned and Hudson Initiative small entrepreneurship subcontractor or distributor participation and the dollar amount of each.

**1.2.5. SUBSTITUTION OF KEY PERSONNEL**

The Contractor's personnel assigned to this Contract may not be replaced without the written consent of the State. Such consent shall not be unreasonably withheld or delayed provided an equally qualified replacement is offered. In the event that any State or Contractor personnel

become unavailable due to resignation, illness, or other factors, excluding assignment to project outside this contract, outside of the State's or Contractor's reasonable control, as the case may be, the State or the Contractor, shall be responsible for providing an equally qualified replacement in time to avoid delays in completing tasks. The contractor will make every reasonable attempt to assign the personnel listed in his proposal.

## **2 ADMINISTRATIVE REQUIREMENTS**

### **2.1 TERM OF CONTRACT**

This contract shall begin on *[DATE]* and shall end on *[DATE]*. State has the right to contract for up to a total of \_\_\_years with the concurrence of the Contractor and all appropriate approvals.

### **2.2 STATE FURNISHED RESOURCES**

State shall appoint a Project Coordinator for this Contract identified in Section 1.2.3 who will provide oversight of the activities conducted hereunder. Notwithstanding the Contractor's responsibility for management during the performance of this Contract, the assigned Project Coordinator shall be the principal point of contact on behalf of the State and will be the principal point of contact for Contractor concerning Contractor's performance under this Contract.

### **2.3 TAXES**

Contractor is responsible for payment of all applicable taxes from the funds to be received under this contract. Contractor's federal tax identification number is \_\_\_\_\_.

## **3 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT**

### **3.1 PAYMENT TERMS**

In consideration of the services required by this contract, State hereby agrees to pay to Contractor a maximum fee of \$ *[TO BE INSERTED]*. Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables as provided in Section 1.0. Payments will be made to the Contractor after written acceptance by the State of the payment task and approval of an invoice. State will make every reasonable effort to make payments within 30 calendar days of the approval of invoice and under a valid contract. Payment will be made only on approval of *(Name of Designee)*.

During the execution of tasks contained in the Statement of Work, the Contractor may submit invoices, not more frequently than monthly. The payment terms are as follows:

Such payment amounts for work performed must be based on at least equivalent services rendered, and to the extent practical, will be keyed to clearly identifiable stages of progress as reflected in written reports submitted with the invoices. Contractor will not be paid more than the maximum amount of the contract.

Ten percent (10%) of fees approved by State Project Coordinator to be paid shall be withheld as retainage pending successful completion of the contract. Upon completion of all tasks contained in the Statement of Work to the satisfaction of the State, any amounts previously withheld as retainage will be paid.

## **4 TERMINATION**

### **4.1 TERMINATION FOR CAUSE**

State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) calendar days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) calendar days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and the Contract shall terminate on the date specified in such notice. Failure to perform within the time agreed upon in the contract may constitute default and may cause cancellation of the contract.

Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract provided that the Contractor shall give the State written notice specifying the State agency's failure and a reasonable opportunity for the state to cure the defect.

### **4.2 TERMINATION FOR CONVENIENCE**

State may terminate the Contract at any time without penalty by giving one hundred eighty (180) calendar days written notice to the Contractor of such termination or negotiating with the Contractor an effective date. Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

### **4.3 TERMINATION FOR NON-APPROPRIATION OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act of Title 39 of the Louisiana Revised Statutes of 1950 to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated.

## **5 INDEMNIFICATION AND LIMITATION OF LIABILITY**

Neither party shall be liable for any delay or failure in performance beyond its control resulting from acts of God or force majeure. The parties shall use reasonable efforts to eliminate or minimize the effect of such events upon performance of their respective duties under Contract.

If applicable, Contractor will indemnify, defend and hold the State and its Authorized Users harmless, without limitation, from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs which may be finally assessed against the State in any action for infringement of a United States Letter Patent with respect to the Products furnished, or of any copyright, trademark, trade secret or intellectual property right, provided that the State shall give the Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such

action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor. Where a dispute or claim arises relative to a real or anticipated infringement, the State or its Authorized Users may require Contractor, at its sole expense, to submit such information and documentation, including formal patent attorney opinions, as the Commissioner of Administration shall require.

The Contractor shall not be obligated to indemnify that portion of a claim or dispute based upon: i) Authorized User's unauthorized modification or alteration of a Product, Material or Service; ii) Authorized User's use of the Product in combination with other products not furnished by Contractor; iii) Authorized User's use in other than the specified operating conditions and environment.

In addition to the foregoing, if the use of any item(s) or part(s) thereof shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion as the Authorized User's exclusive remedy to take action in the following order of precedence: (i) to procure for the State the right to continue using such item(s) or part (s) thereof, as applicable; (ii) to modify the component so that it becomes non-infringing equipment of at least equal quality and performance; or (iii) to replace said item(s) or part(s) thereof, as applicable, with non-infringing components of at least equal quality and performance, or (iv) if none of the foregoing is commercially reasonable, then provide monetary compensation to the State up to the dollar amount of the Contract.

For all other claims against the Contractor where liability is not otherwise set forth in the Contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages, shall be the greater of \$100,000, the dollar amount of the Contract, or two (2) times the charges rendered by the Contractor under the Contract. Unless otherwise specifically enumerated herein or in the work order mutually agreed between the parties, neither party shall be liable to the other for special, indirect or consequential damages, including lost data or records (unless the Contractor is required to back-up the data or records as part of the work plan), even if the party has been advised of the possibility of such damages. Neither party shall be liable for lost profits, lost revenue or lost institutional operating savings.

The State and Authorized User may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor, or may proceed against the performance and payment bond, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them.

## **6 CONTRACT CONTROVERSIES**

Any claim or controversy arising out of the contract shall be resolved by the provisions of Louisiana Revised Statutes 39:1672.2-1672.4.

## **7 FUND USE**

Contractor agrees not to use contract proceeds to urge any elector to vote for or against any candidate or proposition on an election ballot nor shall such funds be used to lobby for or against any proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on any election ballot or a proposition or matter having the effect of law being considered by the Louisiana Legislature or any local governing authority.

## **8 ASSIGNMENT**

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the contractor from assigning to a bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

## **9 RIGHT TO AUDIT**

The State Legislative Auditor, agency, and/or federal auditors and internal auditors of the Division of Administration shall have the option to audit all accounts directly pertaining to the contract for a period of five (5) years from the date of the last payment made under this contract. Records shall be made available during normal working hours for this purpose.

## **10 CONTRACT MODIFICATION**

No amendment or variation of the terms of this contract shall be valid unless made in writing, signed by the parties and approved as required by law. No oral understanding or agreement not incorporated in the contract is binding on any of the parties.

## **11 CONFIDENTIALITY OF DATA**

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the contractor in order to carry out this contract, or which become available to the contractor in carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the contractor. If the methods and procedures employed by the contractor for the protection of the contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The contractor shall not be required under the provisions of the paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of the contract, or is rightfully obtained from third parties.

## **12 SUBCONTRACTORS**

The Contractor may, with prior written permission from the State, enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the State and/or State Agency for any breach in the performance of the Contractor's duties. The contractor will be the single point of contact for all subcontractor work.

## **13 COMPLIANCE WITH CIVIL RIGHTS LAWS**

The contractor agrees to abide by the requirements of the following as applicable: Title VI and Title VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

## **14 INSURANCE**

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI.

This rating requirement shall be waived for Worker's Compensation coverage only.

Contractor's Insurance: The Contractor shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company written or countersigned by an authorized Louisiana State agency, shall be filed with the State of Louisiana for approval. The Contractor shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the State of Louisiana before work is commenced. Said policies shall not hereafter be canceled, permitted to expire, or be changed without thirty (30) calendar days' notice in advance to the State of Louisiana and consented to by the State of Louisiana in writing and the policies shall so provide.

Compensation Insurance: Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

Commercial General Liability Insurance: The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the State, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either or them, or in such a manner as to impose liability to the State. Such insurance shall name the State as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

Insurance Covering Special Hazards: Special hazards as determined by the State shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

Licensed and Non-Licensed Motor Vehicles: The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

Subcontractor's Insurance: The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

## **15 APPLICABLE LAW**

This contract shall be governed by and interpreted in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, parish of East Baton Rouge, State of Louisiana.

## **16 CODE OF ETHICS**

The contractor acknowledges that Chapter 15 of Title 42 of the Louisiana Revised Statutes (R.S. 42:1101 et. seq., Code of Governmental Ethics) applies to the Contracting Party in the performance of services called for in this contract. The contractor agrees to immediately notify the state if potential violations of the Code of Governmental Ethics arise at any time during the term of this contract.

## **17 SEVERABILITY**

If any term or condition of this Contract or the application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this contract are declared severable.

## **18 INDEPENDENT ASSURANCES**

The State of Louisiana /State Agency will also require the Contractor and /or subcontractors to submit to an independent SSAE 16 SOC 1 and/or type II audit of its internal controls and other financial and performance audits from outside companies to assure both the financial viability of the (outsourced) program and the operational viability, including the policies and procedures placed into operation. The audit firm will conduct tests and render an independent opinion on the operating effectiveness of the controls and procedures.

The contractor could be required to provide a quality control plan, such as third party Quality Assurance (QA), Independent Verification and Validation (IV &V), and other internal project/ program reviews and audits.

These audits will require the Contractor to provide any assistance, records access, information system access, staff access, and space access to the party selected to perform the indicated audit. The audit firm will submit a final report on controls placed in operations for the project and include a detailed description of the audit firm's tests of the operating effectiveness of controls.

The Contractor shall supply the Department with an exact copy of the report within thirty (30) calendar days of completion. Such audits may be performed annually during the term of the contract. The Contractor agrees to implement recommendations as suggested by the audits within three months of report issuance at no cost to the State Agency. Cost of the SSAE 16 audit is to be included in the cost being proposed in response to this RFP.

**19 COMPLETE CONTRACT**

This is the complete Contract between the parties with respect to the subject matter and all prior discussions and negotiations are merged into this contract. This Contract is entered into with neither party relying on any statement or representation made by the other party not embodied in this Contract and there are no other agreements or understanding changing or modifying the terms. This Contract shall become effective upon final statutory approval.

**20 ENTIRE AGREEMENT & ORDER OF PRECEDENCE**

This contract together with the RFP and contractor's proposal which are incorporated herein; shall, to the extent possible, be construed to give effect to all of its provisions; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals, its amendments and the Proposal; second priority shall be given to the provisions of the Request for Proposals and its amendments; and third priority shall be given to the provisions of the Contractor's Proposal.

THUS DONE AND SIGNED on the date(s) noted below:

**STATE OF LOUISIANA**  
**Department of Treasury**  
**January 2015 through December 2015**

**APPENDIX I**

<b>SERVICE</b>	<b>Priced Per</b>	<b>VOLUME OF ACTIVITY BY SERVICE Jan. to Dec. 2015</b>
<b>Account Services</b>		
Daily Overdraft Occurrence Fee (service added in July)	item	384
Miscellaneous Credit - Refund	item	-
Account Maintenance	account	2,243
Account Maintenance - Int.	account	24
ZBA Maint Master Account	account	-
Cash Concentration Master Acct	account	2,424
Cash Concentration Sub Acct	account	1,811
ZBA Maint Sub Acct	account	-
Statement Cycles	statement	-
Post No Checks Maintenance	account	1,636
Statement Photocopy	item	-
Paper Account Statement	statement	539
Overdraft NSF Item Paid	item	47
		-
<b>Banking Center Services</b>		
Branch Credits Posted	deposit	29,959
Branch Deposit Immediate Verif	dollars	15,904,513
Branch Deposit Post Verif	dollars	9,244,010

Branch Coin Dep Par or Mix Bag	deposit	-
Branch Order Currency Strap	strap	6,201
Branch Order Coin Roll	roll	7,361
Branch deposit IN Non Std Bag	deposit	73

### Vault Services

Vault Dep Per \$1,000	dollars	12,046
Vault Deposit Rolled Coin	roll	-
Vault Dep Non Std Strap - Note	note	1,099,096
Vault Dep Std Strap - Note	note	221,900
Vault Order Currency Std Strap	strap	-
Vault Standard Orders	order	-
Vault Order Coin Rolls	roll	-
Vault Order Curr Non Standard Strap	strap	-
Vault Deposit Receipt Mailers	receipt	1,515
Vault Deposit - Extend. Hrs. Specialized	month	12
Vault Deposit - Partial or Mixed Bag	bag	-
Vault Deposit in Non Std Bag	bag	1,096
Vault Activity Report Faxed	account	20
Web Cur Svcs-Deposit Details	location	12
Vault Deposit Adjustment	item	173

### Retail Lockbox

Rlb Maintenance	lockbox	-
Rlb Image Captive Maintenance	lockbox	-
Rlb Image Archive Maintenance	lockbox	-
Rlb Retail Item	payment	-

Rlb Multiples	payment	-
Rlb Correspondence	document	-
Rlb Check Image Capture	check	-
Rlb Document Image Item	item	-
RRLB Long Term Ck Storage	item	-
RRLB Long Term Doc Storage	item	-
RLB Keyed Document Payment	payment	-
Rlb Additional Reports	report type	-
Rlb File Transmission	transmission	-
Rlb Cash Processing	per box	-
Rlb Image Transmission Maint	lockbox	-
Rlb Image Transmission Record	item	-
Rlb CD ROM	cd	-
Rlb Image Storage First Month	item	-
Rlb Unprocessable Item	item	-
Rlb Courier Deposit	deposit	-
		-

### Wholesale Lockbox

WLB Lockbox Maintenance	lockbox	-
WLB Image Online Maintenance	lockbox	-
WLB Image Capture Maintenance	lockbox	-
WLB Wholesale Item	item	-
WLB Wholesale Item W/Copy	item	-
WLB Correspondence	document	-
WLB Check Image Capture	item	-
WLB Document Image Capture	check	-
WLB Check MICR Capture	keystroke	-
WLB Data Capture Numeric	keystroke	-
WLB Data Capture Alphanumeric	keystroke	-
WLB File Transmission	transmission	-
WLB Postage	item	-
WLB Postage	item	-
WLB Image Transmission Maint	lockbox	-
WLB Image Transmission Record	item	-
WLB CD ROM	cd	-
WLB Image Storage First Month	item	-
WLB Unprocessable Item	item	-
WLB Incoming Courier Package	package	-

WLB Long Term Ck Storage  
WLB Long Term Doc Storage

item	-
item	-
	-

**Network Lockbox (WNLB)**

WNLB Lockbox - Maint  
WNLB Wholesale Item  
WNLB No Check item  
WNLB Document Image Capture  
WNLB Check MICR Capture (service added in September)  
WNLB Data Capture  
WNLB Deposit Preparation  
WNLB Image Transmission Maint (service added in July)  
WNLB Image Transmission Page (service added in September)  
WNLB Data Transmission Item  
WNLB Outgoing Package Prep  
WNLB Postage  
WNLB Rec Edge Maint-Chk/Doc  
WNLB Unprocessable Item  
WNLB Long Term Storage-Check  
WNLB Long Term Storage-B&W Doc  
WNLB Check Clearing

lockbox	114
item	120,224
item	8,560
page	244,607
keystroke	120,239
keystroke	1,458,059
deposit	-
lockbox	38
page	240,195
item	-
package	240
item	3,336
lockbox	179
item	171
item	120,215
page	244,598
item	120,224

**Scannable Lockbox (SNLB)**

SNLB Maintenance

lockbox	84
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SNLB Scannable Item	item	490,229
SNLB No Check Item	item	4,136
SNLB OCR Doc Image Capture	document	515,428
SNLB Document Image Capture	page	-
SNLB Check MICR Capture	keystroke	490,229
SNLB Image Transmission Maint (service added in July)	lockbox	-
SNLB Image Transmission Page (service added in September)	page	-
SNLB OCR Document	item/coupon	-
SNLB Deposit Prepartation	deposit	-
SNLB Data Transmission Item	item	-
SNLB Doc Image Presentment	lockbox	84
SNLB Doc Img Shrt Trm Stor B&W	item	-
SNLB Unprocessable Item (service added in August)	item	7,823
SNLB Long Term Storage - Check	item	490,229
SNLB Long Term Storage - B&W Doc	page	530,157
SNLB Check Clearing	item	490,229

### Depository Services

Credits Posted	item	1,594,618
ICL Deposit Standard	item	1
ICL Deposit Early	item	670
ICL Deposit Late	item	14
Check Deposited-On Us	check	96,645
Checks Deposited-Transit	check	644,532
Dep Checks National FRB Other	check	-

Dep Chks National FRB Select	check	-
Check Encoding	check	-
Deposit Correction	item	-
Dep Checks MICR Reject Repair	check	-
Return Item	item	4,138
Return Alternate Address	check	125
Return Charge Alternate Acct	item	-
Return Item Redeposit	item	1,320
Return Expedited Delivery	item	1,011
Return Multiple Locations	check	169
Return Maker Name	check	102
Return-Email Notification	check	2,535
Return Detail Reporting	item	1,574
Return Image Transmitted	item	3,061
Check Image Deposited	item	84,441
Idd Monthly Maintenace Fee	account	52
Image Group One	item	554,908
On-US Standard	item	46,671
Ird Period One	item	50
Ird Period Two	item	-
Image Group Two	item	544,901
Image Group Two-Tier 2	item	423,117
IRD Select	item	-
On US Premium	item	218,021
Ird Period Three	item	-
Image Group One-Period Two	item	2,010

Image Group One-Period Three

item	8,414
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Image Quality Suspect Items

item	11,737
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Non-Conforming Image Items

item	1,373
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ACH Eligibility Testing/Filter

item	3,042
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Data Download

account	-
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**Disbursement Services**

Checks/Debits Posted

item	665,681
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Controlled Disb Funding

transfer	3,152
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Check Photocopy Retrieval

item	-
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Controlled Disb Acct Maintenance

account	108
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Check Print Online Maintenance

account	25
---------	----

Check Print Maintenance

account	-
---------	---

Controlled Disb Check Posted

item	532,199
------	---------

Range Stop Payment-Electronic

stop	18
------	----

Commercial Check Cashing

check	-
-------	---

Stop Pmnt Automatic Renewal

stop	44,212
------	--------

Stop Payment-Manual

stop	7
------	---

Range Stop Payment-Manual

stop	3
------	---

Check Cashing Non-Acct Holder

check	-
-------	---

Stop Payment Automatic Renewal

stop	-
------	---

Image Transmission Per Trans

transmission	296
--------------	-----

Image Transmission Per Item

item	428,283
------	---------

Pws Imaging Maintenance

account	-
---------	---

Image Retrieval Per Retrieve

check	845
-------	-----

PWS Image Retrieval>91 Day  
 Check Print File Upload  
 Check Print Register File (Service added in May)  
 Check Print Input File (Service added in May)  
 Check Print Per Item  
 Paper Check Return Items  
 Data Download  
 PWS Exception-notif-Acct  
 Stop Payment-Electronic  
 PWS Check Inquiry Maintenance  
 PWS Recon Report/Stmt Maintenance

item	531
per file	46
file	53
file	53
check	35,726
item	-
account	180
account	297
item	5,530
# of modules	432
account	480

### Reconciliation Services

Deposit Recon Maintenance  
 Deposit Recon Items  
 Positive Pay No Recon-Maintenance  
 Payee Name Verification  
 Check Exeception Return  
 Check Sort By Serial Number  
 Check Serial Sort Maintenance  
 Image Capture Per Item  
 CD ROM  
 CD ROM Additional Media  
 CD Rom Maintenance

account	24
item	90,921
item	-
item	181,394
item	908
item	-
account	-
item	1,226,890
cd	154
cd	25
account	153

Full Reconciliation Maintenance	account	254
Partial Reconciliation Maintenance	account	192
Full Reconciliation-Per Item	item	637,027
Partial Reconciliation-Per Item	item	544,020
Issue Input File With Recon	file	2,720
ARP Reject Key Entry	item	6
Data Entry-Manual	item	95
Output File	file	1,180
ARP Custom Report	item	-
Additional Reconciliation	account	16
Exception Item	item	975
ARP Shipping Prep Fee	account	149
Excessive ARP Rejects	item	-

### Funds Transfer Services

Elec Fed Debit S/T	item	2,027
Elec Fed Debit Repair	item	2
Elec Chip Debit S/T	item	390
Elec Chip Debit Repair	item	-
Elec Book Debit S/T	item	249
Elec Book Debit Repair	item	11
Fed Credit S/T	item	7,214
Fed Credit Repair	item	410
Chips Credit S/T	item	652

CHIPS Credit Repair (Service added in December)	item	53
Book Credit	item	2,156
Direct Delivery Wire Notify 1-2	item	4,214
Mail Debit Advice	item	210
Mail Credit Advice	item	474
Phone Outgoing Intl NonRep Wire	item	86
Bank Initiated Fed Debit (Phone Outgoing Nonrep Wire)	item	-
Bank Initiated Chip Debit	item	1
Bank Initiated Acc Debit Transfer	item	-
Elec. International Debit	item	-
Bank Initiated Book Debit	item	-
Electronic Fx Debit	item	-
Bank Initiated Fed Debit	item	3
Internal DLI Fed S/T	item	-
Internal DLI CHIP S/T	item	-

**Automated Clearing House**

Ird Creation	item	-
Dpc Maintenance	account	8
JPM ACCESS ACH Maintenance	account	118
Darc Item Originated	item	5,531
Debit Originated-JPM ACCESS	item	500,830
ACH Debits\Credits Originated	item	3,742,505
Credit Originated-JPM ACCESS	item	2,656,605
Addenda Record	addenda	230,645
Return Item Redeposit	item	20,671

Return Item	item	13,268
Dpc ACH Return	item	16,093
Dpc Electronic Resubmit	item	38
ACH Return Email Notification	item	315
Return Item Notif-Transmission	item	12,823
ACH Return US Mail Notif	item	3,747
Return Item Notif-Fax	item	247
TOCPC Apc Item	item	11,550
File Processing	file	2,405
Deletion/Reversal - Manual (service added in July)	item	5,065
ACH Deletion	item	19
ACH Reversals	item	-
ACH Daily Transmission Journal	report	105
One Net ACH Setups	account	-
Debit Block Maintenance	account	1,049
ACH Ada Authorized ID	item	20,910
Arc Swap of Data	item	2,273
ACH Email Noc	item	-
ACH Noc Trans Reporting	item	-
Notification of Change - Email (service added in July)	item	142
Notification of Change - Transm (service added in July)	item	16,437
ACH US Mail Noc	item	1,875
Notification Of Change-Fax	item	332
Arc Hardward Fee	item	-
Idd or Dpc New Application	item	-

**PaySource/Paystream**

P\$ Monthly Maintenance	account	18
P\$ File Processing	item	680
EDI Transmission Items	item	65,371
P\$ Payment Addenda	addenda	1,163,531
P\$ EDI Payment Orig Debt	item	646,153
P\$ Email Advising	item	6,428

**Receiptstream/Enh Rec Svcs**

R\$ EDI Rcvng Monthly Maint	account	64
R\$ EDI Fax Report	item	257
R\$ File Processing	item	954
R\$ Segment Fee	item	296,333
R\$ EDI Rptg Segment-NACHA	item	1,493,835
R\$ EDI Advice Add'l Page (Added November)	page	37,208
EDI Detail Report-JPM Access	item	403
R\$ EDI Email Report	item	8,744

**JP Morgan ACCESS**

Acct Maint Fee-45 day History	account	
Acct Maint Fee-90 day History	account	-
Acct Maint Fee-10 day History	account	-
Transaction Reported	item	-

User Module Fee	month	
ACH Returns Report Fee	report	
Special Report Fee	account	-
Account Maintenance	account	1,114
Trans Reported - 45 Day	item	1,540,732
Trans Reported - 90 Day	item	2,132,565
Trans Reported - 1 Year (Added November)	item	1,519,383
TOC Special Report Line	item	14,910
Business Fax Prior Day Acct	account	
Cont Disb Check Reported (added July 2014)	account	41,632
Business Fax Prior Day Maint	account	

### BAI/SWIFT/Iso Reporting

File Transmission-IRIS	file	1,392
Dt per Account Charge	account	30
BAI Per Check Item Charge	item	86,744
Dt per Check Item Charge (service added in July)	item	6,682
BAI Prior Day Extended Detail (service added in July)	item	-
BAI Prior Day Transactions (service added in September)	item	-
Dt Prior Day Extended Detail	item	21,823
Dt Prior Day Transactions	item	-
Check Items Reported	item	-
Extended Detail	item	-
Non-Check Items Reported	item	-

### International Services

Foreign Check Return (CAD)

check	3
-------	---

Deposited Check-Canadian

check	108
-------	-----

**Chase Online Services**

CCO Standard Monthly Service

account	-
---------	---

**Other Charges and Credits**

Miscellaneous Services PWS CKP Postage

State & Local Sales Tax

Line Item credit - Dept of Agriculture & Forestry

WLB Special Processing (credit on May invoice for Labor)

Line Item Credit


**57,262,086**

**Appendix II: Matrix of Current Banking Services**

See attached PDF

**Appendix III: Sample Investment Report**

See attached PDF

**APPENDIX IV FIRREA Documentation**  
**SECURITY AGREEMENT FOR**  
**THE COLLATERALIZATION OF PUBLIC FUNDS**

This Security Agreement is entered into as of \_\_\_\_\_, 20\_\_ between [NAME OF FINANCIAL INSTITUTION] \_\_\_\_\_, [ADDRESS] \_\_\_\_\_, [TAX I.D. NUMBER \_\_\_\_\_], ("Bank"), together with [any successors or assigns], and Department of Treasury, State of Louisiana or any agency or related entity, (the "Public Depositor").

WHEREAS, Bank has agreed to accept deposits from Public Depositor and, pursuant to LA .R.S. 49:301 et seq., including without limitation LA R.S. 49:319, and other applicable laws as amended from time to time (the "Public Funds Law"), Public Depositor must require as security for such deposits certain types of collateral.

NOW, THEREFORE, the parties hereto agree as follows:

1. PLEDGE OF COLLATERAL. As security for current and future deposits by the Public Depositor with Bank and interest thereon (collectively, the "Public Funds" or the "Secured Obligations"), Bank grants a first priority continuing security interest in favor of Public Depositor in the following property, together with any and all additions thereto, and replacements or substitutions therefor, and proceeds thereof (the "Collateral"):

CUSTODIAL ACCOUNT: Any and all of Bank's existing and hereafter acquired rights to the following custody account(s) and any substitute account(s) into which any securities described below are deposited:

Account Title and Number

Name/Location of Custody Account

---

[additional accounts may be listed on separate paper and attached to this Agreement.]

(collectively, the "Custodial Account(s)"); and

CASH AND OTHER PERSONAL PROPERTY: Any and all of Bank's existing and hereinafter acquired rights to cash, securities (whether certificated or uncertificated), and certificates of deposit or other property, segregated for the benefit of Public Depositor and held in the custodial accounts, including those listed on Attachment "A" together with any additions and substitutions thereto.

2. DELIVERY AND POSSESSION OF COLLATERAL. Bank has delivered and will deliver in the future Collateral in the form of securities, cash and other property of the kind and character acceptable to Public Depositor having an investment grade rating of Baa

or BBB or better according to a generally accepted source such as Moody's or Standard & Poor's and sufficient market value to equal at least 102% of the collected amount of Public Funds not insured by any United States governmental agency insuring bank deposits. Without limiting the foregoing, Bank will immediately deliver additional Collateral at any time that the market value of the Collateral falls below such 102% threshold as a result of the surrender to Bank of principal payments and prepayments on mortgage backed securities that make up a portion of the Collateral.

The types of Collateral acceptable to Public Depositor are listed on Attachment "B" hereto, which attachment may be amended from time to time by Public Depositor by delivery of a new attachment to Bank. Any securities acceptable at the time delivered as Collateral, may be retained as Collateral although excluded from such new attachment; provided however that all other standards are and shall continue to be met as provided in this Security Agreement, and further provided that any securities tendered as Collateral shall at the time tendered meet all such requirements and be included on Attachment "B" in effect at that time.

Bank shall deliver such collateral to Public Depositor or, upon written approval of Public Depositor, may deposit such Collateral with a federally insured bank or trust company (a "Non-Fed Custodian") or with the Federal Home Loan Bank in Dallas or the Federal Reserve Bank or one of its branches (each, a "Federal Custodian") (collectively, the "Custodian").

Collateral deposited with a Non-Fed Custodian shall be held under joint safekeeping or custody receipts provided to and acceptable to Public Depositor. Collateral deposited with a Federal Custodian shall be held in a joint custody account as established by the Federal Custodian for collateral to secure public funds and evidenced by a joint or safekeeping custody receipt. Collateral held by any Custodian, as herein described, shall be deemed to be under the control and in the possession of Public Depositor. Public Depositor designates the Custodian as its agent for purposes of holding the Collateral in accordance with the terms hereof.

3. CHANGES IN COLLATERAL. Bank may (i) add Collateral at any time by delivering such additional Collateral to Public Depositor or the Custodian, as applicable; (ii) secure the release of Collateral with the written approval of Public Depositor, which approval shall not be unreasonably withheld, by delivering to the Custodian a fully executed approval letter substantially in the form of Attachment C; and (iii) as permitted in accordance with La. R.S. 10:8-106 (f), may substitute as Collateral by delivering securities of the type listed on Attachment "A" of like kind and market value as the securities for which they are to be substituted, provided that Bank shall notify Public Depositor of such substitution at same time Bank initiates the substitution, but in no event later than 5:00 PM central time on the date such substitution occurs. Public Depositor further acknowledges and agrees that certain Collateral may from time to time be subject to

repurchase in accordance with accepted industry standards and practices, and that in such case Bank shall substitute replacement Collateral for any Collateral sold pursuant to such a repurchase agreement. Bank hereby grants a first priority continuing security interest in any additional, and substitute or replacement Collateral delivered pursuant to this Section in favor of the Public Depositor to secure the Secured Obligations.

4. ADDITIONAL SECURITY INTEREST DOCUMENTS. Bank will execute, on written demand by Public Depositor, such additional instruments as may be reasonably required by Public Depositor on any substitutions for or additions to any of the Collateral.

5. REPORTS. Bank shall provide reports on a monthly basis stating the type of Collateral pledged to Public Depositor, the CUSIP Number, interest rate, maturity, par value and market value, determined pursuant to state law, of any securities constituting Collateral, and other information as may be reasonably requested by Public Depositor. With respect to Mortgage Backed Securities (MBS), Bank shall also provide the par value, pledged par value, and market value of each such security.

6. CONTINUING SECURITY INTEREST/TERMINATION. The security interest granted hereby shall continue to exist until either: (a) the written notification by Bank to Public Depositor of its intent to no longer act as a depository for Public Funds and termination of all accounts of Public Depositor with Bank, or (b) the written notification by Public Depositor to Bank of its intent to terminate its customer relationship with Bank and the removal of all of its Public Funds from deposit with Bank.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS. Bank represents and warrants to Public Depositor that:

- (a) Except as otherwise permitted under this Agreement, it owns the Collateral free and clear of any liens, claims, restrictions or encumbrances;
- (b) It will not sell, mortgage, encumber or otherwise alienate, substitute or release any of the Collateral, except as provided in this Agreement; and
- (c) It is duly authorized to enter into this Agreement and will maintain in its official records evidence of the due authorization of this Agreement and the granting of a continuing security interest in the Collateral, all in compliance with the provisions of 12 USC 1823(e).

8. FAILURE TO MAINTAIN ADEQUATE COLLATERAL. If Bank fails to maintain adequate Collateral as required by Section 2 hereof and such failure is not cured within five (5) business days of notice by Public Depositor to Bank, then Public Depositor shall have the right to withdraw its collected Public Funds from Bank without payment of any withdrawal penalty, other than penalties the waiver of which is prohibited by law.

9. EVENT OF DEFAULT; REMEDIES/CONFESSION OF JUDGMENT.

Upon occurrence, the appointment of a receiver or conservator under federal and/or state banking or similar laws, or the initiation by or against Bank of any liquidation or dissolution proceeding, shall constitute an Event of Default by Bank, and Public Depositor thereupon may take possession of and sell Collateral of a value equal to the Secured Obligations at either public or private sale, with or without advertisement or notice to Bank, and apply the proceeds to the payment of the Secured Obligations. The sale may be in any place chosen by the Public Depositor, and shall convey the Collateral absolutely to the purchaser.

If and when a receiver or conservator is appointed for Custodian under federal and/or state banking or similar laws, or there is commenced by or against Custodian any liquidation or dissolution proceeding, Bank shall as soon as practicable transfer the Securities to such other Custodian as designated by Public Depositor. If the Securities are returned to Bank, Bank shall hold the Securities in trust as trustee on behalf of Public Depositor and Bank shall, as soon as practicable, transfer the Securities to such other custodian as designated by Public Depositor.

Bank hereby confesses judgment in favor of Public Depositor or any successor thereto for the full amount of the Secured Obligations and authorizes Public Depositor to cause all or any portion of the Collateral to be seized and sold under executory process with or without appraisal, appraisal being hereby expressly waived, as an entirety or in parcels, as Public Depositor may determine, to the highest responsible bidder for cash. All usual and necessary expenses and commissions incurred by Public Depositor, including attorney's fees, in connection with any action hereunder may be deducted from the proceeds of the sale and shall constitute Secured Obligations. Upon sale of the Collateral and reimbursement of Public Depositor for the full amount of the Secured Obligations and all expenses and commissions, any excess funds received as a result of such sale shall be delivered to Bank.

In addition, Public Depositor shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

10. MISCELLANEOUS. This Agreement shall be construed according to the laws of the State of Louisiana. Any failure by the Public Depositor to insist on strict performance by Bank of any of the terms and provisions of this Agreement, shall not be deemed to be a

waiver of any of the terms and provisions thereof, and Public Depositor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Bank of any and all of the terms and provisions of the agreements to be performed by Bank. In the event of any conflict between the provisions of this Agreement and Bank's rules and regulations governing deposits, the provisions of the Agreement shall govern.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year indicated above.

Bank:

\_\_\_\_\_

By:

\_\_\_\_\_

Public

Depositor:

\_\_\_\_\_

By:

\_\_\_\_\_

This Security Agreement  
was approved by Bank's  
Board of Directors or  
Executive Loan Committee on

\_\_\_\_\_

### **DESIGNATION OF CUSTODIAN**

Bank and Public Depositor hereby agree that the bank designated below may serve as Custodian under the terms of this Agreement.

Custodian\_\_\_\_\_

Address\_\_\_\_\_

Telephone\_\_\_\_\_

Fax\_\_\_\_\_

E-mail\_\_\_\_\_

RESOLUTION BY THE BOARD OF DIRECTORS  
FOR COLLATERALIZATION OF PUBLIC FUNDS

At a duly convened meeting of the Board of Directors of (“Bank”), on the \_\_\_ day of \_\_\_\_\_20\_\_\_, at which a quorum was present, the following resolutions, upon a motion duly made and seconded, were adopted and entered into the minutes of Bank.

WHEREAS, Bank has agreed to serve as fiscal agent for the deposit of funds of the Department of Treasury of the State of Louisiana and its agencies and related entities (collectively the “Public Body”), which funds may now or in the future be deposited with Bank in the accounts listed or identified by number on Attachment “A” hereto, and any other accounts that may be added by the Public Body at any time from the date of these resolutions, and

WHEREAS, in accordance with state law, Bank desires to secure the funds deposited by Public Body with the Bank by granting to the Public Body a first priority continuing security interest in securities acceptable to the Public Body.

THEREFORE, BE IT RESOLVED, that \_\_\_\_\_ and of the Bank are hereby authorized, empowered and directed to grant a first priority security interest to the Public Body in such assets owned by the Bank as required by state law to be delivered to and held by the Public Body, or its agent, as a pledge to guarantee and secure the payment by the Bank of all deposits made with it by the Public Body, and that such officers are further authorized, empowered and directed, from time to time, to deposit other and additional assets and grant a security interest therein whenever required by the Public Body or state law and to make substitutions of any pledged assets in accordance with the terms of the Security Agreement of the Collateralization of Public Funds (the “Security Agreement”) attached hereto and made a part hereof;

BE IT FURTHER RESOLVED, that such officers are hereby authorized, empowered and directed, on behalf of the Bank, to enter into and execute any and all documents required by the Public Body to fulfill the purpose of the foregoing resolution, including without limitation the Security Agreement, and all reasonable amendments thereto and variations thereof made in their discretion, and to take all such other actions to fulfill the Bank’s obligations under the Security Agreement as such officers shall, in their sole discretion deem necessary or desirable.

BE IT FURTHER RESOLVED, that \_\_\_\_\_ is hereby appointed to act as Custodian of the securities pledged by the Bank to the Public Body in accordance with the terms set forth in the Security Agreement;

[the following resolution should be adopted if the Custodian is not a federal agency]

[BE IT FURTHER RESOLVED, that \_\_\_\_\_ and \_\_\_\_\_ are hereby authorized, empowered and directed, on behalf of the Bank, to enter into and execute the Custodian Agreement (the "Custodian Agreement"), attached hereto and made a part hereof, and all reasonable amendments and variations thereof made in their discretion, and to deliver to the Custodian the securities pledged to the Public Body pursuant to the terms of the Security Agreement to be held by it on behalf of the Public Body;]

[the following resolution should be adopted if the Custodian is a federal agency]

[BE IT FURTHER RESOLVED, that the resolutions approving the appointment of as Custodian attached hereto are hereby adopted in their entirety as if fully stated herein;]

BE IT FURTHER RESOLVED, that the execution by the Bank of an application to act as fiscal agent for the Public Body is hereby approved and ratified, effective as of \_\_\_\_\_, the initial date of such pledge;

BE IT FURTHER RESOLVED, that all actions heretofore taken by the officers of the Bank with respect to the actions described in the foregoing resolutions are hereby ratified, approved and confirmed as the valid and binding acts and deeds of the Bank; and

BE IT FURTHER RESOLVED that these resolutions shall be included in the minutes of this Board of the Bank and the fiscal agent application, the Security Agreement [and the Custodian Agreement] shall constitute official records of this Bank in accordance with Section 1823(e) of the Federal Deposit Insurance Act, as amended.

I, \_\_\_\_\_, Secretary of the Bank, do hereby certify that the above resolutions duly adopted on \_\_\_\_\_, 20\_\_ constitute a true and correct copy of the official corporate resolutions.

—

\_\_\_\_\_

Secretary

## CUSTODIAN AGREEMENT

This Custodian Agreement (the "Agreement") is entered into by and among \_\_\_\_\_ ("Bank"), the Louisiana Department of the Treasury ("Public Depositor") and \_\_\_\_\_ ("Custodian") as of this \_\_\_\_ day of \_\_\_\_\_, 20--.

WHEREAS, Bank and Public Depositor have entered into a Security Agreement for the Collateralization of Public Funds (the "Security Agreement") dated , 20--\_, providing for the pledge of securities to Public Depositor to secure the repayment of funds deposited by Public Depositor with Bank; and

WHEREAS, Public Depositor and Bank wish to appoint Custodian as agent for Public Depositor to hold in custody on behalf of Public Depositor certain securities (the "Securities") pledged by Bank to Public Depositor pursuant to the Security Agreement in accordance with the terms set forth below.

NOW, THEREFORE, the parties hereto agree as follows:

1. Public Depositor and Bank hereby appoint Custodian, and Custodian hereby accepts such appointment, to act on behalf of Public Depositor as custodian of the Securities in which Public Depositor has a perfected security interest, described in the Security Agreement; Custodian further agrees to hold such Securities under joint safekeeping receipts and apply the same, or any substitutions therefore, or additions thereto, for the purpose set forth in the Security Agreement, upon the terms and conditions hereinafter contained.

2. No Securities at any time held by Custodian hereunder shall be released without the written approval of Public Depositor, which approval shall not be unreasonably withheld, by delivering to the Custodian a fully executed approval letter substantially in the form of Attachment "C" to the Security Agreement. However, unless and until Custodian receives notice from Public Depositor, as provided herein, Bank may substitute Collateral by providing securities of the type listed on Attachment A of the Security Agreement of like kind and market value as the securities for which they are to be substituted, as permitted in accordance with La. R.S. 10:8-106 (f), provided that Bank shall notify Public Depositor of any substitution at the same time Bank initiates the substitution, but in no event later than 5:00 PM Central Time on the date such substitution has been completed, and further provided that Custodian shall notify Public Depositor of any substitution at the same time Custodian receives instructions from Bank to initiate substitution.

3. (a) After receipt from Public Depositor of a written demand, Custodian shall immediately deliver to Public Depositor the Securities held hereunder, or such portion thereof as may be demanded, for the purpose of protecting Public Depositor against loss by reason of the default of Bank as specified in the Security Agreement; and Custodian shall immediately disregard any further notice or instruction by or on behalf of Bank. Such

demand shall state the dollar amount of the collected balance of Public Depositor's accounts with Bank as of the date of the demand and any costs or expenses for which Public Depositor is entitled to reimbursement under the Security Agreement, and the request that Custodian deliver to Public Depositor, for sale by Public Depositor, Securities with a market value equal to or greater than such reported balance and costs and expenses.

(b) If and when a receiver or conservator is appointed for Custodian under federal and/or state banking or similar law, or there is commenced by or against Custodian any liquidation or dissolution proceeding, Custodian shall as soon as practicable transfer the Securities to such other custodian as is designated by Public Depositor upon receipt of written demand by Public Depositor. If the Securities are delivered to Bank, Bank shall hold the Securities in trust as trustee on behalf of Public Depositor and Bank shall, as soon as practicable transfer the Securities to such other custodian as is designated by Public Depositor.

4. Custodian shall receive a fee for its services hereunder as set forth on Attachment "1" hereto. Custodian under no circumstances shall be held responsible to Public Depositor or Bank for any loss arising from any cause whatsoever except such as may arise solely from its failure to comply with the terms and conditions in this Custodian Agreement, or from its negligence, or willful misconduct, or that of its officers, employees or duly authorized agents.

5. Until receipt of notice by Public Depositor under paragraph 3(a), Custodian shall send to Bank all income on the securities at any time held hereunder. Further, Custodian shall send to Bank all periodic coupon income on securities and all principal payments and prepayments on mortgage-backed securities at any time held hereunder. After receipt of the notice, under paragraph 3(a), Custodian shall hold all such income, periodic coupon income and repayments for the benefit of Public Depositor.

6. Whenever the written consent of Public Depositor or Bank is required hereunder, the written consent of any authorized representative or agent of Public Depositor or of Bank, as specified in writing to Custodian by Public Depositor and Bank from time to time, shall satisfy such requirements.

7. The parties hereto bind themselves and their successors and assigns, including any acquirer of the deposits of Bank, for the faithful performance of the terms and conditions of this Agreement.

8. (a) This Agreement shall automatically terminate upon termination of the Security Agreement. Notice of termination of the Security Agreement shall be provided to Custodian by Public Depositor as soon as practicable. Custodian shall not honor any purported notice of termination from Bank.

(b) This Agreement shall terminate upon delivery by Custodian of the Securities to Public Depositor pursuant to Paragraph (3) hereof;

(c) Further, this Agreement may be terminated 10 days after receipt of written notice from Bank and Public Depositor to Custodian.

(d) This Agreement may be terminated 30 days after receipt of written notice from Custodian to Public Depositor and Bank.

(e) Upon termination, Custodian shall immediately transfer the Securities to such other Custodian as is designated by Public Depositor. If the Securities are delivered to Bank, Bank shall hold the Securities in trust as trustee on behalf of Public Depositor and Bank shall, as soon as practicable, transfer the Securities to such other Custodian as is designated by Public Depositor.

9. This Agreement is not intended, and shall not be construed, to constitute Custodian as a fiscal agent of Public Depositor.

10. This Agreement shall be construed according to the laws of the State of Louisiana.

11. Order of interpretation.

1. The Contract will be awarded to the responsible proposer whose proposal conforms to the RFP, and is the most advantageous to the state, price and other factors taken into consideration.

2. The State Treasurer's Office reserves the right to reject any and all proposals and to waive informalities and minor irregularities in proposals received.

12. Any notices, including quarterly collateral statements, shall be sent to the respective parties at the following addresses:

Public Depositor Address

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

Custodian Address:

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

Bank Address:

\_\_\_\_\_

13. Legislative Auditor Requests. The Bank and Custodian shall, to the extent permitted by law, cooperate fully with the Legislative Auditor of the State of Louisiana and with any and all auditors or examiners employed by the Public Depositor (collectively, the "Auditor"). The Bank and Custodian shall make available to the Auditor at the Bank's and

Custodian's respective headquarters during normal business hours, and/or provide copies of, any or all documents requested by the Auditor under this authority. The Bank and Custodian shall cooperate with regard to any audits or investigation requested by the Auditor with respect to any and all accounts of the Public Depositor.

IN WITNESS WHEREOF, the Public Depositor and Bank have caused this instrument to be executed by their duly authorized officers as of the date first written.

Public Depositor:

By: \_\_\_\_\_

Bank:

By: \_\_\_\_\_

Accepted and Approved:

Custodian:

By: \_\_\_\_\_

**Appendix V**  
ACCEPTABLE COLLATERAL  
COLLATERALIZATION FOR STATE DEPOSITS

ACCEPTABLE SECURITIES

- I. Direct Obligations of the U.S. Treasury
  - A. Treasury Bills, Notes, Bonds and Strips (Separate Trading of Registered Interest and Principal of Securities).
  
- II. Obligations of U.S. Government Agencies and Government Sponsored Enterprises from a list published by the Treasurer in Louisiana Administrative Code, Title 71 Treasury Public Funds, Chapter 5 Permissible Investments, Section 501 U.S. Government Agency Obligations , Paragraph A
  - A. Government National Mortgage Association (GinnieMae, GNMA);
  - B. Federal Agriculture Mortgage Corporation (FAMC);
  - C. Farm Credit Financial Assistance Corporation (FCFAC);
  - D. Farm Credit System Banks (FFCB);
  - E. Farmers Home Administration (FmHA);
  - F. Federal Home Loan Banks (FHLB);
  - G. Federal Home Loan Mortgage (FreddieMac, FHLMC);
  - H. Financing Corporation (FICO);
  - I. Federal Land Bank Bonds (FLBB);
  - J. Federal National Mortgage Corporation (FannieMae, FNMA);
  - K. Resolution Funding Corporation (REFCO);
  - L. Small Business Administration (SBA);
  - M. Federal Deposit Insurance Corporation (FDIC);
  - N. Tennessee Valley Authority (TVA);
  
- III. Municipal Bonds
  - A. Bonds of the State of Louisiana, however secured, including State Agencies, with a minimum investment grade rating of Baa (Moody's)/BBB(Standard & Poor's). Certain exceptions are enumerated hereinafter.
  - B. Tax supported bonds of Parishes, Municipalities, School Boards and other Political Subdivisions of the State.
  
- IV. Letters of Credit from a Federal Home Loan Bank issued to the Treasury of the State of Louisiana. (No Pledges of Letters of Credit).

UNACCEPTABLE SECURITIES

- I. Bonds or other securities in default, either in principal or in interest
- II. Non-Federal out-of-state bonds or notes
- III. Securities without a readily determinable market value from a party independent of the issuer and the State Treasury
- IV. Money Market Instruments
  - A. Bankers Acceptances
  - B. Certificates of Deposit
  - C. Commercial Paper
- V. International Obligations
- VI. Pledges of Letters of Credit

NOTES (IN ALL CAPS FOR EMPHASIS)

NOTE 1: MARKET VALUE EXCLUDES ANY ACCRUED INTEREST ON THE SECURITIES.

NOTE 2: STRIPS MUST MATURE IN 10 YEARS OR LESS.

NOTE 3: THE TREASURY WILL ACCEPT AS COLLATERAL SUCH SECURITIES ISSUED BY THE NAMED AGENCIES SUCH AS DISCOUNT NOTES, NOTES, DEBENTURES, BONDS, PARTICIPATION CERTIFICATES, MORTGAGE-BACKED SECURITIES, COLLATERALIZED MORTGAGE OBLIGATIONS (SEQUENTIAL TRANCHES AND PLANNED AMORTIZATION TRANCHES ONLY), REAL ESTATE MORTGAGE INVESTMENT CONDUITS (SEQUENTIAL TRANCHES AND PLANNED AMORTIZATION TRANCHES ONLY), ADJUSTABLE RATE MORTGAGES, FLOATING RATE NOTES, AND STEP-UP NOTES OF VARIOUS MATURITY, CALL AND PUT FEATURES.

NOTE 4: THE STATED MATURITY OR THE AVERAGE LIFE OF ANY COLLATERALIZED MORTGAGE OBLIGATIONS (CMOs) OR REAL ESTATE INVESTMENT CONDUITS (REMICS) MAY NOT EXTEND BEYOND 15 YEARS UNDER ANY STANDARD PREPAYMENT MODEL OR STRESS TEST.

NOTE 5: CMOs AND REMICS ARE TO BE AGENCY ISSUED, NOT TO BE CONFUSED WITH PRIVATE LABEL CMOs WHOSE UNDERLYING INVESTMENTS MAY BE AGENCY SECURITIES.

NOTE 6: UNDER NO CIRCUMSTANCES WILL THE TREASURY ACCEPT ANY RESIDUALS, INTEREST ONLY, PRINCIPAL ONLY, INVERSE FLOATER, STRUCTURED NOTE, COMPANION TRANCHES, TARGETED AMORTIZATION CLASS (TAC) TRANCHES, ZERO COUPON BONDS, OR MORTGAGE-BACK STRIPS ISSUED BY ANY OF THE NAMED AGENCIES.

**Appendix VI**  
**SAMPLE RELEASE AND SUBSTITUTION DOCUMENT**

Department of Treasury  
 State of Louisiana  
 P.O. Box 44154  
 Baton Rouge, Louisiana 70804

Attn: Investment Officer

Please instruct the Federal Reserve Bank of Boston (fax # 877-973-8972) to release and substitute the following collateral against your deposits at \_\_\_\_\_ Bank.

Collateral Released:

CUSIP	Description/Coupon/Maturity	Original Par Amount	Current Par Amount	Market Value

Collateral Substituted:

CUSIP	Description/Coupon/Maturity	Original Par Amount	Current Par Amount	Market Value

The reason for the release is checked below:

- Security matured or called
- Security being sold

The security will be held at the Federal Reserve Bank of Boston, in your account: F\_\_\_\_.

Sincerely,

Investment Manager

**Appendix VII  
APPLICATION FOR DESIGNATION BY  
THE INTERIM EMERGENCY BOARD  
AS A STATE DEPOSITORY/FISCAL AGENT  
FOR THE PERIOD JULY 1, 2011, TO JUNE 30, 2016**

**Name of Financial Institution:** \_\_\_\_\_

**Mail Address:** \_\_\_\_\_

**City, State, Zip Code:** \_\_\_\_\_

The above named financial institution does hereby make application to the Interim Emergency Board for designation as a State Depository/Fiscal Agent under the provisions of Sections 317 and 320 of Title 49 of the Louisiana Revised Statutes of 1950. Said designation shall take effect upon approval of the Interim Emergency Board and shall expire on a date determined by the Board unless the Louisiana Department of the Treasury recommends the revocation of said designation prior to that date.

The undersigned agrees that the above named financial institution shall:

- (a) Maintain deposit insurance through the Federal Deposit Insurance Corporation or the National Credit Union Administration or their successors and shall notify the Department of the Treasury immediately, in writing, if such deposit insurance is to be terminated and
- (b) Maintain collateral for any funds on deposit by any state depositing authority (as defined by Section 319 of Title 49 of the Louisiana Revised Statutes of 1950) which shall exceed at any time the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration by the pledge of securities in the manner provided by R.S. 6:748.1 and R.S. 49:321.

Attached to and as a part of this official application is the following documentation:

**For Banks:** The twelve-month Consolidated Report of Condition and Income as of December 31 for the preceding two years.

**For Savings and Loan Associations:** The twelve-month Office of Thrift Supervision Thrift Financial Report as of December 31 for the preceding two years.

**For Credit Unions:** The Year-End Statement of Financial Condition as of December 31 for the preceding two years.

**The undersigned does hereby declare that this application is true to the best of his/her knowledge and belief and that the above named institution agrees to comply with the conditions and statutes prescribed above.**

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Area Code and Telephone Number

\_\_\_\_\_  
Name and Title of Officer

\_\_\_\_\_  
Date of Application

***Return this completed original application, one photocopy of it and only one copy of the required documentation to:***

Interim Emergency Board  
Post Office Box 44500  
Baton Rouge, Louisiana 70804-4500