WEST VIRGINIA STATE TREASURER'S OFFICE

REQUEST FOR PROPOSALS (RFP) STO19B
for

WEST VIRGINIA
MEDICAL CANNABIS BANKING SESRVICES

SCHEDULE OF EVENTS

Event:	Date:	Time:
RFP Release Date:	June 28, 2019	
Deadline for Vendor Questions:	July 10, 2019	4:00 p.m. ET
Release of Addendum: (STO Response to Vendor Questions)	July 15, 2019	
Proposals Opening Date and Time:	July 31, 2019	1:00 p.m. ET

Any proposal not received by the date and time specified in the RFP will be disqualified.

A copy of the RFP (including all attachments) and all addenda to the RFP will be placed on the STO website www.wvsto.com/RFP-RFQ. Addenda may also be emailed to any Vendor to whom the STO has sent a copy of the RFP. It is the Vendor's responsibility to check the site to make sure to respond to any addenda.

All inquiries and submissions regarding this RFP must be sent to the Purchasing Agent.

PURCHASING AGENT: For purposes of this RFP, the Purchasing Agent and sole point of contact is:

Wilma Harrison, Purchasing Agent
West Virginia State Treasurer's Office
1900 Kanawha Boulevard, East, E-145
Charleston, WV 25305
E mail: Wilma.harrison@wvsto.com
Telephone: (304) 341-0745
FAX: (304) 341-7094

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WEST VIRGINIA STATE TREASURER'S OFFICE

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MEDICAL CANNABIS BANKING SERVICES

I. GENERAL INFORMATION

1.1 RFP Objective

The West Virginia State Treasurer's Office (STO, Treasurer or Agency) has issued this Request for Proposals (RFP) to seek proposals from qualified entities (Vendors) to provide two (2) demand deposit accounts (DDAs), one (1) disbursement account and one (1) receipt account. These accounts will support certain banking functions necessary for the processing of State of West Virginia funds related to The West Virginia Medical Cannabis Act ("Act"), W. Va. Code § 16A-1-1 *et seq.*, (Services), in accordance with the specifications, terms and conditions contained herein.

This procurement is exempt from the requirements of the West Virginia Purchasing Division pursuant to *W.Va Code §12-3A-3*.

1.2 Term

The initial term will be for three (3) years with the option of renewing or extending upon the mutual written agreement of the parties for additional one (1) year periods, or until such time as the Treasurer awards a purchase order pursuant to an RFP or transfers the funds held to another financial institution.

1.3 RFP Contents

The RFP provides information on the **Services**, including, without limitation, background and general information, Vendor instructions, specifications for the Services (including Mandatory Requirements in Section 3.3), general terms and conditions, special terms and conditions, evaluation, and Vendor protests. In addition, the RFP contains the following Attachments:

Attachment 1: WVSTO RFP INFORMATION (Vendor Instructions, Evaluation and Protests)
Attachment 2: WVSTO RFP GENERAL TERMS & CONDITIONS

Attachment 3: WVSTO RFP SPECIAL TERMS AND CONDITIONS
Attachment 4: WVSTO RFP TECHNICAL PROPOSAL FORM
Attachment 5: WVSTO RFP COST PROPOSAL FORM
Attachment 6: WVSTO STO-96 (Agreement Addendum)
Attachment 7: Purchasing Affidavit
Attachment 8: Glossary of RFP Terms
Attachment 9: Attorney General Letter
Attachment 10: Committee Substitute for House Bill 2538
Attachment 11: Paid File Layout
Attachment 12: Check Stock
Attachment 13: Endorsement
Attachment 14: Bank Statement
Attachment 15: Deposit Ticket
Attachment 16: Collateral Policy and Procedures

1.4 Contact Person / Purchasing Agent

All inquiries and submissions must be sent to:

Wilma Harrison, Purchasing Agent
West Virginia State Treasurer's Office
1900 Kanawha Blvd., East, E-145
Charleston, WV 25305
E mail: Wilma.harrison@wvsto.com
Telephone: (304) 341. 0745
FAX: (304) 341.7094

The Purchasing Agent is the **sole** contact in West Virginia State Government after the release of the RFP, unless otherwise specified by the STO General Counsel.

Vendors shall not make direct or indirect contact with personnel or consultants of the STO during the course of the procurement process (from RFP release until award of contract/purchase order) to discuss or request information about any aspect of the procurement including the RFP or its associated evaluation process, except as authorized in the RFP. Violation of this clause will result in proposal/bid disqualification.

1.5. Background Information

1.5.1 Location

The main office for the State Treasurer is located at 1900 Kanawha Blvd. E, Building 1 Suite E-145, Charleston, West Virginia 25305. The staff for the State Treasurer's Office that will be involved with the Services are located at 315 70th Street, Charleston, West Virginia 25304.

1.5.2 **General Information**

The West Virginia State Treasurer is a constitutional officer established under the West Virginia State Constitution, statutorily prescribed to receive funds due to the State of West Virginia and deposit those payments into financial institutions that have been approved by the Treasurer's Office after complying with state law requirements. Cash and check payments are deposited each business day by various state agencies at various locations throughout the state. The Treasurer's Office must abide by all provisions in West Virginia Code, including but not limited to, those surrounding stale dated checks, collateral monitoring, and monthly reconcilement of accounts.

The Treasurer's Office is also responsible for issuing all disbursements for the State of West Virginia. Payments by check are centrally processed in the Check Processing Division of the STO. Checks not presented for payment within six (6) months are void. All checks issued by the state bear the signature of the Auditor and the Treasurer. The Treasurer's Office has a specifically assigned routing number for all checks issued.

The state of West Virginia financial and accounting system is known as wvOASIS. All banking transactions of the Treasurer's Office are processed in wvOASIS.

The disbursement account is operated as a reverse positive pay account. "Reverse Positive Pay" means the issuing financial institution (for purposes of the RFP, the Vendor) sends a list of issued checks that have been submitted for payment to the STO. The STO compares the information from the list of checks received at the issuing financial institution to the list maintained in wvOASIS. This process enables the STO to identify any checks that need to be adjusted or returned to the financial institution for credit. Use of reverse positive pay is currently programmed in wvOASIS. An alternative method cannot be contemplated at this time.

For reconciliation purposes, a daily file is transmitted to the STO listing all checks presented for payment. Information included in this file includes the check number, issue date, check amount and trace number. The STO matches the bank file to *wv*OASIS and works any exceptions. The STO informs the financial institution of any adjustments that need to be made to the account.

The West Virginia Medical Cannabis Act

The Act officially establishes a medical cannabis program for patients suffering from serious medical conditions. The Act defines the necessary terms, indicates cannabis forms are limited by law to the certain forms stipulated in the Act, and also defines those eligible to obtain medical cannabis, limiting availability of product to those with a "serious medical condition" as defined by the Act and applicable to the law in West Virginia.

It is anticipated that based on the current requirements of the Act, funds will be received from:

- Patient identification card application fee: $50;
- Lost/defaced card patient identification card fee: $25;
- Caregiver identification cards application fee: $50;
- Grower/processor application fees: $55,000 application and permit fee due at start of application, $50,000 refundable depending on whether permit is issued; also $5,000 renewal fee;
- Dispensary application fees: $12,500 application and permit fee due at start of application; $10,000 refundable depending on whether permit is issued; also $2,500 renewal fee;
- Amending grower/processor or dispensary applications: $250 fee;
- Taxes: in the current law, a privilege is levied; the rate of tax is 10% of the gross receipts the dispensary receives or accrues during the reporting period; taxes are paid quarterly due the 20th day of January, April, July and October for the preceding calendar quarter; taxes imposed shall be paid by electronic funds transfer, unless electronic payment is prohibited by state or federal law; and
- Any other collection and receipt of other state funds that may be established or changed by or through the legislative and/or rule-making process, including additional taxes related to the Act.

It is unknown at this time as to specific numbers of potential applicants and purchasers under the Act as the Act is still to be implemented. For the same reason, there is also no real way of estimating the amounts that will be processed through the accounts.

The STO believes that a payment voucher system would be the ideal method for presentment of cash and checks to the Vendor via in-person or through a lockbox-type system. This requirement is reflected in the Specifications of this RFP.

The STO understands that accepting and processing medical cannabis funds is a complicated issue. On January 11, 2019, Attorney General Patrick Morrisey sent an opinion letter (attached to this RFP as Attachment 9) to The Honorable John Perdue, West Virginia State Treasurer, and The Honorable Roger Hanshaw, Speaker of the West Virginia House of Delegates, concerning legal risks the financial services industry may face as West Virginia implements its medical cannabis law.

Information Technology

The STO workstations currently use Windows 7. The STO anticipates moving workstations to Windows 10. Typical hardware configuration is 4 gig of RAM and an i5 processor or better. All software applications must work properly with normal user rights on Windows workstations. Resultant data files must be compatible with Microsoft Office applications (i.e. Word and Excel). Administrative rights for any software application compatibility within the West Virginia State Treasurer's Office is disallowed.

II. VENDOR INSTRUCTIONS

2.1 Basic Information

Basic information and requirements pertaining to submitting proposals, evaluation and protests are contained in the attachment entitled REQUEST FOR PROPOSALS (*RFP) INFORMATION*. Information specific to the RFP is contained in this Section II.

2.2 Submission Date and Time

Proposals shall be submitted no later than the date and time specified in the RFP on Page 1 and in Section 2.4. Any proposal not received by the Proposals Opening Date and Time specified in the RFP will be disqualified.

2.3 Original and Copies of Proposals to be Submitted

Proposals submitted shall consist of the original Technical Proposal form (completed and signed), the original Technical Proposal, seven (7) courtesy (hard) copies of the Technical Proposal (which are exact copies of the original Technical Proposal), the Cost Proposal Form (completed and signed) in a separate sealed envelope, and an exact copy on diskette, CD Rom, DVD or USB flash drive in Adobe PDF or Microsoft Word. Submissions in Adobe PDF should be searchable, rather than just scanned images.

2.4 Proposal Submission Format

The outside of the proposal package should be clearly marked as follows:

Purchasing Agent:	Wilma Harrison	
RFP:	STO19B	
Proposal Opening:	July 31, 2019	1:00 pm ET

2.5 Proposal Delivery Responsibility

Vendor is solely responsible for getting its proposal delivered in a readable format by the Proposals Opening Date and Time as required in the RFP.

2.6 Page Limits

The Technical Proposal should contain no more than 120 pages, excluding the Technical Proposal Form, the Cost Proposal Form and the materials provided in the Miscellaneous Section.

2.7 Technical Proposal Format

Responses should be numbered to correspond to the RFP section numbers in the Specifications section. Each section shall be tabbed for ease of reference as follows:

Technical Proposal:

Section I. Technical Proposal Form (completed)

Section II. Technical Proposal

Section III Miscellaneous (separate envelope):
Including signed Purchasing Affidavit

Cost Proposal (separate sealed envelope):

Completed Cost Proposal Form

III. SPECIFICATIONS

3.1 General Information

Mandatory Requirements – Services offered must comply with Mandatory Requirements. Specifications using the words "shall," "must," "requires" and "will" are mandatory. **Only proposals meeting Mandatory Requirements will have the Technical Proposal evaluated.** Mandatory requirements must be included in the resulting purchase order.

Proposals not meeting all Mandatory Requirements in the RFP will be disqualified.

Requested Services – Specifications using the words "may" and "desires" are requested services, and are not mandatory specifications. Proposals not offering to provide requested services will be evaluated.

3.2 Scope of Work

Vendor shall provide the Services in accordance with the RFP, the purchase order issued by the STO and federal and state law. Generally, the Services are receiving, managing and disbursing medical cannabis funds for and as directed by the STO as more fully described in the RFP.

3.3 Mandatory Requirements

Mandatory Requirements are the minimum requirements the STO believes a Vendor must meet to be able to capably provide the Services. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the Purchasing Agent.

Proposals not meeting all Mandatory Requirements in the RFP will be disqualified.

For each of the Mandatory Requirements, Vendor shall only answer **YES** or **NO**. Vendor shall not qualify or limit its response to any Mandatory Requirement. Any proposal that does not have a **YES** response to each and every Mandatory Requirement shall be disqualified.

The following are Mandatory Requirements of this RFP:

3.3.1 Qualifications

3.3.1.1 Vendor is a bank, national banking association, a non-bank financial institution, a bank and trust company, a trust company, a savings and loan association, a building and loan association, a mutual savings bank, a credit union or a savings bank that is designated or will become a State approved depository prior to the Contract award as provided by *W.Va. Code* §12-1-3*.*

RESPONSE: YES / NO

3.3.1.2 Vendor will provide one of the following as it relates to collateralizing of state funds in accordance with W.Va. Code §12-1-4 and W.Va. Code §12-1-14, depending on the type of institution. Vendor will:

(a) Be insured by the Federal Deposit Insurance Corporation (FDIC) and collateralize total state deposits at 102% over and above any share insurance; or
(b) Be insured by National Credit Union Share Insurance Fund (NCUSIF), National Credit Union Administration (NCUA) insurance or similar share insurance and collateralize total state deposits at 102% over and above any share insurance; or
(c) As a non-bank financial institution, collateralize total state deposits at 125%.

RESPONSE: YES / NO

3.3.1.3 Vendor will provide collateral at the requisite percentage specified in West Virginia Code depending on type of institution for all deposit balances according to the STO Collateral Policy attached as Attachment 16.

RESPONSE: YES / NO

3.3.1.4 Vendor will comply with all federal and state law regulations as it relates to accepting and disbursing funds related to state-sanctioned medical cannabis programs.

RESPONSE: YES / NO

3.3.1.5 Vendor will file all reports required by federal and state government agencies, e.g., SARs, CTRs, and FinCEN.

RESPONSE: YES / NO

3.3.1.6 Vendor will provide the STO a detailed listing of required information to file reports required of the STO or any other state entity.

RESPONSE: YES / NO

3.3.1.7 Vendor will notify the STO of any issues or changes (e.g., reporting requirements, legal, audit, compliance, etc.) which may impact operations of either the Vendor and/or STO in connection with the Services.

RESPONSE: YES / NO

3.3.1.8 Vendor will allow delivery of cash and/or checks in the amounts specified in the Act to a branch/processing center in West Virginia for the direct presentment of daily deposits.

RESPONSE: YES / NO

3.3.1.9 Vendor will provide a method for state customers to present cash and/or checks with a State of West Virginia designed voucher.

RESPONSE: YES / NO

3.3.1.10 Vendor will provide a receipt of deposit to state customers.

RESPONSE: YES / NO

3.3.1.11 Vendor will provide a method to send all received vouchers or voucher information to the corresponding state agencies (e.g., DHHR, Tax, Agriculture) in a secured transaction within one business day.

RESPONSE: YES / NO

3.3.1.12 Vendor will provide the following information for returned checks related to the STO receipt account on a daily basis:

- Image of check
- Bank account number to which the item was deposited
- Amount of debit
- Date of initial deposit
- Deposit identifier on initial deposit ticket
- Reason for return

RESPONSE: YES / NO

3.3.1.13 Vendor will provide deposit tickets and accommodate up to five (5) digit State assigned deposit location number, which must be able to be printed on the deposit ticket.

RESPONSE: YES / NO

3.3.1.14 Vendor will provide the deposit location number listed on the deposit ticket on the transaction in electronic formats (online transaction list, BAI files, etc.) and on paper statements.

RESPONSE: YES / NO

3.3.1.15 Vendor will operate a reverse positive pay process on the Disbursement account. “Reverse Positive Pay” means the issuing bank sends a list of issued checks that have been submitted for payment. The STO compares the information from the list of checks at the issuing bank to the list maintained in the financial system. This process enables the STO to identify any checks that need to be adjusted or returned to the bank for credit. The financial and accounting system (wvOASIS) currently in use by the State of West Virginia utilizes reverse positive pay in its programming. An alternative method cannot be contemplated at this time.

RESPONSE: YES / NO

3.3.1.16 Vendor will maintain a Paid file of all cleared checks, have the capability of sending the Paid file daily electronically accordingly to the STO file layout, and provide the Paid file no later than 6:00 a.m. next business day (See Attachment 11). “Paid File” means an electronic file that contains a list of all issued checks that have cleared and is used by the STO in its reverse positive pay process.

RESPONSE: YES / NO

3.3.1.17 Vendor will correct prior day exceptions for daily check processing, which are to be included in the Paid file and sent by 6:00 a.m. ET the following business day as it relates to the disbursement account.

RESPONSE: YES / NO

3.3.1.18 Vendor will provide the check image as an electronic TIF file including both the front and back image of the check. Along with the check image file, the STO must receive a text file showing what check goes with what TIF file, similar to a table of contents. The STO must receive these two (2) files each business day.

RESPONSE: YES / NO

3.3.1.19 Vendor will maintain the original checks or Image Replacement documents (IRD) paid in accordance with industry standards and applicable state and federal law. Copies of the checks must be available upon request.

RESPONSE: YES / NO

3.3.1.20 Vendor will provide a method of placing stop payments on outstanding checks.

RESPONSE: YES / NO

3.3.1.21 Vendor will allow multiple STO employees access to place and approve stop payments on checks.

RESPONSE: YES / NO

3.3.1.22 Vendor will post stop payments after STO initiation and authorization.

RESPONSE: YES / NO

3.3.1.23 Vendor will provide a forgery and counterfeiting investigation process.

RESPONSE: YES / NO

3.3.1.24 Vendor will provide information on disbursement account check totals no later than 10:30 a.m. ET each business day.

RESPONSE: YES / NO

3.3.1.25 Vendor will have the capability of reading and processing a ten (10) digit check number.

RESPONSE: YES / NO

3.3.1.26 Vendor will not honor checks six (6) months past the issuing date. These checks will be considered stale-dated and checks will be returned for credit if redeemed.

RESPONSE: YES / NO

3.3.2 Account Services

3.3.2.1 Vendor will establish and maintain two (2) DDAs, which will both be in the name of the West Virginia State Treasurer. One account will be for receipts and one account will be for disbursements.

RESPONSE: YES / NO

3.3.2.2 Vendor will complete a report provided by the STO at the end each calendar quarter verifying the amount of state funds on deposit, signed by the President, Cashier, or appropriate individual, and notarized in accordance with West Virginia Code.

RESPONSE: YES / NO

3.3.2.3 Vendor will allow new accounts for the State of West Virginia to be opened or accounts to be closed during the contract period only by authorization of STO authorized personnel.

RESPONSE: YES / NO

3.3.2.4 Vendor will process daily debit and/or credit adjustments for returned items and post to accounts within three (3) business days.

RESPONSE: YES / NO

3.3.2.5 Vendor will provide overdraft protection on the disbursement account.

RESPONSE: YES / NO

3.3.2.6 Vendor will provide a process for real time in-house bank transfer capabilities.

RESPONSE: YES / NO

3.3.2.7 Vendor will provide notification of daily credit totals by 10:30 a.m. ET daily.

RESPONSE: YES / NO

3.3.2.8 Vendor will not accept or process foreign currency, checks, and EFTs related to the accounts.

3.3.3 Miscellaneous and Quality Control

3.3.3.1 Vendor will provide ACH debit block and filter capabilities on DDA accounts. Any transaction that posts to a blocked/filtered account shall be reversed within forty-eight (48) hours and become the responsibility of the Vendor to collect. Vendor must give authority to the STO to deny or approve the blocked ACH debit.

RESPONSE: YES / NO

3.3.3.2 Vendor will invoice the STO no more frequently than on a calendar monthly basis for fees and services. Supporting documentation must accompany the invoice. Billing must be in arrears. Under no circumstances shall Vendor debit STO accounts for any expenses.

RESPONSE: YES / NO

3.3.4 Reporting

3.3.4.1 Vendor will provide the following report in real time (at time of request):

A daily bank statement (see Attachment 14), associated debit/credit advices, and supporting documentation for the disbursement account available daily by 10:30 a.m. ET each business day, with the ability to download in BAI, CSV or Excel format.

RESPONSE: YES / NO

3.3.4.2 Vendor will provide the following report in real time (at time of request): Report of current day balances available daily by 10:30 a.m. ET.

RESPONSE: YES / NO

3.3.4.3 Vendor will provide the following report in real time (at time of request): Report showing all detail activity for the receipt account. Must be available for both current and past days, or have ability to run for a date range. The report must include information on incoming and outgoing EFTs, if EFTs are utilized by the STO.

RESPONSE: YES / NO

3.3.4.4 Vendor will provide the following report in real time (at time of request): Monthly bank statement report for the receipt account with the ability to download in BAI, CSV or Excel format, available within five (5) business days following the last day of the previous month.

RESPONSE: YES / NO

3.3.4.5 Vendor will provide the following report in real time (at time of request): Report of all daily in house account transfers initiated by the STO, including to and from disbursement and receipt accounts and amounts, with the ability to download in BAI, CSV, or Excel format.

RESPONSE: YES / NO

3.3.5 Systems

3.3.5.1 Vendor will provide access to a password-protected system, operating via secure Internet browser.

RESPONSE: YES / NO

3.3.5.2 Vendor will allow for dual controls for all banking functions such as when funds are moved or disbursed. Dual controls means having a minimum of one (1) level of entry and one (1) level of approver.

RESPONSE: YES / NO

3.3.5.3 Vendor's files will be authenticated and encrypted.

RESPONSE: YES / NO

3.3.5.4 Vendor will adhere to application(s) that may be required. These services must work properly with normal user rights in Windows workstations. Administrative rights for application compatibility within the STO is disallowed.

RESPONSE: YES / NO

3.3.6 Services – Customer Service

3.3.6.1 Vendor will provide a knowledgeable, dedicated representative(s) and customer service function located within the continental United States of America who will assist with problem resolution and provide immediate response to inquiries and that are available Monday through Friday between the hours of 8:00 a.m. – 5:00 p.m. ET.

RESPONSE: YES / NO

3.3.7 Implementation and Training

3.3.7.1 Vendor will provide initial on-site and in-person training to the STO.

RESPONSE: YES / NO

3.3.7.2 Vendor will provide training materials.

RESPONSE: YES / NO

3.3.7.3 Vendor will conduct implementation meetings as requested by the STO and provide a status report two (2) days prior to the meeting.

RESPONSE: YES / NO

3.3.7.4 Vendor will provide a dedicated implementation project lead.

RESPONSE: YES / NO

3.3.8 Hardware and Software Requirements

3.3.8.1 Vendor will provide access to a system that is compatible with Windows 10 or successor on all workstations. LAN connections are 100/1000 mbps.

RESPONSE: YES / NO

3.3.8.2 Communications between the State and the bank will meet current PCI DSS requirements. SSL and early TLS are disallowed.

RESPONSE: YES / NO

3.4 Technical Proposal – 280 points

Vendor needs to demonstrate the qualifications, competence and capacity of the Vendor and its staff to provide the Services offered in its proposal. Do not presume the STO knows your work. ***Even if the Vendor has previously provided or currently provides the Services, it must address the specifications as any other Vendor would.*** The Technical Proposal should address all of the specifications.

Only proposals meeting mandatory requirements will be evaluated.

All documents or forms requested should be provided in a separate document to your proposal labeled "Miscellaneous" in the order requested.

In providing responses, restate each question in bold face type with your response directly below. Keep responses clear and concise. The proposal of the successful Vendor will be incorporated in the purchase order issued by the STO.

3.4.1 Organization, Qualifications & Experience - 8 points

3.4.1.1 Provide the following information for the Vendor:

(a) Name,
(b) Mailing address,
(c) Corporate address,
(d) Telephone number, and
(e) Primary Contact, including telephone number, fax number, and email address.

3.4.1.2 Provide an overview and history of its organization, including parent and/or subsidiary companies and the number of employees. Provide the address of the office location(s) that will service the STO.

3.4.1.3 Provide at least three (3) references to which banking services were provided. All or none of these clients may be contacted by members of the Evaluation Committee to determine the ability of the Vendor and the level of satisfaction with the Vendor. Furthermore, the STO reserves the right to contact any person or entity it believes prudent in order to inquire about the Vendor. List should include the following information for each reference:

(a) Entity name and contract manager with current contact information;

(b) Start and end dates of services provided; and

(c) List of services provided in comparison to those sought through this RFP.

3.4.1.4 Discuss Vendor's current capital structure, adequacy, and coverage. If available, include a copy of the most recent audited annual financial statements, current bond rating by a rating company, such as S&P (Standard & Poor's) and Moody's, and the latest 10-K report.

3.4.1.5 Provide a brief resume for each individual that will be directly involved in the management and daily operations of the STO accounts. Include their experience in working with public entities and describe their anticipated roles with regard to STO accounts as well as how many years in this industry and how many years with the Vendor.

3.4.2 Account Services -- 24 points

3.4.2.1 Describe the method Vendor will use to collaterize state funds received from the state if insurance is not being utilized (if applicable).

3.4.2.2 Describe your method of ordering deposit tickets as required in 3.3.1.13 and 3.3.1.14. The STO desires online capability of ordering deposit tickets.

3.4.2.3 Describe how Vendor will process rejected items, including damaged checks. The STO desires to know the length of time it will take to process these items.

3.4.2.4 Describe your policy for accepting over-the-counter presentments, including the latest time they will be accepted. The STO prefers deposits to be accepted as late as 4:00 pm ET.

3.4.2.5 Discuss the availability of funds deposited. The STO prefers same day credit.

3.4.2.6 Describe how Vendor will handle returned checks as required in 3.3.1.12. The STO prefers the Vendor automatically re-deposit each item (for a total of two (2) deposits per item) returned for non-sufficient funds as required. Vendor should include a discussion of how it will notify the STO of returned checks.

3.4.2.7 Provide information on daylight overdraft protection, overdraft line of credit or similar credit structure you will make available to the STO in accordance with 3.3.2.5. **Any costs associated with this overdraft protection should be listed in the cost proposal.**

(a) Discuss any issues, concerns and limitations associated with the use of the daylight overdraft facility, including information on intraday limitation per account or per customer. Describe alternatives or issues not addressed above.

3.4.2.8 Provide a description of how beginning and ending bank balances will be confirmed with the STO on a daily basis.

3.4.3 Disbursement Account Services -- 31 points

3.4.3.1 Describe how Vendor will maintain and provide a daily "Paid file" of redeemed checks from the previous day and have the capability of sending an electronic version according to the STO file layout as required in 3.3.1.16. The STO desires to have the Vendor send the electronic Paid file to an FTP site where the STO can retrieve it.

3.4.3.2 Describe how Vendor will provide the mandatory Check Image file of Paid checks as required in section 3.3.1.18. The STO prefers the file to be sent to an FTP site where the STO can retrieve it.

3.4.3.3 Describe how it will handle return items related to the Paid file, including the following:

(a) How Vendor would like to receive notification of items to be returned from the STO, and

(b) Cut off time of receiving items from STO to be returned.

3.4.3.4 Describe how Vendor will provide the STO with online, real-time access to view and research previous redeemed checks from the past six (6) months (check status available immediately at time of search). Vendor should describe how long it takes to provide a copy of a redeemed check if not available through online application.

3.4.3.5 Provide information on how it will notify the STO of cleared check totals for the Disbursement account by 10:30 a.m. ET. Vendor should include how it will notify the STO of changes by 3:00 p.m. ET from the initial totals. The STO prefers electronic notification.

3.4.3.6 Describe their method of placing stop payments on outstanding checks as required in 3.3.1.20, 3.3.1.21, and 3.3.1.22. The STO desires to obtain online real-time access to administer stop payments. Stop is complete immediately or at time of authorization by STO approver.

3.4.3.7 Describe in detail their forgery and counterfeiting investigation process as required in 3.3.1.23, including the following information:

(a) Any statute of limitations applicable to its forgery investigation process, and
(b) Notification process to the STO and a copy of any required forms to initiate or complete a forgery investigation.

3.4.3.8 Describe how Vendor can provide a method to order endorsement stamps (see Attachment 13) and deposit bags. Include the method by which these items can be ordered. The STO prefers the Vendor to provide a method to order these items. The endorsement stamp should include the following information:

- "State of West Virginia"
- Agency name
- Bank account number

3.4.3.9 Describe how Vendor can provide pre-printed check stock with the following preferences: 24-lb bond paper that is pressure-sealable, trifold 8.5"x11" sized paper. The check stock is to be delivered to the state for check printing. The STO desires the check stock to appear similar to the copy included in this proposal (see Attachment 12), including the following:

(a) Information on any third-party vendor involved in processing the pre-printed check stock, and
(b) An example of the check stock.

3.4.4 Other Accounts Services -- 58 points

3.4.4.1 Discuss your ability to accept a payment voucher system, either through a paper coupon or electronic means (e.g., QR Code, etc.), a state customer could use to make payments at a branch.

3.4.4.2 Discuss your proposed method of delivering payment vouchers or complete information from the presented voucher daily to the state agencies as required in 3.3.1.9 and 3.3.1.11. The preferred method is a CSV or Excel file uploaded to a secure FTP site.

3.4.4.3 Discuss any available secure method(s) to pick up from state agencies and deposit directly into the STO DDA receipt account.

3.4.4.4 Describe your ability to provide additional services that enable State agencies to make deposits within one (1) business day to comply with W.Va. Code § 12-2-2, e.g., check scanners, secure smart safes, etc.

3.4.4.5 Discuss any electronic payment options available to the STO, including a description of the process proposed. The STO prefers electronic payment options, such as Automated Clearing House (ACH) originating financial institution capabilities that conform to National Automated Clearing House Association (NACHA) rules.

3.4.4.6 Describe your capability to create and maintain an ARBOX/LOCKBOX system that provides a daily file of items presented to the lockbox no later than 2:00 p.m. ET containing account number, amount, and date.

3.4.4.7 Discuss the methods of notification for daily credit totals each day by 10:30 a.m. ET, as required in 3.3.2.7. The STO prefers electronic notification.

3.4.4.8 Describe how you notify the STO of any problems with providing daily credit, as required in 3.3.2.7, by 10:30 a.m. ET. The STO prefers notification by email.

3.4.4.9 Indicate if you can accept deposits that contain cash, coin, and checks together on one deposit ticket and credit to the account as a single entry. If not, explain postings that would be required for combined deposit or if Agency must separate deposit.

3.4.4.10 Describe if the STO accounts will be interest-bearing and how the rate is determined. Please do not list a specific rate here; the specific rate should be listed on the cost proposal.

3.4.5 Transfers/Wires -- 12 points

3.4.5.1 Describe your process for real time in-house bank transfer capabilities as required in 3.3.2.6. The STO desires secure online capabilities (transfer shows completed at time of authorization). Include the following information in your response:

(a) Your method of establishing repetitive and non-repetitive funds transfer including set up, steps, and notification,
(b) Your method of funds transfers if online application is unavailable,

(c) Your method of manual funds transfers when requested by the STO, and

(d) Your ability for STO to initiate with approver level authorization.

3.4.5.2 Describe your wire capabilities, including information on how you will send and receive wires. The STO desires secure online capabilities. Include the following information in your response:

(a) Your ability for STO to initiate with approver level authorization,

(b) Assistance available to the STO including staffing available to assist with wires. The STO prefers staff available in the wire area to accommodate wire transactions up to 6:00 p.m. ET,

(c) Your method of establishing repetitive wire codes,

(d) Your ability for STO to initiate repetitive and non-repetitive wires and have an approver,

(e) Any limit or penalty for the number of incoming and outgoing wires processed in a single day. **Do not state any dollar amount or percentage in this response,**

(f) Any in-house limits on wire transfer amounts,

(g) Your method of sending wires if online application is unavailable, and

(h) Your procedure to allow the STO to recall an outgoing wire.

3.4.6 Miscellaneous and Quality Control -- 10 points

3.4.6.1 Describe your record retention schedule and policy and how it complies with current industry standards, and include:

(a) A copy of your retention schedule and policy, unless it is confidential, and

(b) Statement of how long Vendor will keep electronic images of deposited checks for retrieval upon STO's request. The STO desires 12 months.

3.4.6.2 Describe ACH debit block and filter capabilities on the accounts as required in 3.3.3.1. Provide details on how the STO will be notified of attempted debit transactions.

3.4.6.3 Describe your business continuity plan, including a discussion of the following:

(a) Notification process to the STO in the event of a disaster,

(b) Back-up facility it has for primary systems used to provide the services required in this RFP,

(c) The time it will take to recover/recreate a day's activity,

(d) How often the business continuity plan / disaster recovery plan is tested and how long it took to switch over to the recovery site, and

(e) Your contingency plan for times when your banking system is inaccessible online.

3.4.7 Reporting -- 14 points

3.4.7.1 Describe any reports that will benefit the STO's banking service operations and ensuring proper processing. The Vendor should also provide an example of each report required in Section 3.3.4.

3.4.7.2 Discuss your system's ability for STO users to create ad hoc reports.

3.4.7.3 Describe your back-up systems available for all reports required in the event the regular system is not working.

3.4.7.4 Describe your ability of importing and exporting files in standard (e.g., Microsoft Excel) spreadsheet or database formats.

3.4.7.5 Describe your ability to provide a paper copy of the electronic reports and statements as required in 3.3.4. Vendor should indicate how such electronic reports and statements will be transmitted (e.g., system user download, email, etc.).

3.4.7.6 Describe your ability to provide monthly hard-copy reports and statements within five (5) business days following the previous month. Vendor should include the method by which hard-copy monthly reports and statements will be transmitted (e.g., USPS, UPS, FedEx, courier, etc.).

3.4.8 Systems -- 38 points

3.4.8.1 Describe your password-protected system operating via secure Internet browser as required in 3.3.5.1. The STO desires the online access to a system that provides at least a rolling six (6) month data history of the following:

(a) Account detail,
(b) Daily reporting of ledger activity,
(c) Daily bank statements,
(d) Wire transfer initiation and authorization,
(e) Account transfer initiation and authorization, and
(f) Daily information of deposits, manual adjustments, and exception items.

3.4.8.2 Describe any other system applications available for access in the password-protected system available to the STO.

3.4.8.3 Describe the nature of current and historical information that is kept in your system. Vendor should include the length of time, and in what format the information is maintained. The STO would prefer online access to historical data.

3.4.8.4 Describe any system security alternatives that are offered including the following:

(a) Passwords availability,
(b) Use of token security,
(c) Authentication and/or encryption techniques availability, and
(d) Complexity and/or flexibility of any above mentioned.

3.4.8.5 Describe the structure of users and access levels in the system and the process of requesting/creating user accounts.

3.4.8.6 Describe the security for STO internet access for banking systems and automated financial transactions. Requested security measures include:

(a) Individual STO usernames and passwords for each user,
(b) Passwords that expire routinely, and
(c) Different authorization levels for different users.

3.4.8.7 Describe your ability to prevent duplicate processing of files.

3.4.8.8 Describe your protocol for problem resolution regarding file transmissions, confirmations, and file balancing.

3.4.8.9 Describe, and include details on, your FTP capabilities (type, preferences, benefits, drawbacks, etc.) for file transmission. Include details on Vendor's preferred method of file transmission.

3.4.8.10 Describe your system user restrictions and include a list of programs or specific functions. The STO desires ability to set up users and determine access as applicable to each user. Vendor should state any dollar amount limitations/restrictions to types of users and authorizers.

3.4.8.11 Provide any system requirements including browser information.

3.4.9 Customer Service -- 24 points

3.4.9.1 Describe how a knowledgeable, dedicated representative will assist with problem resolution and provide immediate response to inquiries as required in 3.3.6.1. In your discussion,

(a) Provide the name and contact information for both a main contact and backup contact,
(b) Provide a listing of all State, Federal and/or bank holidays for which Services will be unavailable for the calendar year, and
(c) Include your process for escalation of issues.

3.4.9.2 Describe your customer service function as required in 3.3.6.1, including a discussion on the locations from which customer service will be provided and if the customer service function is handled in-house by the processing Vendor or outsourced. If outsourced or offered by the processing Vendor, identify the Vendor.

3.4.9.3 Describe how you will notify the STO of all complaints received from any state agencies or customers regarding the Services under the RFP, including the method and an explanation of each complaint and resolution.

3.4.9.4 Discuss your knowledge and ability to file appropriate state and federal reports as required in 3.3.1.5.

3.4.10 Implementation and Training -- 27 points

3.4.10.1 Provide a detailed transition and implementation schedule. The implementation plan should include, at a minimum, a description of the entire transition period including key target dates, a set of tasks, objectives, outcomes, and timeframes with dependencies to transition work activities, processes, people, services, and the STO.

3.4.10.2 Provide details about your transition and implementation team as follows:

(a) Identify the proposed Implementation Project Lead/Project Manager and the key staff ("Key Personnel") who will oversee the implementation, and
(b) Identify the level of staffing needed from the STO. Include representative tasks and availability required.

3.4.10.3 The STO desires follow-up training as needed. Vendor should describe and include a sufficient post-implementation training plan should it be needed for new State employees, or as a retraining tool for previously trained individuals.

3.4.10.4 Provide samples of any policies and procedures that are included as part of the implementation process.

3.4.10.5 Describe, in detail, your plan to assist the State with testing and subsequently transitioning to your institution. Vendor should include a description of all testing procedures.

3.4.10.6 Describe how Vendor will manage and conduct implementation meetings as required in 3.3.7.3. The Vendor's Key Personnel should attend. The Vendor should generate minutes for all status meetings and distribute such via email within two (2) business days of the meeting for review and approval by STO. At each meeting the Vendor should present a status report. Each status report should include, at a minimum:

(a) Transition schedule (current status of all tasks);
(b) Staffing (planned hours and actual hours);
(c) Project risks (including mitigation status);
(d) Quality assurance (tasks and status);
(e) Configuration management (tasks and status);
(f) Issues (log including description, status, actions, and estimated date of resolution);
(g) Action items (log including description, status, and expected completion date); and
(h) Other topics as requested by the STO.

3.4.11 Hardware and Software -- 4 points

3.4.11.1 Describe your recommended hardware and software to meet the requirements in 3.3.3.8.

3.4.11.2 Describe how it will notify the STO of system and/or equipment upgrades that may impact daily processing. The STO prefers that all system and/or equipment upgrades and downtime be completed after business hours.

3.5 Oral Presentation -- 30 points

At the conclusion of the Technical Proposals evaluations, Vendors meeting all Mandatory Requirements and receiving a minimum acceptable score ("MAS") of 70% of the maximum points available for the Technical Proposal will be contacted by the Purchasing Agent to make arrangements for oral presentations to be held at the STO Offices at 315 70th Street, Charleston, WV 25304.

3.6 Cost Proposal (Compensation) -- 120 points

3.6.1 Cost Proposal Form – All fees, charges and costs associated with providing the Services, including any recurring costs, must be stated on the Cost Proposal Form, included in the Attachment to the RFP, for the initial term of the purchase order.

3.6.2 The fee structure proposed must be guaranteed for the initial purchase order term of three (3) years. In its discretion, the STO may extend the purchase order for additional one-year periods. The fee structure for these extensions will be subject to favorable negotiations.

3.6.3 Submission – The Cost Proposal Form must be submitted with your proposal in a separate sealed envelope and signed by a person authorized to bind the Vendor.

3.6.4 Reservation of Rights – *Nothing in the RFP may be construed to limit the STO from negotiating for a change in the Services or fee*s during the term of the purchase order issued pursuant to the RFP.

IV. EVALUATION

4.1. Generally

The basic information pertaining to evaluations is contained in the attachment entitled *RFP EVALUATION INFORMATION*. Evaluation information specific to the RFP is contained in this Section IV.

4.2 Assignment of Points

The numerical scores assigned will be based upon the maximum points assignable for each of the areas to be evaluated. The areas being evaluated and the maximum points assignable are:

a. Technical Proposal – 250 points:

1. Organization, Qualifications & Experience – 8 points
2. Account Services – 24 points
3. Disbursement Account Services– 31 points
4. Other Account Services – 58 points

5. Transfers/Wires – 12 points
6. Miscellaneous and Quality Control – 10 points
7. Reporting – 14 points
8. Systems – 38 points
9. Customer Service – 24 points
10. Implementation and Training – 27 points
11. Hardware and Software – 4 points

b. Oral Presentation on Technical Proposal – 30 points

c. Cost Proposal – 120 points

V. PURCHASE ORDER

5.1. General Terms and Conditions

General contractual provisions are included in the Attachment entitled RFP *GENERAL TERMS AND CONDITIONS*. Amendments to the General Terms and Conditions and additional terms and conditions, if any, will be included in an Attachment, entitled *RFP SPECIAL TERMS AND CONDITIONS*.

5.2 Purchase Order

In the event an award is made pursuant to the RFP, a purchase order, containing any agreement signed by the parties and attachments thereto, the RFP, and the Vendor's proposal, will be issued. The purchase order constitutes the contract to which the parties are bound. A signed agreement is not binding on the STO until the STO issues a purchase order which incorporates that agreement.