

STATE OF MARYLAND

OFFICE OF THE STATE TREASURER

**Louis L. Goldstein Treasury Building, Room 109
80 Calvert Street
Annapolis, Maryland 21401**

REQUEST FOR PROPOSALS

FOR

ELECTRONIC PAYMENT CARD SERVICES

FOR THE

**DEPARTMENT OF LABOR, LICENSING AND REGULATION,
DIVISION OF UNEMPLOYMENT INSURANCE**

RFP # -DLLR/DUI-10112007

Due Date: November 15, 2007

WARNING: Prospective Offerors who received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and mailing address in order that amendments to the RFP or other communications can be sent to them. Any prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive the solicitation from the Issuing Office prior to the closing date.

Issued: October 11, 2007

STATE OF MARYLAND

NOTICE TO VENDORS/CONTRACTORS

In order to help us improve the quality of State proposals and solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes to provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposals. If you have chosen not to bid on this contract, please fax this completed form to: 410-974-3530 to the attention of Anne Jewell.

RFP #DLLR/DUI-10112007

Title: Electronic Payment Card Services for the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance

1. If you have responded with a "no bid", please indicate the reason(s) below:

- ☐ Other commitments preclude our participation at this time.
- ☐ The subject of the solicitation is not something we ordinarily provide.
- ☐ We are inexperienced in the work/commodities required.
- ☐ Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
- ☐ The scope of work is beyond our present capacity.
- ☐ Doing business with Maryland government is simply too complicated. (Explain in REMARKS section.)
- ☐ We cannot be competitive. (Explain in REMARKS section.)
- ☐ Time allotted for completion of the bid/proposals is insufficient.
- ☐ Start-up time is insufficient.
- ☐ Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
- ☐ Bid/Proposals requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
- ☐ MBE requirements. (Explain in REMARKS section.)
- ☐ Prior State of Maryland contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
- ☐ Payment schedule too slow.
- ☐ Other: _____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the REMARKS section below. (Use reverse or attach additional pages as needed.)

REMARKS: _____

Vendor Name: _____ Date: _____
Contact Person: _____ Phone: (____) _____

Address: _____

KEY INFORMATION SUMMARY SHEET

**State of Maryland
Office of the State Treasurer**

**Request for Proposals
For
Electronic Payment Card Services for the
Department of Labor, Licensing and Regulation,
Division of Unemployment Insurance
RFP #DLLR/DUI-10112007**

Procurement Officer: Anne Jewell
Tel.: (410)260-7903
Fax: (410)974-3530
Email: procurement@treasurer.state.md.us

Submit Proposals to: Maryland State Treasurer's Office
Attn: Procurement Officer
Louis L. Goldstein Treasury Building
80 Calvert Street, Suite 109
Annapolis, Maryland 21401

Solicitation Issue Date: October 11, 2007

Deadline for Receipt of Questions: October 25, 2007

Pre-proposal Conference: November 6, 2007

Proposal Due Date and Time: November 15, 2007

Oral Presentations: December 12-13, 2007

Tentative Contract Award: December 17, 2007

NOTICE

Prospective Offerors who received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name and mailing address in order that amendments to the RFP or other communications can be sent to them. Any prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive the solicitation from the Issuing Office prior to the closing date.

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SECTION I. PROCUREMENT OBJECTIVE

1.1 Summary Statement

The Department of Labor, Licensing and Regulation, Division of Unemployment Insurance is responsible for the disbursements of Unemployment Compensation (“UC”) benefit payments. Unemployment Insurance is an employer-funded insurance program which provides benefits to persons who are unemployed through no fault of their own and who are ready, willing and able to work. The State Treasurer’s Office (“STO”) on behalf of the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance (“DLLR/DUI”) is requesting proposals to implement an electronic payment solution for UC benefit payments, using an Electronic Payment Card (EPC) that is either VISA or MasterCard branded, at no cost to DLLR/DUI.

1.2 Issuing Office and Procurement Officer

Maryland State Treasurer’s Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401
Procurement Officer: Anne Jewell
Phone: (410) 260-7903
E-mail: procurement@treasurer.state.md.us

The sole point of contact for purposes of this procurement is the Procurement Officer. The Procurement Officer may designate others to act on her behalf. The STO may change the Procurement Officer or the limits of her authority at its discretion.

1.3 Procurement Method

Since this procurement will not involve the expenditure of State funds, it is exempt from Division II of the State Finance and Procurement Article. The procurement and resulting contract will, however, follow the competitive sealed proposals process under COMAR 21.05.03.

1.4 Contract Officer

The Contract Officer monitors the daily activities of the contract and provides technical guidance to the Contractor. The State Contract Officer is:

Monica Douglass
Chief of Accounting and Fund Management
Department of Labor, Licensing and Regulation
Division of Unemployment Insurance, Contribution Office
1100 North Eutaw Street, Room 414
Baltimore, Maryland 21201-2201
Tel: 410-767-2667
E-mail: mdouglass@dllr.state.md.us

1.5 Use of “e-Maryland Marketplace”

“e-Maryland Marketplace” is an electronic commerce system administered by the Maryland Department of General Services. In order to receive a contract award, a vendor must be registered on eMaryland Marketplace. Vendor registration information can be found on the eMaryland Marketplace website at www.eMarylandMarketplace.com.

1.6 Schedule of Events

<u>Event</u>	<u>Date</u>
Notice in “eMaryland Marketplace”	October 11, 2007
RFP Release Date	October 11, 2007
Deadline for Receipt of Questions	October 25, 2007
Pre-Proposal Conference	November 6, 2007
Proposal Due Date/Proposal Opening Date	November 15, 2007
Oral Presentations	December 12-13, 2007
Tentative Date of Contract Award	December 17, 2007

1.7 Questions and Inquiries

All questions and inquiries should be directed to the Procurement Officer identified in Section I., 1.2 above. Questions must be submitted in writing by mail or via email and received by the Issuing Office before 4:00 p.m. Eastern Standard Time on Thursday, October 25, 2007. Oral questions will not be permitted. If the questions or inquiries pertain to a specific section of the RFP, the page and section number(s) must be referenced.

1.8 Pre-proposal Conference

A pre-proposal conference will be held on November 6, 2007 at 9:00 a.m. at the, Louis L. Goldstein Treasury Building, Assembly Room, 1st Floor, 80 Calvert Street, Annapolis, Maryland 21401.

1.9 Submission Deadline

To be considered, a written original and 5 copies (total of 6) of the proposal must arrive at the Issuing Office by 2:00 p.m. on Thursday, November 15, 2007. Additionally, an electronic copy of the proposal is requested on a compact disk to be submitted to the Procurement Officer. Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail and internal delivery time to ensure timely receipt at the Issuing Office. Proposals or unsolicited amendments to proposals arriving after the closing date and time will not be considered. Proposals submitted solely by electronic means (facsimile or e-mail) will not satisfy the submission deadline, and will not be considered.

1.10 False Statements

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) *In general.* - In connection with a procurement contract a person may not willfully:
 - (1) falsify, conceal, or suppress a material fact by any scheme or device;
 - (2) make a false or fraudulent statement or representation of a material fact; or
 - (3) use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) *Aiding or conspiring with others.* – A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) *Penalty.* – A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding 5 years or both.

1.11 Duration of Offer

Proposals submitted in response to this solicitation are irrevocable for 120 days following the closing date. This period may be extended at the Procurement Officer's request only by an offeror's written agreement.

1.12 Electronic Distribution

This RFP is available for distribution by e-mail. Potential offerors wishing to receive copies of the written document should contact the Procurement Officer identified in Section I.,1.2 above.

SECTION II. GENERAL INFORMATION

2.1 Purpose

The overall purpose of this RFP is to provide information to offerors interested in preparing and submitting proposals to meet the DLLR/DUI requirements for the disbursement of unemployment compensation benefit payments by Electronic Payment Card Services that is either VISA or MasterCard branded.

2.2 Revisions to the RFP

The STO reserves the right to amend this RFP at any time prior to the proposal due date and time. If it becomes necessary to revise this RFP at any time prior to the proposal due date and time, amendments will be provided to all prospective offerors that were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Written acknowledgment of the receipt of all amendments will be required. In addition, amendments to the RFP will be posted on the STO Procurement Web Page at www.treasurer.state.md.us, (select “Procurement Information” and then “RFP for DLLR/DUI Electronic Payment Card”), and through eMaryland Marketplace at www.eMarylandMarketplace.com. Amendments made after the due date for proposals will be sent only to those offerors who submitted a timely proposal.

2.3 Cancellation of the RFP; Rejection of All Proposals

The STO may cancel this RFP, in whole or in part, or may reject all proposals submitted in response whenever this action is determined to be fiscally advantageous to the State or otherwise in its best interests.

2.4 Proposal Acceptance; Discussions

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

2.5 Oral Presentation

In support of their proposals, offerors may be required to make an oral presentation, or conduct a demonstration, or both, not more than two calendar weeks after the STO has requested an offeror to do so. Failure to be prepared to make an oral presentation or conduct a demonstration within this time period may prevent the offeror’s proposal from receiving further consideration. The main point of contact proposed in the offeror’s proposal must be present during these interviews.

2.6 Incurred Expenses

The State will not be responsible for any costs incurred by an offeror in preparing and submitting a proposal in response to this RFP, including costs incurred in making an oral presentation, if required.

2.7 Proposal Form

Proposals should be prepared simply and economically, providing a straightforward, concise description of the offeror's proposal for meeting the requirements of this procurement. Oral, telegraphic, facsimile, mailgram, or electronically transmitted proposals will not be accepted.

2.8 Multiple Proposals

Multiple and Alternate proposals will not be accepted.

2.9 Access to Public Records Act Notice

An offeror should give specific attention to the identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. A fee may be charged for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The STO may require payment of such fees before releasing the requested information.

2.10 Protests

Any protestor dispute related respectively to this solicitation or the resulting contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

Any protest regarding this solicitation must be filed in writing with the Procurement Officer only. If the reason for the protest is apparent before the proposal opening, the protest must be filed before the proposal opening. In all other cases, the protest must be filed within 7 calendar days after the reason for the protest is known or should have been known.

The term "filed" means receipt by the Procurement Officer who has issued this solicitation.

The protest must be in writing and must contain (1) the name and address of the protester; (2) the appropriate identification of the solicitation and, if a contract has been awarded, the contract number if it is known; (3) a statement of the reasons for the protest; and (4) any supporting exhibits, evidence, or documents to substantiate any claims unless the documents are not available within the filing time, in which case the date by which the supporting documents are expected to be available is to be noted.

2.11 Proposal Opening

Proposals will not be opened publicly. When the contract is awarded, those portions of proposals available under Maryland laws regarding access to public information will be made available upon written request to the Procurement Officer.

2.12 Minority Business Enterprises

A minority business enterprise subcontractor participation goal of 10% has been established for this solicitation.

This RFP is designed to encourage the participation of socially and economically disadvantaged individuals (members of a group as defined in Section 14-301 (i)(1) of the State Finance and Procurement Article of the Annotated Code of Maryland (the “Procurement Article”) and minority business enterprises as defined in Section 14-301 (f) of the Procurement Article. The STO encourages minority business enterprises to respond to this RFP. Offerors are encouraged to submit proposals that reflect significant participation by socially and economically disadvantaged individuals and/or minority business enterprises on the offeror’s team.

A current directory of MBEs is available through the Maryland State Department of Transportation Office of Minority Business Enterprise, P.O. Box 8755, B.W.I. Airport, Maryland 21240-0755. The phone number is 410-865-1244. The directory is also available at <http://www.mdot.state.md.us>. Select the “Minority/Disadvantaged Business Enterprise” label. The most current and up-to-date information on MBEs is available via the web site.

2.13 Acceptance of Terms and Conditions

By submitting a Proposal in response to this RFP, the offeror (a) accepts all of the terms and conditions set forth in this RFP, including those set forth in Section III., 3.7 Minimum Performance Standards Remedies, and (b) represents that it is not in arrears in the payment of any obligation due and owing the State or any department or unit thereof, including but not limited to the payment of taxes and employee benefits (the “State Obligations”). If selected for award, the offeror agrees (a) that it will comply with all federal, State and local laws applicable to its activities and obligations under the contract, (b) that it shall not become in arrears under any State Obligation during the term of the contract, and (c) to all terms and conditions set forth in the form of contract included as Appendix E to this RFP.

2.14 No Guarantee of Work

No Contractor is guaranteed any minimum amount of work or compensation.

2.15 Bid/Proposal Affidavit

All proposals submitted by an offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as Appendix C to this RFP.

2.16 Contract Affidavit

All offerors are advised that if a contract is awarded as a result of this solicitation, the successful offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as Appendix D to this RFP. This Affidavit need not be submitted with an offeror's proposal.

2.17 Order of Precedence

The contract between the parties will be embodied in the contract documents which will consist of the following, listed in their order of precedence:

1. the Contract and Contract modifications executed by both parties;
2. the RFP; and
3. the Contractor's proposal.

Modifications to the order of precedence provision of this solicitation will not be accepted. If any terms and conditions inconsistent with the requirements of the solicitation are proposed, those terms and conditions must be stated in the proposal.

SECTION III. SCOPE OF SERVICES AND REQUIREMENTS

3.1 Objectives

The STO on behalf of the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance is seeking proposals to implement an electronic payment solution, at no cost to DLLR/DUI, for the disbursement of Unemployment Compensation (“UC”) benefit payments using an Electronic Payment Card (EPC) that is either VISA or MasterCard branded.

The selected offeror will be required to implement an electronic payment solution for the disbursement of UC benefit payments in order to:

1. Ensure cardholders receive the UC benefits to which they are entitled, efficiently, timely, accurately and securely;
2. Reduce and/or eliminate the issuance of paper benefit payment checks;
3. Reduce costs;
4. Create efficiencies;
5. Maintain or increase the flexibility of accessing payments for recipients; and
6. Reduce the potential for fraud inherent in use of paper checks.

3.2 Program Description

After an unemployed individual has filed a new application for UC benefits, a determination as to eligibility and benefit amount to be received is rendered, and DLLR/DUI authorizes a payment to the recipient on a biweekly basis. Payments are made for weeks of unemployment or reduced employment for which eligibility requirements are met. These payments continue until: the recipient is again fully employed; the maximum amount of benefits is exhausted; or the benefit year ends. All claims for unemployment benefits are in effect for a 52-week period, called a benefit year. Full benefits are currently paid for a maximum of 26 times the weekly benefit rate. The claimant may file for partial weeks of unemployment benefits, which would extend the number of weeks beyond 26. If the maximum amount of benefits is paid before the expiration of the benefit year, the recipient is not eligible to file a new claim until that benefit year ends.

DLLR/DUI currently issues UC payments five (5) days a week, by check only. DLLR/DUI’s intention is to issue UC payments via EPCs to reduce, and eventually eliminate checks. With the full implementation of EPC, no checks (with the possible exception of “hardship”/emergency checks) will be issued.

In an effort to assist offerors with their proposals, DLLR/DUI has provided data in the table entitled, UC Activity, below, to estimate the number of potential initial customers for the EPC program. DLLR/DUI does not guarantee that this historical data will result in any particular number of customers for the EPC program.

TABLE - UC ACTIVITY

UC Claims Activity	Average over past three (3) years	Calendar year 2006
Number of New Claims	203,000	194,000
Number of Payments Made	2,010,000	1,875,000
Number of Claimants Receiving Benefits	146,000	137,000
Net Benefit Amount	\$450 million	\$390 million
Average Payment Amount	\$268/week	\$278/week
Average Weeks of Benefits Received Per Claimant	15.8	15.2
Number of Forms UC-1099G Issued	162,000	155,000

Note: The years 2004-2006 were relatively low payout years. Unemployment averaged less than 4.3%. Recessionary levels may double many of the above-listed volume and payment levels. Along with the regular UC program, additional payments (usually totaling less than \$5M/year) may be issued under programs such as State and federal extended benefits, Trade Readjustment Allowance (TRA), and Disaster Unemployment Assistance (DUA).

More information about DLLR/DUI and its services can be found at <http://www.dllr.state.md.us>.

3.3 **Mandatory Requirements**

Offerors shall describe how they will meet the requirements described in this section. As part of the proposal, Offerors shall submit a response to each numbered requirement below. Failure to do so may be considered non-responsive, and the Offeror's proposal may be eliminated from consideration.

1. There shall be **no cost** to DLLR/DUI for the EPC program.
2. Offerors shall provide evidence of certification and/or membership and compliance with Federal Deposit Insurance Corporation ("FDIC") or National Credit Union Share Insurance Fund ("NCUSIF") rules and regulations.
3. Offerors must be affiliated with either VISA or MasterCard and be Electronic Funds Transfer (EFT) capable using the National Automated Clearing House Association ("NACHA") standards.
4. Offerors shall meet all Regulation E requirements, including those that may apply specifically to government programs. Regulation E, issued by the Board of Governors of Federal Reserve, may be accessed online at: <http://www.federalreserve.gov/regulations/cg/regecg.htm>.

5. The EPC shall have no line of credit. Authorized deposits by DLLR/DUI and merchants making refunds for EPC purchases will be allowed. The cardholder or any other entities shall not be able to make deposits or add value to the EPC.
6. All cardholder information and cardholder account information created as a result of any contract that results from this RFP must remain confidential and may not be sold or otherwise shared with any other entity not associated with the contract or for any purpose other than the execution of the contract, unless required by law. In addition, the selected offeror may not use cardholder information or cardholder account information to solicit other business and must ensure cardholder information and cardholder account information is protected and kept confidential. The selected offeror will be required to execute an agreement regarding the confidentiality of cardholder information and cardholder account information. Offerors must describe in detail all procedures for safeguarding confidential cardholder information and cardholder account information. Refer to Section III., 3.4.H. Confidentiality/Security.
7. The selected offeror agrees to meet or exceed the minimum performance standards, which are intended to ensure that claimants have access to their benefit payments via an EPC in a timely fashion:
 - a. Account Set-up - 95 percent of cardholder accounts must be established within four days of receiving all necessary cardholder account information.
 - b. EPC Issuance - 95 percent of EPCs must be mailed by first class mail to individuals identified to receive EPCs within four (4) days of receiving all necessary cardholder account information.
 - c. Payments - 95 percent of all payments must be deposited to established cardholder accounts and be available to the cardholder within six (6) hours of receiving the DLLR/DUI payment file.
 - d. Customer Service:
 - IVR system and Web site must be operational at least 98 percent of the scheduled seven (7) days a week, 24 hours per day service, except for normal maintenance.
 - Customer service representatives must be available at least 95 percent of the scheduled seven (7) days a week, ten (10) hours per day service, with an average wait time of five (5) minutes or less. The selected offeror must provide “down time” reports.
 - Customers must never be denied service because of the inability to speak or read English.
8. The offeror must include a plan for business continuity and/or recovery as a result of disaster. (See Section III., 3.4.F Disaster Recovery/Business Continuation)

9. The offeror must maintain collateral on all State deposits and investments as required by Sections 6-202, 6-209, and 6-222 of the State Finance and Procurement Article of the Maryland Annotated Code. (See Appendix F).
10. The selected offeror shall maintain twenty million dollars (\$20,000,000) per occurrence of banker's professional liability insurance.
11. Prior to execution of any contract resulting from this RFP, the selected offeror shall be required to secure a letter of credit and execute an acknowledgement of terms. The Offeror must have the ability to secure a letter of credit in the amount of one million dollars (\$1,000,000) from an independent financial institution. If at any point during the term of the contract, DLLR/DUI is required to take action to correct a funding deficiency of the selected offeror, DLLR/DUI may make a claim against the line of credit in an amount sufficient to cover the costs to DLLR/DUI.
12. The offeror shall provide its rating on its most recent examination under the Federal Community Reinvestment Act of 1977, P.L. Number 95-128, as required under Section 6-203(b) of the State Finance and Procurement Article of the Maryland Annotated Code. If the offeror operates in a state other than Maryland, the offeror shall provide Maryland-specific information within the assessment area section of its Community Reinvestment Act report. (See Appendix H).

The offeror shall also state whether, during the previous 5 years, a court in the State of Maryland or in another state has found, in a final adjudication, that the offeror, its affiliate or an entity acquired by the offeror has violated any antidiscrimination statute or regulation.

13. Pursuant to Section 6-203(d) of the State Finance and Procurement Article of the Annotated Code of Maryland, the offeror shall provide information to demonstrate whether during the past 5 years, the financial institution has:
 - a. successfully made loans in Maryland through State or federal lending programs designed to assist small and minority-owned businesses;
 - b. had an active outreach program to assist small and minority-owned businesses through which the offeror has made efforts in Maryland; and
 - c. established strategic partnerships in Maryland with entities whose mission is to provide technical assistance to small and minority-owned businesses.

14. Offeror call centers providing customer service, as indicated in the RFP, must be located within the geographical boundaries of the United States.
15. Offeror must agree that any material available to the public via the Internet must be approved by DLLR/DUI prior to release.
16. The offeror must provide customer support in English and Spanish languages.

3.4 Specific Services

The Offeror shall:

A. Electronic Payment Card (“EPC”)

1. Describe the EPC design process and the timeline for this process.
2. DLLR/DUI shall have the right to approve the name, design, content (including activation sticker), and graphics of the EPC. Describe how you will ensure these legal rights.
3. The State of Maryland shall own the EPC design. Describe how you will ensure that it becomes the property of DLLR/DUI.
4. Describe how the activation sticker on the EPC is in English and Spanish. Describe how it will be indicated that receipt of the EPC does not guarantee that the cardholder meets UC eligibility criteria or that the cardholder will receive payment.
5. Describe the parameters for issuing EPCs to all claimants who file for UC benefits ensuring that there will be no delay in payment once eligibility (monetary and nonmonetary) is established. Describe how issuance of the EPC will be limited to the claimant only.
6. Describe the expiration process, if any, for the EPC. Provide guidelines for EPC expiration dates and policies.
7. Any claimant referred by DLLR/DUI shall not be denied participation in the EPC program unless required by State or federal law or regulations. Describe how DLLR/DUI will be notified within one (1) business day of any instances when a claimant is denied participation.
8. Describe how the EPC distribution process will work, including the maximum time to process an EPC until receipt of the EPC along with instructional materials by the cardholder. Describe how the ongoing EPC issuance process will work and how you would handle a surge in demand due to, for example, a disaster or a significant increase in UC resulting from a downturn in the economy.

9. Describe the process for EPCs being returned by the United States Postal Service as undeliverable and how DLLR/DUI will be notified.
10. The selected offeror shall be responsible for the replacement or re-issuance of EPCs when necessary.
 - a. Describe what constitutes a replacement EPC (e.g., lost, stolen or damaged EPC) and what constitutes a re-issued EPC (e.g., name change) and the policy and timeline for replacement and re-issuance of EPCs. One (1) replacement EPC and one (1) reissued EPC shall be provided by the selected offeror at no cost to DLLR/DUI or the cardholder for each 12-month benefit year period. Describe how additional replacement or reissued EPCs will be handled, defining parameters for replacement cards and any charges to the claimant.
 - b. Describe the procedures for lost, stolen or damaged EPCs, how soon a replacement card is issued and how funds will be provided to the cardholder whose EPC is lost, stolen or damaged. Describe how your customer support package will include the capability for cardholders to report lost, stolen, or damaged EPCs; and describe this reporting process.
 - c. Describe the procedures for expediting a replacement or reissued EPC at the request of DLLR/DUI.

B. Use of EPC

1. Describe how the EPC will be accepted by any participating merchant, including Point of Sale (“POS”).
2. Describe how the EPC will allow for PIN-based and signature-based purchases.
3. Describe how the EPC will be compatible with the operating ATM network, and allow for withdrawal of cash through a normal ATM transaction.
4. Describe the network(s) and how it will be accessible to the cardholder, how the technology used will be currently active and available, and indicate which of these networks will provide free services.
5. Describe how ATM access will be offered. Individuals who receive UC benefit payments from Maryland may reside either in State or out of State, with some potentially living in Canada, Guam, Puerto Rico or the Virgin Islands.
6. Provide a schematic of ATMs and direct teller sites located in Maryland, nationally, and internationally; a schematic with locations of all ATMs where free

services are available; and, outside the State, a method to locate an ATM or branch location via a toll-free customer service telephone service and a web site.

7. Describe any and all limitations placed on the cardholder, such as amounts available to withdraw daily and number of transactions permitted daily. These limitations may not preclude the cardholder from withdrawing an amount equal to two (2) weeks of UC benefits at no cost. These withdrawals may be through one (1) or more daily ATM withdrawals and/or from a bank teller. The maximum weekly UC benefit amount for 2007 is \$380 [effective October 7, 2007]. The maximum benefit amount may increase on a yearly basis. There may be times when cardholders receive a large amount of UC benefits payment (greater than two weeks of benefits) at one time. Describe how cardholders would have access to these funds at no cost.
8. Describe any transactions that will be disallowed, including transactions that cause the cardholder to exceed the amount available in the account and how the cardholder will be notified.
9. Describe how you will prevent overdrafts from transactions that are verified online.
10. Describe any liability to cardholders, DLLR/DUI, and the offeror for any transaction or other associated costs that cause the cardholder to exceed the amount available in his account. DLLR/DUI will not have any responsibility or obligation for such overdrafts, nor for any other costs or liabilities incurred by the offeror due to the actions of a cardholder.
11. Describe policies regarding asset freezing, including how you handle any holds that may be placed on cardholder accounts.
12. Describe the process for cardholders to “cash-out” their EPC account balance. For example, describe how cardholders can withdraw amounts under the ATM minimum withdrawal amount, or the retailer minimum, or for amounts less than one (1) dollar.
13. Describe the procedure regarding monies remaining in accounts established under the EPC program, differentiating between monies being held for accounts pending EPC activation and monies remaining in activated accounts after the benefit year has expired. Monies deposited by DLLR/DUI with the selected offeror on behalf of a cardholder who fails to activate his EPC for the duration of his benefit year are to be returned to DLLR/DUI. Monies remaining for long periods of time (after expiration date if card has one or six months after last deposit to card) in activated accounts shall be returned to DLLR/DUI whenever permissible by law.
14. Describe how monies remaining in accounts of deceased cardholders are processed in accordance with Section 8-405(a)(4) of the Labor and Employment

Article, Annotated Code of Maryland, including: how the accounts are frozen, how and when the monies are made available to the deceased cardholders' estate or next of kin, and how you will notify DLLR/DUI of the transactions and amounts.

15. Describe how you will detect, and communicate to the cardholder, potential fraudulent payments as a result of multiple EPC transactions by individual cardholders in a specific geographical area, and the aggregate dollar amount.
16. Describe any liability to cardholders, DLLR/DUI, and the offeror for fraud, unauthorized use of EPCs or EPC accounts, stolen EPCs, lost EPCs, or EPCs that are damaged or no longer work (for example, demagnetized).

C. Account Activation

1. Describe the data required from a cardholder to activate his/her EPC and the timeframe required for activation.
2. Describe how the cardholder will be able to choose or change his/her PIN under the following circumstances:
 - a. After initial EPC issuance;
 - b. When an EPC is lost or stolen;
 - c. If a cardholder forgets his PIN;
 - d. If the PIN is compromised;
 - e. In addition, explain alternative methods of PIN selection, if available.
3. Describe how payments will not be loaded to an EPC until the cardholder activates the EPC.
4. Describe how payments will be made immediately available to the cardholder upon EPC activation by the cardholder.
5. Describe how accounts will be deactivated only after notification by DLLR/DUI. Describe circumstances under which you would otherwise want to deactivate an account. The Selected Offeror and DLLR/DUI will jointly agree upon processes and procedures for deactivating and reactivating accounts.

D. Customer Service

1. Describe the customer communications and marketing information plan and the associated timelines for the EPC. All marketing and instructional materials must be, at a minimum, in English and Spanish. Describe specific information about cardholder services and costs/fees that will be provided. Proposed marketing and instructional materials and samples from previous clients should be included.

DLLR/DUI reserves the right to review and approve all marketing and instructional materials.

2. Describe training and instructional materials for DLLR/DUI staff on the use of the system. Samples of such material should be included. DLLR/DUI will have the right to review and approve all materials and approaches.
3. Offerors must include samples of all web pages, statements, dispute forms, and any other forms related to the EPC process in its proposal response.
4. Describe how DLLR/DUI will be immediately notified, and subsequently cardholders, of changes in policy that affect them or their accounts. No such changes can violate the terms of this RFP or resulting contract.
5. Describe how calls will be monitored to ensure quality customer service and to address customer complaints. Describe how customer complaints are logged, categorized, resolved, and the timeframes associated with these processes. List the types of issues anticipated and explain how they will be resolved. Include information and reports that you will provide to DLLR/DUI to enable DLLR/DUI to monitor customer service and customer complaint resolution.
6. Describe how cardholder inquiries regarding EPC transactions will be responded to within the stated timeframes.
7. Describe when Customer Service Representatives (CSR) are available as opposed to Interactive Voice Response (IVR) technology. Continuous CSR availability is preferred. Include any alternative methods of accessing account information in your proposal.
8. Describe wait times for callers in the queue, including the maximum wait time.
9. Describe procedures for determining the identity of a caller prior to providing any account information.
10. Describe providing DLLR/DUI's customer service staff a toll-free direct telephone line in order to transfer a cardholder to a CSR.
11. Describe how you will ensure that all services offered by the call center are accessible by touch-tone, pulse and rotary dial telephones.
12. Describe how your customer support package will include TTY and communications relay capability as described in the Americans with Disabilities Act.
13. Describe how cardholders who are unable to enter the EPC number through the IVR will default to a CSR.

14. Describe how a secure Internet-based management tool will be provided to allow cardholders to view financial transaction detail posted to their account. Specify the web site and describe how it will work.
15. Describe how a link to DLLR/DUI's web site will be provided from the pages that display account details.
16. Describe how DLLR/DUI messages are delivered in both English and Spanish to cardholders through your secure web site, IVR system, and CSRs.
17. Describe the customer process for completing an account inquiry, including various options such as IVR, ATM, customer support, online, etc.
18. Describe your procedures to resolve account discrepancies.
19. Describe how you will provide a monthly statement for each cardholder. Offerors shall supply a sample statement in the proposal response.
20. Describe how cardholder address changes can be managed with DLLR/DUI being the custodian of the address records.
21. Describe how returned mail is handled and how it will be reported to DLLR/DUI.
22. Describe services available to cardholders outside of the United States (Canada, Guam, Puerto Rico, Virgin Islands).
23. Describe how customer support in English and Spanish will be provided. Describe how customer service is provided to other non-English and non-Spanish speakers.
24. Describe how call centers and operating/processing facilities will be accessible for visits from DLLR/DUI staff.

E. Data Management

1. Describe how the required information and file format(s) will be provided for transmitting account setup and payment information data, including errors or problems with data to and from DLLR/DUI. Describe the claimant or DLLR/DUI data required to establish an EPC account (e.g., name, address, phone number, date of birth, and unique identification for claimant) and propose a process for sharing this information with DLLR/DUI.
2. Describe your procedure for using an industry standard electronically secure data connection to allow DLLR/DUI to transmit and receive account information on a daily basis.

3. Describe your ability to accept and process daily data from DLLR/DUI. DLLR/DUI shall submit transactions to the selected offeror according to NACHA approved Preauthorized Payment and Deposit (PPD) format. The daily data includes:
 - a. A new account file containing information necessary to set up new accounts and issue EPCs;
 - b. A maintenance file containing name changes, address changes, etc. to update account information;
 - c. A payment file containing deposits and other required identifying information;
 - d. Confirmation via e-mail that the file has been received. DLLR/DUI shall be notified by noon the next business day if the previous night's file has not been received; and
 - e. A file containing the dollar amount equal to the total deposits for the payment file sent the same day (this information may be listed at the end of the payment file).
4. Describe the number of hours/calendar days subsequent to receiving new account data from DLLR/DUI that you require to:
 - a. Establish an account for each record (claimant) in the file;
 - b. Provide DLLR/DUI with required identifying information necessary for DLLR/DUI to begin making payments; and
 - c. Mail EPC to each claimant by first class mail.
5. Describe the number of hours subsequent to receiving data from DLLR/DUI that you require to process payments to the cardholder's account so that funds are available to the cardholder. Include the number of hours/days for periods involving weekends and holidays.
6. Describe how, on a daily basis, DLLR/DUI shall receive from the selected offeror a report for UC containing:
 - a. New account numbers;
 - b. Reissued account numbers;
 - c. All other information necessary for DLLR/DUI to properly make payments;
 - d. An error file containing payment records that could not be processed, along with a description of the error.
7. Describe your reconciliation process, including a reporting timeline, for money received from DLLR/DUI versus money disbursed to cardholders, including audit trail(s) for each transaction throughout the process.

8. Describe how you will accept reversals from DLLR/DUI for any credit entries made in error to a cardholder account consistent with NACHA regulations.
9. Describe your data archiving and retrieval procedures. The selected offeror shall be required to retain records, including but not limited to, financial records, supporting documents, statistical records, any other records, papers, logs, audit trails or books related to this RFP and any resulting contract for a period of seven (7) years after the expiration of the contract, or until DLLR/DUI or interested government agencies are satisfied that all audit and litigation matters are resolved, whichever period is longer. The selected offeror may be requested to produce records or provide testimony as a keeper of record pursuant to a valid subpoena or court order. The selected offeror shall immediately notify DLLR/DUI's Office of the Assistant Secretary of any subpoena or court order directing the release of information and shall consult with DLLR/DUI prior to releasing such information.

F. Disaster Recovery/Business Continuation

1. A major disaster is defined as a loss of the facility or business processing due to a catastrophic event, which causes vital business processes to stop for an extended period of time (more than 24 hours). This includes:
 - a. An event resulting in the inability to meet important customer commitments and contractual obligations or to protect the interests of DLLR/DUI and the offeror and its employees.
 - b. The loss of system/service and/or degradation due to, but not limited to the following catastrophic events:
 - Power outage
 - Server crash
 - Server failure
 - Router failure
 - Cable failure
 - Power surge
 - E-mail failure
 - Internet failure
 - Virtual private network (VPN) failure, and/or
 - Computer virus
2. Describe, in sufficient detail, your disaster recovery plan and continuation of business plan.

3. Describe how DLLR/DUI will be notified of any situation which could reasonably be expected to adversely affect the payment processing operation.
4. Describe how DLLR/DUI will be notified of any failure in the payment processing operation. This includes any failure of depositing funds into cardholders' accounts and the cardholders' ability to use funds in the accounts.
5. Describe how your procedure manuals are maintained during a disaster. Include how your procedures are available in an automated format.
6. Describe how that in the event of a major disaster DLLR/DUI will be ensured that the following occurs:
 - a. Quick recovery of critical systems. Telephone and fax lines are available for customer use within 24 hours, and all business functions are returned to full service within five (5) business days.
 - b. Transfer of business functions to an alternate site. Potential alternate facilities (hot-sites) must be identified in advance. The chosen alternate facility is identified at the time a disaster is declared. The hot-site location choice is based upon the scope and impact of the disaster.
 - c. Effective communication efforts during disaster recovery. All DLLR/DUI contacts, members of each of the disaster recovery plan teams, all call center site employees, and other appropriate staff must be kept up-to-date during the recovery. You must provide information about (1) how to contact your staff during the recovery, (2) when services will be reestablished, and (3) any decision to locate to alternate facilities. DLLR/DUI feels strongly that communication with staff, customers, and DLLR/DUI contacts is crucial to the actual and perceived success of the recovery efforts.
 - d. Use of backup tapes and restoration of both data and telephone connectivity. Hardware replacement or restoration needs are assessed at the time of the disaster and appropriate measures are taken to ensure that functional hardware is available and installed within the designated recovery time frame included in your proposal. Full volume backups of all servers are made daily. Full volume backups are securely transported and securely stored off-site. Backup tapes must be transferred daily to your off-site facility that has the appropriate environmental and security controls for media storage.

G. Query and Reporting

The selected offeror must provide DLLR/DUI with detailed reporting to the extent permissible under Regulation E issued by the Board of Governors of Federal Reserve. Describe the regular reports you propose and provide samples. The reports must be available in summary and detail. Reports must be delivered to DLLR/DUI electronically in a format approved by DLLR/DUI, through a secure Internet connection. Reports should be delivered monthly, no later than five (5)

business days after the last day of the preceding month, for the preceding month's activities, unless otherwise stated by DLLR/DUI. The reports should include the following information.

1. Fraud control activity/risk analysis (daily reports):
 - a. Number of PIN changes;
 - b. Number of reports of stolen/lost EPCs;
 - c. Dollar amount stolen/lost;
 - d. Number of reports of fraudulent activity;
 - e. Dollar amount defrauded;
 - f. Geographical location of fraudulent activity;
 - g. Detailed listing of customers who have reported stolen/lost EPCs and/or fraudulent activity and the resolution of each;
 - h. Data to measure timeliness between the date of a reported stolen/lost EPC or other fraudulent activity and the date the reported issue is resolved;
 - i. Number of accounts deactivated due to fraud;
 - j. Number of reissued EPCs and reasons for re-issuance;
 - k. Detailed listing of confidentiality and security breaches including steps taken to contain the breach, follow-up reports, and a corrective action plan;
 - l. Detailed listing of any and all business disruptions of four (4) hours or longer.
2. Financial activity (monthly reports, broken down by day):
 - a. Amount of funds disbursed to cardholders sorted by amount of time from receipt of all necessary payment information from DLLR/DUI;
 - b. Amount of funds being held for accounts pending EPC activation;
 - c. ATM withdrawals;
 - d. PIN vs. signature-based merchant transactions;
 - e. Number of free cardholder transactions;
 - f. Number of cardholder cost and fee-based transactions;
 - g. Count and amounts of deposits made to cardholder accounts;
 - h. Amount of funds remaining in all cardholder accounts by length of account inactivity;
 - i. Number of payment records that had errors.
3. EPC/Cardholder activity:
 - a. Number of accounts established by amount of time from receipt of all necessary account information from DLLR/DUI;
 - b. Number of EPCs mailed via first class mail by amount of time from receipt of all necessary account information from DLLR/DUI;
 - c. Number of EPCs issued;
 - d. Number of EPCs activated;
 - e. Amount of time from EPC issuance to activation;

- f. Number of EPCs not activated by first payment transaction;
 - g. Active accounts;
 - h. Inactive accounts;
 - i. Closed accounts;
 - j. Frozen accounts;
 - k. Cancelled accounts.
- 4. Separate Customer Service activity for IVR and CSR:
 - a. Number of calls attempted (IVR, DLLR/DUI transfer if available, outside if available);
 - b. Number of calls getting a busy signal;
 - c. Number of calls accepted in queue;
 - d. Number of calls in queue abandoned by wait time;
 - e. Number of calls answered by wait time;
 - f. Average wait time;
 - g. Number of calls answered by type of call;
 - h. Number of calls answered by IVR/CSR with breakout of languages served;
 - i. Number of calls answered by talk time (connect time less time in queue);
 - j. Average talk time;
 - k. Time and duration of all IVR/CSR service interruptions, both scheduled and unscheduled reported separately;
 - l. Number of calls answered and transferred to DLLR/DUI .
- 5. Customer Service activity - Internet (DLLR/DUI related):
 - a. Number of Web site hits;
 - b. Number of cardholder account inquiries;
 - c. Number of cardholder account updates (e.g., PIN changes);
 - d. Time and duration of all web site service interruptions, both scheduled and unscheduled reported separately.
- 6. Customer Service activity - General:
 - a. Number of account protests by type of protest;
 - b. Detailed listing of complaints by customers with difficulty accessing services due to low English proficiency, including the steps taken by selected offeror to enable service.
- 7. All activity for an individual cardholder:

Describe how you will maintain this data and make it available to DLLR/DUI upon request.

8. Describe the POS process, including data capture capabilities and how much information can be input and received from the POS. Include all reporting options available to DLLR/DUI.

H. Confidentiality/Security

1. Describe your processes and procedures used to ensure the confidentiality of cardholder information and cardholder account information, including but not limited to the following measures:
 - a. Describe how access to data regarding cardholder information and cardholder accounts will be restricted to those individuals whose access is essential to the administration of the program.
 - b. Describe how individuals with access to cardholder information or cardholder accounts will be under the direction and control of the selected offeror.
 - c. Describe how you will insure that each individual with access to cardholder information or cardholder accounts will have executed a confidentiality agreement before access to this information is permitted. All individuals with access to confidential information will be required to execute a confidentiality agreement. (See Appendix B).
 - d. Describe how you will monitor the use of the data by individuals with access to cardholder information or cardholder accounts to insure that such information is being used only for purposes consistent with the administration of this program.
 - e. Describe how you will keep all information regarding cardholders and cardholder accounts secured in a manner which will ensure its confidentiality.
 - f. Describe how you will develop and require anyone with access to data regarding cardholder information or cardholder accounts to use security procedures to keep the data confidential and to limit its access to those authorized to access such information.
2. Describe the security features associated with the EPC for activation, counterfeit prevention and fraud prevention.
3. Describe your procedures for preventing identity theft and responding to fraudulent activities.
4. Describe your internal controls to help monitor, detect, record or log, prevent and minimize unauthorized physical and information technology activity.
5. Describe your procedures to resolve (prosecute) fraud, how and when you will notify DLLR/DUI, and what information you will provide.

6. Describe how quickly and the manner by which DLLR/DUI and cardholders will be notified of any data breaches that might expose cardholders' individual account information.
7. Describe the assistance cardholders will be provided in the event their individual account information is compromised.
8. Describe how physical (including electronic) records are destroyed, and what logging and reporting of the record destruction activity is provided to DLLR/DUI. See Section III., 3.4.E.9. for data archiving and retrieval procedures.
9. Describe how you will ensure that any subcontractors will be bound by the same confidentiality requirements as the offeror.

I. Indemnification

The selected offeror shall agree to indemnify and hold harmless DLLR from any and all claims, costs, liabilities, judgments, including attorneys' fees and court costs, arising from any negligent act of omission by selected offeror in connection with providing EPC services for the disbursement of UC benefit payments.

J. Implementation of EPC System

Describe how administrative staff and/or a small group of claimants could test the EPC system prior to complete implementation.

3.5 Reports and Project Control

The selected offeror shall work directly with designated DLLR/DUI and Office of Information Technology (OIT) staff responsible for the UC process in Maryland. The selected offeror will be required to provide reports during project development at negotiated time periods. Give a description and/or sample reports that provide:

- a. Status Report. A periodic progress report covering activities, problems and recommendations. This report should be keyed to the work plan the offeror developed in its proposal, as amended or approved by the Issuing Office.
- b. Problem Identification Report. An "as required" report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include offeror recommendations with supporting rationale.
- c. Final Report. Sign offs on project deliverables that will serve as final reports.

3.6 Desirable Features

Describe any value added services the offeror may provide beyond those services previously outlined to offer additional benefits to DLLR/DUI or the claimant/cardholder. Examples may be:

- Providing direct deposit services. This would include registering and maintenance of all banking information required for direct deposit.
- Providing messages to cardholders on behalf of DLLR/DUI.
- Including informational inserts designed by DLLR/DUI with mailings to cardholders.
- Providing the ability for the cardholder to transfer money from the EPC to his/her bank account.
- Providing checks as an option for cardholder to access funds from his EPC account.
- Providing a paper ledger for the cardholder to record transactions.
- Reports and project control.
- Languages other than English and Spanish that can be provided for claimant services.

3.7 Minimum Performance Standards Remedies

If the Contractor fails to meet minimum performance standards, as determined by the Contract Officer, that are set forth in the RFP at Section III, 3.3. 7a.-d. as **Mandatory Requirements**, the DLLR/DUI in conjunction with the STO may take one, all, or any combination of the following actions:

- a. For failure to meet the performance standards for a period of one (1) month, the DLLR/DUI may invoke a corrective process which includes a written warning to the Contractor and the submission to DLLR/DUI of a written corrective action plan. If within two(2) months of initial failure the Contractor cannot demonstrate improved performance, a second corrective action plan shall be required and the Contractor shall report on a daily basis to DLLR/DUI the reasons that the standard is not being met and what is being done to correct the performance;
- b. Terminate the contract and invoke the letter of credit as a remedy for damages in an amount necessary to cover the cost to DLLR/DUI of issuing payments and/or procuring a new vendor;
- c. Terminate the contract; and/or
- d. Any other remedy available to DLLR/DUI under the contract between the parties.

DLLR/DUI's forbearance from taking action in response to one or more instances where the Contractor fails to meet minimum performance standards shall not constitute a waiver of its rights with respect to any subsequent failure by the Contractor to meet performance standards.

3.8 Term

A contract to be awarded pursuant to this RFP is expected to begin December 17, 2007 and continue for a period of three years, with up to two one-year renewal options exercisable at the sole discretion of the STO on behalf of DLLR/DUI.

3.9 Compensation

There shall be no cost to DLLR/DUI for the EPC program. See Section IV., 4.5 Cardholder Services and Costs/Fees.

SECTION IV. PROPOSAL FORMAT

4.1 Transmittal Letter

A brief transmittal letter prepared on the offeror's business stationery should accompany the original and required copies of the proposal. The letter must be signed by an individual authorized to bind the selected offeror to all statements, including services and cardholder cost/fees, contained within the proposal. The transmittal letter should also indicate that, if selected, the offeror will execute a contract materially the same as Appendix E.

4.2 Two-Part Submission

Each proposal must be submitted in two parts as indicated below.

4.3 Part 1 - Technical Proposal for Electronic Payment Card Services

Part 1 - Technical proposal shall be labeled “**Electronic Payment Card Services for the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance, RFP #DLLR/DUI-10112007.**” The Proposal should be prepared in a clear and precise manner and should address all subsections below. This proposal shall contain the transmittal letter (Section IV., 4.1) and the completed proposal affidavit (Appendix C). The ideal response would reiterate each subsection and then list the offeror’s response, item by item so that an evaluator can read the requirement followed by the response. Any offeror submitting a proposal in response to this solicitation must comply with the Mandatory Requirements set forth in Section III., 3.3. Failure to do so may be considered non-responsive, and the Offeror’s proposal may be withdrawn from consideration.

1. General Information

- a. Name of Offeror.
- b. Mailing address of office from which the proposal is being submitted.
- c. Name of individual who will represent the company as the primary contact person on matters relating to the proposal.
- d. Telephone numbers, facsimile number, and e-mail address.

2. Offeror’s Qualifications

Provide evidence to document that the offeror satisfactorily meets each of the Mandatory Requirements as listed in Section III., 3.3 of this RFP. Offerors who do not meet the Mandatory Requirements will have their proposal removed from further consideration.

3. Offeror’s Capabilities

Give a detailed description of the offeror’s proposal, which satisfies each criterion of the Specific Services as listed in Section III., 3.4 of the RFP. Give a description of how the

offeror will meet the requirement to provide reports as indicated Section III., 3.5 Reports and Project Control. Describe any value added services as indicated in Section III., 3.6 Desirable Features.

4. Prior Experience

This section should describe selected engagements involving services similar to those required that were successfully performed for other customers within the last three years. For each engagement, identify the name of the organization or company, their address, provide a contact name and telephone number. In a chart form, offerors should summarize prior engagements noting the services performed, and the offeror's employee who supervised the job.

5. Personnel

This section should include the personnel who are to be assigned to this project if the offeror is awarded the contract, and should indicate the proposed project role or assignment and resume of key personnel (project manager, team leader, and assigned project team members).

6. References

This section must identify a minimum of three current references, and must contain the name of each organization, the mailing and street address, point of contact, and telephone number and a description of the services rendered. The Procurement Officer or members of the Evaluation Committee will contact one or more of these references, and in addition, may contact any other reference of their choosing. At least one (1) reference will be knowledgeable of the specific performance in providing EPC services in general, and in particular, EPC services with respect to UC.

7. Additional Information

This section, which is optional, should include any additional information the offeror deems relevant to this procurement and the satisfaction of the State's objectives.

8. Company Literature (if applicable):

If company literature or other material is intended to respond to any RFP requirement, it must be included in this section and the offeror's responses in previous sections of the proposal must include reference to the document by name and page citation. Proposals submitted without these citations will be considered complete without need to refer to documents in this section for the offeror's responses to RFP requirements.

9. Financial Report

The financial statements of the offeror must be audited annually by an independent certified public accounting firm and an unqualified opinion must be issued by the auditor in connection with the audit. Include offeror's most recent audited financial statements. One copy of the financial report with all attachments is to be included in original volume only.

10. Economic Benefit to the State of Maryland

Each proposal submitted in response to this solicitation must describe the benefits that will accrue to the Maryland economy as a direct result of the Offeror's performance of the contract resulting from the solicitation. Economic benefits include:

- a. The Contract dollars to be recycled into Maryland's economy in support of the Contract, through the use of Maryland subcontractors, suppliers, and joint venture partners. Offerors should be as specific as possible and provide a breakdown of expenditures in this category. Do not provide actual dollars for each category. Include percent of the total budget requested.
- b. The numbers and types of jobs for Maryland residents resulting from the contract. Indicate job classifications, number of employees in each classification, and the aggregate payroll to which the Contractor has committed at both prime, and if applicable, subcontract levels. Do not provide actual dollars for each category. Include percent of the total budget requested.
- c. Tax revenues to be generated for Maryland and its political subdivisions as a result of this Contract. Indicate the tax category (sales tax, payroll taxes, inventory taxes, and estimated personal income taxes for new employee). Provide a forecast of the total tax revenues resulting from the Contract. Do not provide actual dollars for each category. Include percent of the total budget requested.
- d. Subcontract dollars committed to Maryland Small Business and Minority Business Enterprises. Do not provide actual dollars for each category. Include percent of the total budget requested.
- e. In addition to the factors listed above, the Offeror should explain any other economic benefits to the State of Maryland that would result from the Offeror's proposal

4.4 Disclosures

Disclose any relationships with persons or entities that may create a conflict of interest, or the appearance of a conflict of interest. Disclose specific details of any pending legal proceedings (criminal or civil), or regulatory or disciplinary actions by any state or federal regulatory agency, involving the firm or members of the firm; or any convictions, judgments or settlements resulting from such proceedings or actions with the past five years.

4.5 Part II - Cardholder Services and Costs/Fees

Cardholder services and costs/fees will be evaluated by the most favorable costs/fees to the cardholder for services and as part of the Evaluation Criteria as stated in Section V., 5.4. Cardholder services and costs/fees are subject to negotiation prior to the formation of a contract.

Offeror is to submit the Cardholder Services and Costs/Fees Worksheet identified as Appendix A, including the timing and circumstances under which each cardholder services and costs/fees is assessed. On a separate sheet describe in detail any additional EPC cardholder services and costs/fees, including the timing and circumstances under which each cardholder services and costs/fees is assessed, that are not included on the Worksheet.

The selected offeror may not charge any cost or fee to cardholders not included in its proposal. The Worksheet and any additional EPC cardholder costs and fees must be signed by an individual authorized to bind the selected offeror to all statements including all cardholder services and costs/fees contained in this proposal. The Worksheet and any additional EPC cardholder costs and fees are to be sealed in the same envelope as the Technical Proposal.

4.6 Implementation of EPC Services Demonstration

Prior to the complete implementation of the EPC services system, the selected Offeror shall, at the option of DLLR/UI, allow either administrative staff or a small group of claimants to test the system for informational purposes.

SECTION V. EVALUATION AND SELECTION PROCEDURE

5.1. Evaluation and Selection Committee

All qualifying proposals received by the submission deadline will be evaluated by an Evaluation and Selection Committee appointed by the State Treasurer or the Treasurer's designee.

5.2. Qualifying Proposals

The Procurement Officer first will review each proposal for completeness of response to the Requirements set forth in Section IV., 4.3, "Proposal Format," Part I - Technical Proposal for Electronic Payment Card Services and for Section IV., 4.5, Part II - Cardholder Services and Costs/Fees. Failure to respond to the appropriate requirement may disqualify an offeror's proposal from consideration by the Committee.

5.3. Evaluation

After the Procurement Officer selects the qualifying proposals, the Committee will conduct an evaluation of the technical merit of each qualifying proposal and an evaluation of the Cardholder Services and Costs/Fees as required in Section IV., 4.5. This evaluation will be made solely on the basis of the evaluation criteria set forth in subsection 5.4, below and may include information obtained during oral interviews, if any.

5.4. Evaluation Criteria

Only proposals determined to be qualifying proposals pursuant to subsection 5.2 above will be evaluated by the Committee.

The Committee will take into consideration the information related to the questions in Section IV in order of importance listed below (greatest first):

1. Offeror's Qualifications
2. Offeror's Capabilities
3. Cardholder Services and Costs/Fees
4. Prior Experience
5. Personnel and References
6. Economic Benefits to the State of Maryland

5.5 Responsibility

1. General

- (a) The procurement regulations in COMAR Title 21 define a "responsible" Offeror as one "...who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability that shall assure good faith performance."

- (b) COMAR, Title 21, also requires that the Procurement Officer determine before awarding a contract to an Offeror whether the Offeror is responsible. The determination of responsibility is based on the subjective judgment of the Procurement Officer about whether the Offeror meets the definition of a “responsible” Offeror.
- (c) In addition, the unreasonable failure of an Offeror to supply information promptly in connection with the determination of responsibility shall be grounds for a determination that the Offeror is not responsible.

2. Discussions

The STO reserves the right to discuss and negotiate with qualified Offerors or potentially qualified Offerors, (i.e., which are reasonably susceptible of being selected for award). The STO, however, is not obligated to conduct any discussions or negotiations. Each Offeror should be aware that the STO can select a proposal without first discussing the matter with the selected Offeror.

5.6 Best and Final Offer

When deemed in the best interest of the State, the Procurement Officer may permit qualified offerors to revise their initial proposal by submitting a best and final offer. The Procurement Officer shall notify each qualified offeror of the scope of the requested best and final offer, and shall establish a date and time for the submission. The Procurement Officer may require more than one series of best and final offers and discussions, if determined that it is in the State’s best interest to do so. If more than one best and final offer is requested, an offeror’s immediate previous offer shall be construed as its best and final offer unless the offeror submits a timely notice of withdrawal or another best and final offer. The Procurement Officer may consult with and seek the recommendation of the Evaluation Committee during the best and final offer process.

5.7 Final Evaluation and Recommendation for Award

Following oral presentations, proposal negotiations, and reference checks, if any, the Committee will perform its final evaluations and will make a recommendation to the Procurement Officer for award of the contract to that responsible offeror or offerors whose proposals are determined to be the most advantageous to the State based on the results of the final technical evaluations. Contract award, if any, is subject to the approval of the State Treasurer or the Treasurer’s designee upon the recommendation of the Procurement Officer.

5.8 Debriefing of Unsuccessful Offerors

Unsuccessful Offerors shall be debriefed upon their written request, provided the request is made within a reasonable period of time after receiving notice of a final determination of award from the Procurement Officer. Request for debriefings shall be honored by the STO at the earliest feasible time after the request has been received. Debriefings shall be held in accordance with COMAR 21.05.03.06.

APPENDIX A

CARDHOLDER SERVICES AND COSTS/FEEES WORKSHEET INSTRUCTIONS

1. Offerors must submit the Cardholder Services and Cost/Fees Worksheet identified as Appendix A, including the timing and circumstances under which each cardholder cost and fee is assessed.
2. Additional EPC cardholder services and costs/fees not included on the Worksheet as Appendix A may be submitted on a separate sheet. Describe in detail, including the timing and circumstances under which each cardholder cost and fee is assessed. See Section IV., 4.5 Part II – Cardholder Services and Costs/Fees.
3. Appendix A is to be completed and signed by an individual who is authorized to bind the financial institution to the Cardholder Services and Cost/Fees. The selected Offeror may not charge cardholders or the State any cost or fee not included in its proposal.
4. Cardholder services and cost/fees must be recorded with dollars and cents, e.g., \$24.15. Fractional prices are not acceptable (e.g., \$24.15333).
5. It is imperative that the Cardholder Services and Cost/Fees Worksheet, Appendix A, is completed accurately, as well as attached separate sheets containing any additional EPC cardholder services and cost/fees. Any incorrect entries or inaccurate price by the Offeror will be treated as provided in COMAR 21.05.03.03E and 21.05.02.12.

APPENDIX A (Continued)
CARDHOLDER SERVICES AND COSTS/FEE WORKSHEET

CARDHOLDER SERVICES		COSTS/FEE CHARGED PER CARD AND/OR TRANSACTION	TIMING AND CIRCUMSTANCES UNDER WHICH EACH CARDHOLDER FEE IS ASSESSED
Enrollment: Application Fee for EPC			
Web Application Fee for EPC			
Monthly: Maintenance Fee			
Statements			
ATM & POS:			
Withdrawal – Domestic			
Withdrawal – International			
Balance Inquiries			
Declined Transaction fee			
Teller - Cash Access			
Purchases - Signature based			
Purchases - Pinned			
Negative Balance (overdrafts)			
Other Service Fees:			
Pin Changes			
Card Replacement – Domestic			
Card Replacement – International			
Card Replacement – Emergency			
Bill Payments			
Account Closing fee			
Frozen Accounts			
Duplicate Statements			
Customer Service:			
Automated Inquiry			
Customer Service Rep Inquiry			
International Customer Service Inquiry			

In compliance with the RFP and with all terms and conditions set forth therein, the undersigned represents that he/she has full authority to submit the above Cardholder Services and Cost/Fees Worksheet and any additional EPC cardholder services and costs/fees not included on the Worksheet as Appendix A.

Firm Name: _____

Authorized Official: _____

Typed Name: _____

Title: _____

APPENDIX B

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

I, _____, am an employee of _____ which has been hired by the State of Maryland Department of Labor, Licensing and Regulation (“DLLR”) to implement and provide an electronic payment system for Maryland Unemployment Insurance payments. I hereby acknowledge and agree to the following for the purpose of protecting the data, information, and property of the State of Maryland.

I understand that in the course of conducting my work for _____, I will or may be exposed to certain confidential data and information maintained by the DLLR in order to administer its unemployment insurance program, including but not limited to, names of claimants, social security numbers, claimant addresses, and the amount of unemployment insurance due. I understand that I may not discuss with or reveal to anyone, in any manner, any of the DLLR information I obtain from my work, except to other persons also having authorization to access this data, and only for purposes of performing work for DLLR. I understand that I may not reveal such information to my friends or family, nor use the information for any personal, commercial, or political use. I understand that the data is confidential and protected by federal and state laws.

I have read this entire statement and understand that the confidential data must be used only for the specific purpose set forth above and that use of this information for any other purpose is strictly prohibited.

Signed: _____

Date: _____

APPENDIX C
BID/PROPOSAL AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title) _____ and the duly authorized representative of (business) _____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct:

In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in “discrimination” as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. “Discrimination” means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendors, supplier’s or commercial customer’s employees or owners. “Discrimination” also includes retaliating against any person or other entity for reporting any incident of “discrimination”. Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the state of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State’s Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies (as is defined in Section 16-101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

_____.

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract; [or]

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract; or

(9) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C(1)—(8) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, or any of its employees directly involved in obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension):

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

J. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, §§14-101—14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State of Maryland, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$100,000 or more shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.

K. DRUG AND ALCOHOL FREE WORKPLACE

I CERTIFY THAT:

- (1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.
- (2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:
 - (a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;
 - (b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;
 - (c) Prohibit its employees from working under the influence of drugs or alcohol;
 - (d) Not hire or assign to work on the contract anyone whom the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;
 - (e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;
 - (f) Establish drug and alcohol abuse awareness programs to inform its employees about:
 - (i) The dangers of drug and alcohol abuse in the workplace;
 - (ii) The business' policy of maintaining a drug and alcohol free workplace;
 - (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;
 - (g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §J(2)(b), above;
 - (h) Notify its employees in the statement required by §J(2)(b), above, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §J(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination; or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §J(2)(a)—(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §J(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.06.

L. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic ____) (foreign ____) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is: Name: Address: _____ .

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

M. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of the Contract.

N. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative and Affiant)

9/20/2006

APPENDIX D

CONTRACT AFFIDAVIT

A. AUTHORIZED REPRESENTATIVE

I HEREBY AFFIRM THAT:

I am the (title)_____ and the duly authorized representative of (business)_____ and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT

I FURTHER AFFIRM THAT:

(1) The business named above is a (domestic____) (foreign____) corporation registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is: Name:_____ Address:_____.

(2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

C. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated _____, 20____, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative and Affiant)

APPENDIX E

(FORM OF)

CONTRACT FOR

ELECTRONIC PAYMENT CARD SERVICES

BETWEEN

MARYLAND STATE TREASURER'S OFFICE

ON BEHALF OF THE

DEPARTMENT OF LABOR, LICENSING AND REGULATION,

DIVISION OF UNEMPLOYMENT INSURANCE

AND

CONTRACT

THIS CONTRACT is made as of the ____ day of _____, by and between _____ (the "Contractor"), and the **MARYLAND STATE TREASURER'S OFFICE**, 80 Calvert Street, Annapolis, Maryland 21401 (the "Office"), an office of the **STATE OF MARYLAND** (the "State"), acting on behalf of the DEPARTMENT OF LABOR, LICENSING AND REGULATION, DIVISION OF UNEMPLOYMENT INSURANCE ("DLLR/DUI").

IN CONSIDERATION OF the premises and the covenants herein contained, the parties agree as follows:

ARTICLE I - SCOPE OF SERVICES

The Office hereby engages the Contractor to perform the services set forth below:

- A. General Services. The Contractor shall provide Electronic Payment Card services as described in:
1. Exhibit A: The Office Request for Proposals (RFP) for Electronic Payment Card Services for the Department of Labor, Licensing and Regulation, Division of Unemployment Insurance, RFP #10112007;
 2. Exhibit B: Contractor's Proposal (Part I and II) dated _____;
 4. Exhibit C: Collateral Security Agreement dated _____;
 5. Exhibit D: State Proposal and Contract Affidavits.

This agreement and Exhibits A through C shall constitute the scope of services provided under this Contract; provided, however, that the Office shall have the unilateral right to require changes in the scope of services provided so long as such changes are within the general scope of work to be performed. If there are any inconsistencies between this agreement and Exhibits A, B, or C, or any of them, the terms of this document shall control.

- B. Specific Services. The Contractor agrees to provide the services as described in Exhibits A and B attached to this Contract.

ARTICLE II - TERM

The initial term of this Contract shall be for a period of three years from _____ through _____. In addition there shall be ____ additional _____ renewal options, which may be exercised at the sole discretion of the Treasurer of the State.

ARTICLE III - CONSIDERATION, PAYMENT AND PERFORMANCE

Contractor shall charge the cardholder services and costs/fees as described on Cardholder Services and Costs/Fees and any additional EPC cardholder services as attached herein as Exhibit _____. The Cardholder Services and Costs/Fees set forth as Exhibit will not change for the term of this contract including any renewal options.

ARTICLE IV – GENERAL CONDITIONS

1. Changes

The Procurement Officer may make any change in the work within the general scope of the Contract at any time by written order designated to be a change order. If any change under this clause causes an increase or decrease in the Contractor's cost of, or the time required for the performance of any part of the work under this Contract, an equitable adjustment shall be made and the Contract modified in writing accordingly.

2. Liability

The Contractor agrees to assume full responsibility for any and all damage to the property of the State Treasurer's Office and DLLR/DUI, both real and personal, which results from or arises in connection with, the performance of this Contract.

The Contractor hereby agrees to indemnify and save harmless the State Treasurer's Office against all claims, damages, costs, losses and liabilities whatsoever, for any and all injury to persons and property which may arise out of the performance of this Contract.

The Contractor agrees to maintain adequate insurance coverage in order to fulfill responsibility under this section.

3. Tax Exemption

The State Treasurer's Office is generally exempt from Federal Excise Taxes, Maryland Sales and Use Taxes, District of Columbia Sales Tax and Transportation Taxes. Exemption certificates shall be completed upon request. Where a Contractor is required to furnish and install material in the construction or improvement of real property in the performance of a Contract, the Contractor shall pay the Maryland Sales Tax and the exemption does not apply.

4. Non-Assignment

The Contractor shall not sell, transfer, or otherwise assign its obligations under this Contract or any portion thereof, or its rights, title or interest herein without prior written consent of the State Treasurer's Office.

5. Non-Hiring of Employees

No employee of the State of Maryland or any unit thereof, whose duties as such employee include matters relating to or affecting the subject matter of this Contract, shall, while so employed, become or be an employee of the party or parties hereby contracting with the State of Maryland or any unit thereof.

6. Minimum Performance Standards Remedies

In addition to the remedies included herein, if the Contractor fails to meet minimum performance standards, as determined by the Contract Officer, that are set forth in the RFP at Section III, 3.3., 7a.-d. as **Mandatory Requirements**, the DLLR/DUI in conjunction with the STO may take one, all, or any combination of the following actions:

- A. For failure to meet the Minimum Performance Standards for a period of one (1) month, the DLLR/DUI may invoke a corrective process which includes a written warning to the Contractor and the submission to DLLR/DUI of a written corrective action plan. If within two(2) months of initial failure the Contractor cannot demonstrate improved performance, a second corrective action plan shall be required and the Contractor shall report on a daily basis to DLLR/DUI the reasons that the standard is not being met and what is being done to correct the performance;
- B. Terminate the Contract and invoke the letter of credit as a remedy for damages in an amount necessary to cover the cost to DLLR/DUI of issuing payments and/or procuring a new vendor;
- C. Terminate the Contract; and/or
- D. Any other remedy available to DLLR/DUI under the Contract between the parties.

The parties agree that DLLR/DUI's forbearance from taking action in response to one or more instances where the Contractor fails to meet performance standards shall not constitute a waiver of its rights with respect to any subsequent failure by the Contractor to meet performance standards.

7. Disputes

This Contract shall be subject to the provisions of Title 15, Subtitle 2 of the State Finance and Procurement Article of the Annotated Code of Maryland (Dispute Resolution), and COMAR

21.10 (Administrative and Civil Remedies). Pending resolution of a claim, the Contractor shall proceed diligently with the performance of the Contract in accordance with the Procurement Officer's decision.

8. Maryland Law Prevails

The provisions of this Contract shall be governed by the Laws of Maryland.

9. Amendments

This Contract constitutes the entire agreement between the parties and all other communications prior to its execution, whether written or oral, with reference to the subject matter of this Contract are superseded by this agreement. Any amendment to this Contract must first be approved in writing by the Procurement Officer, subject to any additional approvals required by State law. No amendment to this Contract shall be binding unless so approved and unless it is in writing and signed by the party to be charged.

10. Nondiscrimination in Employment

The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or physical or mental handicap unrelated in nature and extent so as reasonably to preclude the performance of such employment; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

11. Commercial Nondiscrimination Clause

- A. As a condition of entering into this Agreement, Contractor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland. As part of such compliance, Contractor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Contractor retaliate against any person for reporting instances of such discrimination. Contractor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Contractor understands that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement,

disqualification of Contractor from participating in State contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

- B. As a condition of entering into this Agreement, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Contractor under Title 19 of the State Finance and Procurement Article, as amended from time to time, Contractor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past 4 years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Contractor on each subcontract or supply contract. Contractor further agrees to cooperate in any investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. Contractor understands that violation of this clause is a material breach of this Agreement and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

12. Contingent Fee Prohibition

The contractor, architect, or engineer (as applicable) warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for the contractor, architect, or engineer, to solicit or secure this agreement, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or any other consideration contingent on the making of this Contract.

13. Multi-Year Contracts Contingent Upon Appropriations

If the General Assembly fails to appropriate funds or if funds are not otherwise made available for continued performance for any fiscal period of this Contract succeeding the first fiscal period, this Contract shall be cancelled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Contractor's rights under any termination clause in this Contract. The effect of termination of the Contract hereunder will be to discharge both the Contractor and the State from future performance of the Contract, but not from their rights and obligations existing at the time of termination. The Contractor shall be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the Contract. The State shall notify the Contractor as soon as it has knowledge that funds may not be available for the continuation of this Contract for each succeeding fiscal period beyond the first.

14. Termination for Default

If the Contractor fails to fulfill its obligation under this Contract properly and on time, or otherwise violates any provision of the Contract, the State may terminate the Contract by written notice to the Contractor. The notice shall specify the acts or omissions relied upon as cause for termination. All finished or unfinished work provided by the Contractor shall, at the State's option, become the State's property. The State shall pay the Contractors fair and equitable compensation for satisfactory performance prior to receipt of notice of termination, less the amount of damages caused by Contractor's breach. If the damages are more than the compensation payable to the Contractor, the Contractor will remain liable after termination and the State can affirmatively collect damages. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.11B.

15. Termination for Convenience

The performance of work under this Contract may be terminated by the State in accordance with this clause in whole, or from time to time in part, whenever the State shall determine that such termination is in the best interest of the State. The State will pay all reasonable costs associated with this Contract that the Contractor has incurred up to the date of termination and all reasonable costs associated with termination of the Contract. However, the Contractor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of termination. Termination hereunder, including the determination of the rights and obligations of the parties, shall be governed by the provisions of COMAR 21.07.01.12A(2).

16. Delays and Extensions of Time

The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by it for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Contract.

Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the State in either its sovereign or contractual capacity, acts of another Contractor in the performance of a Contract with the State, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

17. Variations in Estimated Quantities

No equitable adjustment shall be permitted in favor of either the State or the Contractor in the event that the quantity of any pay item in this Contract is an estimated quantity and the actual quantity of such pay item varies from the estimated quantity stated in the Contract.

18. Suspension of Work

The Procurement Officer unilaterally may order the Contractor in writing to suspend, delay, or interrupt all or any part of its performance for such period of time as the Procurement Officer may determine to be appropriate for the convenience of the State.

19. Pre-Existing Regulations

In accordance with the provisions of Section 11-206 of the State Finance and Procurement Article, Annotated Code of Maryland, the regulations set forth in Title 21 of the Code of Maryland Regulations (COMAR Title 21) in effect on the date of execution of this Contract are applicable to this Contract.

20. Financial Disclosure

The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

21. Political Contribution Disclosure

The Contractor shall comply with the Election Law Article § 14-101 – 14-108, Annotated Code of Maryland, which requires that every person that enters into contracts, leases, or other agreements with the State, a county or an incorporated municipality, or their agencies, during a calendar year in which the person receives in the aggregate \$100,000 or more, shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election. The statement shall be filed with the State Administrative Board of Election Laws: (1) before a purchase or execution of a lease or contract by the State, a county, an incorporated municipality, or their agencies, and shall cover the preceding two calendar years; and (2) if the contribution is made after the execution of a lease or contract, then twice a year, throughout the Contract term, on: (a) February 5, to cover the 6-month period ending January 31; and (b) August 5, to cover the 6-month period ending July 31.

22. Retention of Records

The Contractor shall retain and maintain all records and documents relating to this Contract for three years after final payment by the State hereunder or any applicable statute of limitations, whichever is longer, and shall make them available for inspection and audit by authorized representatives of the State, including the Procurement Officer or his designee, at all reasonable times.

23. Compliance With Laws

The Contractor hereby represents and warrants that:

- A. It is qualified to do business in the State of Maryland and that it will take such action as, from time to time, hereafter may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all federal, State and local laws, regulations and ordinances applicable to its activities and obligations under this Contract; and
- D. It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

24. Liability for Loss of Data

In the event of loss of any data or records necessary for the performance of this Contract where such loss is due to the error or negligence of the Contractor, the Contractor shall be responsible, irrespective of cost to the Contractor, for recreating such lost data or records.

25. Indemnification

Contractor shall agree to indemnify and hold harmless the State from any and all claims, costs, liabilities, judgments, including attorneys' fees and court costs, arising from any negligent act of omission by Contractor in connection with providing EPC services for the disbursement of UC benefit payments.

26. Cost and Price Certification

- A. The Contractor by submitting cost or price information certifies that, to the best of its knowledge, the information submitted is accurate, complete, and current as a mutually determined specified date prior to the conclusion of any price discussions or negotiations for:
 - (1) A negotiated Contract, if the total contract price is expected to exceed \$100,000, or a smaller amount set by the procurement officer; or
 - (2) A change order or contract modification, expected to exceed \$100,000, or a smaller amount set by the procurement officer.

- B. The price under this Contract and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon between the parties, was inaccurate, incomplete, or not current.

27. Subcontracting; Assignment

The Contractor may not subcontract any portion of the services provided under this Contract without obtaining the prior written approval of the State, nor may the Contractor assign this Contract, or any of its rights or obligations hereunder, without the prior written approval of the State. Any such subcontract or assignment shall be subject to any terms and conditions that the Office deems necessary to protect the interest of the State. The Office shall not be responsible for the fulfillment of the Contractor's obligations to subcontractors.

28. Ownership of Documents and Materials

The Contractor agrees that all documents and materials including, but not limited to, reports, drawings, studies, specifications, estimates, maps, photographs, designs, graphics, mechanical, artwork, and computations prepared by or for it under the terms of this Contract shall at anytime during the performance of the services be made available to the State upon request by the State and shall become and remain the exclusive property of the State upon termination or completion of the services. The State shall have the right to use same without restriction or limitation and without compensation to the Contractor other than that provided by this Contract. The State shall be the owner for purposes or copyright, patent or trademark registration.

29. Patents, Copyrights and Trade Secrets

- A. If the Contractor furnishes any design, device, material, process or other item, which is covered by a patent, or copyright or which is proprietary to or a trade secret of another, Contractor shall obtain the necessary permission or license to use such item.
- B. Contractor will defend or settle, at its own expense, any claim or suit against the State alleging that any such item furnished by Contractor infringes any patent, trademark, copyright, or trade secret. Contractor also will pay all damages and costs that by final judgment may be assessed against the State due to such infringement and all attorney fees and litigation expenses reasonably incurred by the State to defend against such a claim or suit. The obligations of this paragraph are in addition to those stated in paragraph C below.
- C. If any product(s) furnished by Contractor become, or in Contractor's opinion are likely to become, the subject of a claim of infringement, Contractor will, at its option: (1) procure for the State the right to continue using the applicable item; (2) replace the product with a non-infringing product substantially complying with

the item’s specifications; or (3) modify the item so it becomes non-infringing and performs in a substantially similar manner to the original item.

ARTICLE V - NOTICES

All notices required to be given by one party to the other hereunder shall be in writing and shall be addressed as follows:

- If to the Office:

Procurement Officer
State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, Maryland 21401
- If to the Agency:

Monica Douglass
Chief of Accounting and Fund Management
Department of Labor, Licensing and Regulation
Division of Unemployment Insurance, Contribution Office
1100 North Eutaw Street, Room 414
Baltimore, Maryland 21201-2201
- If to the Contractor:

ARTICLE VI - ADMINISTRATION

The work to be accomplished under this Contract shall be performed under the direction of the Contract Officer, Monica Douglass. All matters relating to the administration of this Contract shall be referred to the Procurement Officer for determination.

ARTICLE VII - REPRESENTATIONS

Each party to this agreement represents and warrants to the other that it has full right, power, and authority to execute this Contract.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date hereinabove set forth.

ATTEST:

CONTRACTOR

WITNESS:

**MARYLAND STATE TREASURER'S
OFFICE**

**ACKNOWLEDGED AND ACCEPTED:
DEPARTMENT OF LABOR,
LICENSING AND REGULATION,
DIVISION OF UNEMPLOYMENT
INSURANCE**

Approved for form and legal sufficiency:

Assistant Attorney General

APPENDIX F

COLLATERAL SECURITY AGREEMENT

THIS COLLATERAL Security Agreement is made and entered into as of _____ by and between the Maryland State Treasurer's Office, hereinafter called "Depositor", and _____, a national banking association, organized under the laws of the United States and authorized by law to do banking business in the state of Maryland, hereinafter called "Bank."

Background

Depositor, in accordance with Maryland State law, has designated Bank as a depository for public funds of the Depositor. During the term of this Collateral Security Agreement, the Depositor will designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the Depositor in any and all matters of every kind arising under this Collateral Security Agreement. The Depository Agreement between Depositor and Bank is incorporated herein for all purposes; however, to the extent that any provision therein conflicts with any provision herein, this Collateral Security Agreement will control. All funds on deposit with Bank to the credit of the Depositor are required to be secured by collateral as provided in Section 6-202 of the State Finance and Procurement Article of the Annotated Code of Maryland (hereinafter referred to as the "Public Funds law").

To perfect the security interest of the Depositor in the collateral pledged by the Bank, a Federal Reserve Bank or a third party financial institution, acceptable to both parties, will hold the collateral in a custody account for the benefit of the Depositor. Such Federal Reserve Bank or third party financial institution is hereafter referred to as "Trustee."

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. In accordance with the terms of this Collateral Security Agreement, Bank hereby pledges to Depositor, and grants to Depositor a security interest in, those assets owned by Bank and held by Trustee for the benefit of Depositor (hereinafter, the "Collateral"), to secure the deposits held by Bank for Depositor as required by the Public Funds law.
2. The total market value of the Collateral (which includes accrued interest or income to the extent it is not included in the market price) will be in an amount at least equal to such amount as is required under the Public Funds law. The market value of any security held as Collateral will be obtained from a primary dealer. The Bank will provide a monthly collateral report at no charge. The report includes the market

value and description of each security pledged as of the last business day of the month.

3. Bank has heretofore or will immediately hereafter deliver to Trustee Collateral of the kind and character permitted by the Public Funds law of sufficient amount and market value to provide adequate Collateral for the funds of Depositor deposited with Bank. The Collateral or substitute Collateral, as hereinafter provided for, shall be kept and retained by Trustee in trust so long as the depository relationship between Depositor and Bank shall exist hereunder.
4. Bank shall cause Trustee to accept the Collateral and hold the same in trust for the purpose herein stated.
5. Should Bank fail at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit, or in case Bank becomes insolvent or in any manner breaches its contract with Depositor, Depositor shall give written notice of such failure, insolvency or breach to Bank, and Bank shall have ten days to cure such failure, insolvency or breach. In the event the Bank shall fail to cure such failure, insolvency or breach within ten days, it shall be the duty of Trustee, upon demand of Depositor (supported by proper evidence of any of the above-listed circumstances), to surrender the Collateral to the Depositor. Depositor may sell all or any part of the Collateral and out of the proceeds thereof pay Depositor all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale, accounting to Bank for the remainder, if any, of the proceeds or Collateral remaining unsold.
6. Any sale of the Collateral, or any part thereof, made by Depositor hereunder may be either at public or private sale; provided, however, Depositor shall give to Bank ten days written notice of the time and place where such sale shall take place, and such sale shall be to the highest bidder therefor for cash. Depositor and Bank shall have the right to bid at such sale.
7. If Bank shall desire to sell or otherwise dispose of any one or more of the securities so deposited with Trustee, it may substitute for any one or more of such securities other securities of at least the same market value and of the character authorized herein. Such right of substitution shall remain in full force and may be exercised by Bank as often as it may desire; provided, however, that the aggregate market value of all Collateral pledged hereunder, shall be at least equal to the amount of Collateral required under the Public Funds law. If at any time, the aggregate market value of such Collateral so deposited with Trustee shall be less than the total amount required under the Public Funds law, Bank shall, upon request of Depositor, deposit with Trustee such additional Collateral as may be necessary to cause the market value of such Collateral to equal the total amount of required Collateral. Bank shall be entitled to income on securities held by Trustee, and Trustee may dispose of such income as directed by Bank without approval of Depositor.

8. Bank shall cause Trustee promptly to forward to Depositor copies of safekeeping or trust receipts and/or activity reports covering all the Collateral, including substitute Collateral as provided for herein.
9. If at any time the Collateral in the hands of Trustee shall have a market value in excess of the required amount of Collateral, the Depositor shall authorize the withdrawal of a specified amount of Collateral and Trustee may deliver this amount of Collateral (and no more) to Bank, taking its receipt therefor, and Trustee shall have no further liability for Collateral so redelivered to Bank.
10. Either Depositor or Bank shall have the right to terminate this Agreement by advance written notice to the other of its election to do so, and this Agreement shall be void from and after the expiration of sixty days after the receipt of such notice, provided all provisions of this agreement have been fulfilled.
11. When the relationship of depositor and bank shall have ceased to exist between Depositor and Bank, and when Bank shall have properly paid out all deposits of Depositor, it shall be the duty of Depositor to give Trustee written notice to that effect; whereupon Trustee shall, with the approval of Depositor, redeliver to Bank all Collateral then in its possession belonging to Bank, taking its receipt therefor.
12. A. Any notice required to be given to Bank in writing shall be sufficient if delivered to the following address:

The Bank may change the above address by notifying Depositor by facsimile or by such other means as is consistent with Bank's usual means of notification to Depositor.

- B. Any notice to be given to Depositor shall be sufficient if delivered to the following address:

Maryland State Treasurer's Office
Attn: Director of Banking Services
80 Calvert Street
Annapolis, Maryland 21401
Tel: (410)260-7264 – Fax: (410)974-2076

The Depositor may change the above address by notifying Bank by facsimile or by such other means as is consistent with Depositor's usual means of notification to Bank.

13. This Agreement shall be binding upon, and shall insure to the benefit of, the parties hereto and their respective corporate successors.

14. No amendments or modification of this Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto.

Executed by the undersigned duly authorized officers of the parties as of the date hereinabove set forth.

Attest:

BANK

Witness:

**MARYLAND STATE TREASURER'S
OFFICE**

Nancy K. Kopp
State Treasurer

Witness:

Bernadette Benik
Deputy Treasurer

Approved as to form and legal sufficiency:

Laura C. McWeeney
Principal Counsel to the Treasurer

**APPENDIX G
STATE OF MARYLAND
STATE TREASURER'S OFFICE**

MINORITY BUSINESS ENTERPRISE PARTICIPATION

PURPOSE

Contractor shall structure its procedures for the performance of the work required in this contract to attempt to achieve the minority business enterprise (MBE) goal stated in the Request for Proposals. MBE performance must be in accordance with this Exhibit, as authorized by Code of Maryland Regulations (COMAR) 21.11.03. Contractor agrees to exercise all good faith efforts to carry out the requirements set forth in this Exhibit.

DEFINITIONS

As used in this Exhibit, the following words have the meanings indicated.

- ◆ “Certification” means a determination made by the Maryland Department of Transportation that a legal entity is a minority business enterprise.
- ◆ “Minority Business Enterprise” or “MBE” means a legal entity organized to engage in commercial transactions, that is at least 51 percent owned and controlled by one or more minority persons. “MBE” also includes a non-profit entity engaged in promoting the interests of persons with physical or mental disabilities. An MBE **must be** certified in order to participate in the office’s MBE program.

CONTRACTOR RESPONSIBILITIES

A certified MBE subcontract goal of a minimum of 10% of the contract has been established for this procurement. Contractor agrees that **at least** this amount of the contract will be performed by certified MBEs.

If awarded the contract:

- A certified MBE prime contractor shall accomplish an amount of work not less than the MBE subcontract goal with its own work force, certified MBE subcontractors, or both.
- A non-MBE prime contractor shall accomplish an amount of work not less than the MBE subcontract goal with certified MBE subcontractors.
- A prime contractor comprising joint ventures shall accomplish the MBE subcontract goal with the work force of any certified MBE joint venturers, certified MBE subcontractors, or both.

REQUIREMENTS

- An offeror must submit with its response to this solicitation a completed MBE Utilization and Fair Solicitation Affidavit (Attachment 1) whereby the offeror acknowledges the certified MBE participation goal, commits to make a good faith effort to achieve the goal, and affirms that MBE subcontractors were treated fairly in the Solicitation process. **If a bidder or offeror fails to submit this affidavit, the Office may deem the bid or offer non-responsive.**
- Within 10 working days from notification that it is the apparent awardee or within 10 working days following the award, whichever is earlier, the apparent awardee must provide the following documentation to the Procurement Officer. **If the apparent awardee fails to return each completed document, the Office may declare the potential award void.**
 - (1) Outreach Efforts Compliance (Attachment 2)
 - (2) MBE Participation Schedule (Attachment 3)
 - (3) Subcontractor Project Participation Statement (Attachment 4)
 - (4) In the rare event that the apparent awardee believes a waiver of the MBE goal is necessary, it may submit a waiver request that complies with COMAR 21.11.03.11 (Attachment 5) in the place of the MBE Participation Schedule.
 - (5) Any other documentation required by the Office to ascertain bidder or offeror responsibility in connection with the certified MBE participation goal.

RECORDS AND REPORTS

Contractor shall:

1. Submit monthly (Attachment 6) to the Office a report listing any unpaid invoices, over 30 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made.
2. Include in its agreements with its certified MBE subcontractors a requirement that those subcontractors submit monthly to the Office a report that identifies the prime contract and lists all payments received from Contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices.
3. Maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed.

4. Consent to provide such documentation as reasonably requested and to provide right-of-entry at reasonable times for purposes of the State's representatives verifying compliance with the MBE participation obligations. Contractor must retain all records concerning MBE participation and make them available for Office inspection for a period of three years after final completion of the contract.

ATTACHMENTS

1. *Certified MBE Utilization and Fair Solicitation Affidavit*
(must be submitted with offer)
2. *Outreach Efforts Compliance*
(must be submitted within 10 working days of notification of apparent award)
3. *MBE Participation Schedule*
(must be submitted with Attachment 2)
4. *Subcontractor Project Participation Statement*
(must be submitted with Attachment 2)
5. *Waiver Request* [COMAR 21.11.03.11] (optional)
(must follow procedures in Attachment 5)
6. *MDBM/MBE Participation, Prime Contractor Unpaid MBE Invoice Report*
(must be submitted monthly by Prime Contractor)
7. *MDBM/MBE Participation, Subcontractor Payment Report*
(must be submitted monthly by each MBE Subcontractor)

CERTIFIED MBE UTILIZATION
AND FAIR SOLICITATION

AFFIDAVIT

In conjunction with the bid or offer submitted in response to Solicitation No. _____, I affirm the following:

1. I acknowledge the certified Minority Business Enterprise participation goal of ____% percent and commit to make a good faith effort to achieve this goal.
2. I understand that if I am notified that I am selected for contract award, I must submit the documentation described in Solicitation Exhibit within 10 working days of receiving notice of the potential award. If I fail to do so, I understand any apparent award may be deemed void.
3. In the solicitation of subcontract quotations or offers, Minority Business Enterprise (MBE) subcontractors were provided not less than the same information and amount of time to respond as were non-MBE subcontractors.
4. The solicitation process was conducted in such a manner so as to otherwise not place MBE subcontractors at a competitive disadvantage to non-MBE subcontractors.

I solemnly affirm under the penalties of perjury that the contents of this paper are true to the best of my knowledge, information, and belief.

Offeror Name

Signature of Affiant

Address

Printed Name, Title

Date

SUBMIT THIS AFFIDAVIT WITH BID/OFFER

OUTREACH EFFORTS COMPLIANCE

STATEMENT

In conjunction with the offer submitted in response to Solicitation No. _____, I state the following:

1. Offeror identified opportunities to subcontract in these specific work categories:
2. Attached to this form are copies of written solicitations (with bidding instructions) used to solicit certified MBEs for these subcontract opportunities.
3. Offeror made the following attempts to contact personally the solicited MBEs:
4. Offeror assisted MBEs to fulfill or to seek waiver of bonding requirements.

(DESCRIBE EFFORTS)

(Or this project does not involve bonding requirements.)

5. Offeror did/did not attend the pre-bid conference.

Offeror Name

By: _____

Address

Printed Name, Title

Date

MBE PARTICIPATION
SCHEDULE

Prime Contractor (Firm Name, Address, Phone)	Project Description
Project Number	Total Contract Amount \$
List Information For Each Certified MBE Subcontractor On This Project	
A. Minority Firm Name, Address, Phone	
MBE Certification Number	
Work to be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage of Total Contract
B. Minority Firm Name, Address, Phone	
MBE Certification Number	
Work to be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage of Total Contract
C. Minority Firm Name, Address, Phone	
MBE Certification Number	
Work to be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage of Total Contract
D. Minority Firm Name, Address, Phone	
MBE Certification Number	
Work to be Performed	
Project Commitment Date	Project Completion Date
Agreed Dollar Amount	Percentage of Total Contract

Minority Firms Total Dollar Amount \$ _____

List Additional MBE Subcontractors or
Provide Any Additional Comments on
Separate Paper

Minority Firms Total Percentage _____ %

Document Prepared By:

Name: _____ Title: _____

SUBCONTRACTOR PROJECT PARTICIPATION
STATEMENT

SUBMIT ONE FORM FOR EACH CERTIFIED MBE LISTED IN THE MBE PARTICIPATION SCHEDULE

Provided that _____ is awarded the State contract
(Prime Contractor Name)
in conjunction with Solicitation No. _____, it and _____,
(Subcontractor Name)
MDOT Certification No.: _____, intend to enter into a contract by which
Subcontractor shall:

Describe Work

___ No bonds are required of Subcontractor.

___ The following amount and type of bonds are required of Subcontractor:

Prime Contractor Signature

Subcontractor Signature

By: _____
Name, Title

By: _____
Name, Title

Date: _____

Date: _____

WAIVER REQUEST
PROCEDURE

A. If, for any reason, the apparent successful bidder or offeror is unable to achieve the contract goal for certified MBE participation, the bidder or offeror may request, in writing, an exception to the goal with justification to include the following:

(1) A detailed statement of the efforts made to select portions of the work proposed to be performed by certified MBEs in order to increase the likelihood of achieving the stated goal;

(2) A detailed statement of the efforts made to contact and negotiate with certified MBEs including:

(a) The names, addresses, dates, and telephone numbers of certified MBEs contacted, and

(b) A description of the information provided to certified MBEs regarding the plans, specifications, and anticipated time schedule for portions of the work to be performed;

(3) As to each certified MBE that placed a subcontract quotation or offer that the apparent successful bidder or offeror considers not to be acceptable, a detailed statement of the reasons for this conclusion; and

(4) A list of minority subcontractors found to be unavailable. This list should be accompanied by an MBE unavailability certification signed by the minority business enterprise, or a statement from the apparent successful bidder or offeror that the minority business refused to give the written certification.

B. A waiver of a certified MBE contract goal may be granted only upon a reasonable demonstration by the bidder or offeror that certified MBE participation was unable to be obtained or was unable to be obtained at a reasonable price and if the agency head or designee determines that the public interest is served by a waiver. In making a determination under this section, the agency head or designee may consider engineering estimates, catalogue prices, general market availability, and availability of certified MBEs in the area in which the work is to be performed, other bids or offers and subcontract bids or offers substantiating significant variances between certified MBE and non-MBE cost of participation, and their impact on the overall cost of the contract to the State and any other relevant factor.

C. An agency head may waive any of the provisions of Regulations .09-.10 for a sole source, expedited, or emergency procurement in which the public interest cannot reasonably accommodate use of those procedures.

D. When a waiver is granted, except waivers under C, one copy of the waiver determination and the reasons for the determination shall be kept by the MBE Liaison Officer with another copy forwarded to the Office of Minority Affairs.

**STATE TREASURER'S OFFICE
MINORITY BUSINESS ENTERPRISE PARTICIPATION**

**Prime Contractor Unpaid MBE Invoice Report
To be Completed Monthly by Prime Contractor**

Report

Month/Year _____

Report due by 15th of following month.

Contract # _____

Contracting Unit _____

Contract Begin Date _____

Contract End Date _____

Services Provided _____

Prime Contractor Name _____ Contact Person _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

Subcontractor Name _____ Contact Person _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

Subcontractor Services Provided _____

List any unpaid invoices over 30 days old received from this vendor and reason for non-payment.

1.

2.

3.

Total Amount Unpaid \$ _____****If more than one MBE subcontractor is used for this contract, please use separate report forms.**

Signature _____

Date _____

Return one (1) copy to: State Treasurer's Office

80 Calvert Street

Louis Goldstein Treasurer Bldg.

Annapolis, MD 21401

**MARYLAND DEPARTMENT OF BUDGET AND MANAGEMENT
MINORITY BUSINESS ENTERPRISE PARTICIPATION**

Subcontractor Payment Report

To be Completed Monthly by MBE Subcontractor

Contract # _____
Contracting Unit _____
Contract Begin Date _____
Contract End Date _____
Services Provided _____
Report Month/Year _____

Report due by 15th of following month.

MBE Subcontractor Name _____ MDOT Certification # _____

Contact Person _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

Subcontractor Services Provided _____

List all payments received from Prime Contractor.

List dates and amounts of any outstanding invoices in the preceding 30 days.

1.

1.

2.

2.

3.

3.

Total Dollars Paid \$ _____

Total Dollars Unpaid \$ _____

Prime Contractor Name _____ Contact Person _____

Address _____

City _____ State _____ Zip _____

Phone _____ Fax _____

Signature _____

Date _____

Return one (1) copy to:

State Treasurer's Office

80 Calvert Street
Louis Goldstein Treasurer Bldg.
Annapolis, MD 21401

APPENDIX H

Article - State Finance and Procurement

§6-203.

(a) The Treasurer shall give 15% of the weight of the decision to the standards established in this section in deciding whether to:

(1) designate a financial institution as a depository for State money under § 6-205 of this subtitle; and

(2) make an agreement with a financial institution for a banking service under § 6-229 of this subtitle.

(b) (1) The Treasurer shall consider whether the financial institution received a rating of “needs improvement” or “substantial noncompliance” in its most recent examination under the federal Community Reinvestment Act of 1977, P.L. Number 95-128.

(2) If a financial institution operates in a state other than Maryland, the Treasurer shall consider Maryland-specific information that is provided within the assessment area section of the Community Reinvestment Act report.

(c) (1) The Treasurer shall consider whether, during the previous 5 years, a court in Maryland has found, in a final adjudication, that a financial institution has violated any antidiscrimination statute or regulation.

(2) The Treasurer may consider whether, during the previous 5 years, a court outside Maryland has found, in a final adjudication, that a financial institution has violated any antidiscrimination statute or regulation.

(3) The Treasurer may determine how to assess a violation under paragraph (1) or (2) of this subsection if the violation was committed by:

(i) an affiliate of the financial institution; or

(ii) an entity acquired by the financial institution.

(d) The Treasurer shall consider whether the financial institution has demonstrated that during the previous 5 years, the financial institution has:

(1) successfully made loans in Maryland through State or federal lending programs designed to assist small and minority-owned businesses;

(2) had an active outreach program to assist small and minority-owned businesses through which the financial institution has made efforts in Maryland; and

(3) established strategic partnerships in Maryland with entities whose mission is to provide technical assistance to small and minority-owned businesses.