

MICHAEL FRERICHS
ILLINOIS STATE TREASURER

REQUEST FOR PROPOSALS

Banking Services for Cash Processing

Issue Date: July 23, 2015

Responses due by 2:00 p.m. on August 17, 2015

The Honorable Michael Frerichs
Treasurer of the State of Illinois
Attn: Jim Underwood
Chief Procurement Officer
400 West Monroe Street, Suite 401
Springfield, IL 62704

**REQUEST FOR PROPOSALS FOR BANKING SERVICES FOR
CASH PROCESSING**

TREASURER OF THE STATE OF ILLINOIS

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1. INTRODUCTION

The Office of the Illinois State Treasurer (Treasurer) is issuing this Request for Proposals for Banking Services for Cash Processing (“RFP”) to service the cash collection portion of the Compassionate Use of Medical Cannabis Pilot Program (“Medical Cannabis Program”) (410 ILCS 130). The Treasurer plans to select Respondent(s) to provide for these services for an initial term of up to four (4) years, contingent upon the Medical Cannabis Program becoming a permanent state program. Upon expiration of this term the Treasurer may elect to extend the relationship(s) for a period of time and terms agreed upon by the parties that are consistent with the Treasurer’s procurement regulations.

Background

The Compassionate Use of Medical Cannabis Pilot Program Act grants various state agencies the authority to create and administer the Medical Cannabis Program. Under the terms of the Medical Cannabis Program the Department of Agriculture will issue an estimated 21 cultivator licenses, the Department of Financial and Professional Regulation will issue an estimated 60 medical dispensary licenses, and the Department of Public Health will issue registry identification cards. All licenses will require fees to be paid to the respective agency. In addition, the Illinois Department of Revenue (“IDOR”) will collect various tax payments from the cultivators and medical dispensaries. Therefore, the following state agencies will receive cash payments under the Medical Cannabis Program, which will need to be processed.

- Department of Agriculture
- Department of Public Health
- Department of Financial and Professional Regulation
- Department of Revenue

These agencies will be collectively referred to as the “State Agencies” throughout this RFP.

The Treasurer has explicit statutory authority to receive “the revenues and all other public moneys of the state, and all moneys authorized by law to be paid to him, and safely keep the same.” 15 ILCS 505/7. This authority allows the Treasurer to receive cash payments made to State Agencies as part of the Medical Cannabis Program, and deposit those payments in financial institutions on behalf of the appropriate State Agency.

The Treasurer intends to award the contract to the Respondent(s) proposing the most efficient and cost effective overall process.

2. RFP OBJECTIVES

The Treasurer’s objectives in issuing this RFP are to:

- Establish depository services agreement(s) with selected Respondent(s) for acceptance of all banking services defined in this RFP.
- Seek specific information and proposals to implement and support the banking services for the Treasurer and State Agencies participating in the Medical Cannabis Program.
- Establish a relationship with selected Respondent(s) that will enable the Treasurer and State Agencies to implement new technology and to respond to changes in the banking industry.
- Provide solutions to the Treasurer and State Agencies’ particular banking service requirements.

3. BANKING SERVICES OBJECTIVES

The Treasurer and State Agencies have identified the following general service needs as the primary objectives to be met by a depository services agreement:

- Currency/Coin Deposit Processing
- Investment/Collateralization of Cash Balances
- Automated Clearing House Fraud Filters
- Reporting
- Security
- Achieve operational efficiencies
- Expedite funds availability
- Comply with all federal and state laws and regulations

Additional requirements are addressed in Section 7 of this RFP and Appendix H.

4. RFP PROCESS AND SCHEDULE

This section outlines the process and schedule associated with this RFP and the resulting depository services agreement.

4.1 Response Due Date

All responses must be submitted to the address below no later than 2:00 p.m., August 17, 2015.

The Honorable Michael Frerichs, Treasurer of the State of Illinois
Attn: Jim Underwood
Chief Procurement Officer
400 West Monroe Street, Suite 401
Springfield, IL 62704

4.2 Mandatory Requirements

- a) The Respondent(s) must answer all the questions in this RFP relating to the specific services they seek to provide to the Treasurer and the State Agencies.
- b) The Respondent(s) must be an Illinois or national financial institution with a physical presence in Illinois. The Respondent must be a member of the Federal Reserve System and have access to all services as a member bank. The Respondent must qualify as a depository for public funds.
- c) The Respondent(s) must provide ratings from two rating agencies registered with the SEC as a Nationally Recognized Statistical Rating Organization. The response must include ratings for senior debt, subordinated debt, and long-term deposit.
- d) Responses to this RFP should set forth the specific manner in which the Respondent(s) will satisfy each requirement. In addition, the Respondent(s) may include a supplementary narrative describing the general conceptual approach to the delivery of specific services and any other information they believe is relevant.
- e) The Respondent(s) must submit the name, address and telephone number of an individual with authority to answer questions or clarify their responses.
- f) The Respondent(s) shall submit written documentation sufficient to demonstrate the financial institution's plan to continue in the appropriate line of business throughout the proposed contract term.
- g) The Respondent(s) must submit a list of previous and current clients or accounts for which they provide, or have provided, banking services that are considered identical or similar in nature to the specifications and requirements described herein.
- h) The Respondent(s) must at the time of this RFP, or prior to that time if required by law, be an established financial institution with all required licenses, bonding, facilities, equipment, and trained personnel necessary to

perform the work as specified in this RFP. The Treasurer reserves the right to require proof of said requirements within ten (10) calendar days from the date of receipt of the Respondent's response to this RFP.

- i) The Respondent(s) must have five (5) years of experience performing services as described in this RFP, excluding specific requirements set forth in Appendix H.
- j) Responses must be submitted in a sealed envelope or package bearing the title "State Treasurer Request For Proposals for Banking Services for Cash Processing" and the Respondent's name and address. The package must include one (1) original and eight (8) copies of the response. A separate envelope must contain one (1) original and eight (8) copies of the pricing. In addition, two (2) copies of the response and pricing proposal should be in provided in electronic form.
- k) The Respondent(s) and any sub-contractor(s) must submit a fully executed State Certifications Form, Appendix A.
- l) The Respondent(s) and any sub-contractor(s) must submit a fully executed Financial Interest and Potential Conflicts of Interest Disclosure Form, Appendix B.
- m) The Respondent(s) and any sub-contractor(s) must submit a fully executed Other Contract and Procurement Related Information Disclosure Form, Appendix C.

4.3 Schedule

The following tentative time schedule applies to this RFP:

July 23, 2015	RFP to be published on the Treasurer's website (www.treasurer.il.gov).
August 3, 2015	Notice of intent to attend the Bidder's Conference due by 2:00 p.m.
August 4, 2015	Mandatory Bidder's Conference –2:00 p.m. Illinois Department of Revenue 101 West Jefferson (Lobby) Springfield, Illinois 62702
August 6, 2015	All questions due from Respondents by 4:00 p.m.
August 10, 2015	Treasurer's responses to all questions received from the Respondent's will be posted on the website by 4:00 p.m.

August 17, 2015	Responses to RFP due at 2:00 p.m. and must be mailed or delivered to the following address: Illinois State Treasurer's Office Attn: Jim Underwood Chief Procurement Officer 400 West Monroe Street, Suite 401 Springfield, IL 62704
August 30, 2015	Selection of potentially acceptable candidates
September 1, 2015	Negotiation and contract award

4.4 Intent to Attend Mandatory Bidder's Conference

Each Respondent must email a notice of their intent to attend the Bidder's Conference to the attention of Jim Underwood at junderwood@illinoistreasurer.gov prior to 2:00 p.m. on August 3, 2015. Respondent should indicate whether they intend to attend in person or via telephone and, if attending via telephone, is responsible for having the proper call-in number for the conference.

4.5 Office of the State Treasurer Issues RFP

The Treasurer is the sole point of contact concerning this RFP. Respondents should submit questions about the intent or content of this RFP and request clarification of any and all procedures used for this procurement prior to the submission of a response. Refer to section 4.3 for schedule and deadlines. Respondents must prepare their questions in writing and send them by e-mail to:

Jim Underwood
Chief Procurement Officer
Office of the Illinois State Treasurer
400 W. Monroe St., Suite 401
Springfield, IL 62704
Phone: 217.782.1708
Fax: 217.524.3822
junderwood@illinoistreasurer.gov

4.6 Internet/E-mail Communications

The Treasurer may also communicate with Respondents via e-mail. Each Respondent(s) should provide an e-mail address with its response for ease of communication throughout this RFP process.

4.7 Verbal Communications

Any verbal communication from the Treasurer's employees or its contractors concerning this RFP is not binding on the Treasurer, and shall in no way alter a specification, term, or condition of this RFP.

4.8 Amendments

If it is necessary to amend this RFP, the Treasurer will post amendments on the Treasurer's website.

4.9 Respondent's Costs

The cost of developing a response to this RFP is each Respondent's responsibility and may not be charged to the Treasurer or State Agencies.

4.10 Withdrawal/Modification

A Respondent(s) may, by a letter to the contact person, withdraw or modify a submitted response to RFP prior to the response due date.

4.11 Response to RFP is an Offer

A submitted response to this RFP is a binding offer valid from the date of submission until 180 days thereafter, unless properly withdrawn under Section 4.10 prior to the response deadline.

4.12 Response to RFP is State Property

On the response due date all responses and related material submitted in response to this RFP become the property of the State of Illinois.

4.13 Chief Procurement Officer May Cancel RFP

If the Chief Procurement Officer determines it is in the Treasurer and State Agencies' best interest, she reserves the right to do any of the following:

- a) Cancel this RFP;
- b) Modify this RFP in writing as needed; or
- c) Reject any or all responses received for this RFP.

4.14 Evaluation of Responses to RFP

An Evaluation Committee will review responses based on the following criteria:

- a) Ability to provide the required services determined by general and specific experience in providing these services;
- b) A record of past performance of similar work and qualifications;

- c) Pricing; and
- d) References.

4.15 Site Visits

After initially ranking responses, the Evaluation Committee may invite the most qualified Respondent(s) to demonstrate their operation infrastructure and introduce their proposed implementation team in a presentation to the Evaluation Committee at a site agreed to by the Evaluation Committee. The Respondents may be asked to submit more detailed information on their banking services at the time of the presentation.

The Treasurer reserves the right to inspect the Respondent's facilities before awarding the contract.

4.16 Additional Information

The Treasurer reserves the right to request additional information and to meet with Respondent's representatives to discuss their responses any time after it has been submitted.

5. RESPONSE FORMAT

All responses must be submitted within the prescribed format to facilitate objective review. Any response that materially deviates from this format will be rejected without further consideration of its content. Responses that contain false or misleading statements or that provide references that do not support an attribute or condition claimed by the Respondent(s) may also be rejected.

5.1 Cover Letter

The response must be accompanied by a transmittal letter that designates the name, address and telephone number of the person or persons available for contact concerning the response and who are authorized to make representations on behalf of the Respondent's organization.

5.2 General Structure

Narratives should provide a concise description of capabilities to satisfy the requirements of this RFP. Emphasis should be on clarity, brevity, and completeness of response.

5.3 Table of Contents

Include a listing of the main chapters and paragraph headings contained in the response, including page numbers.

5.4 Introduction

Include an introductory remark that briefly discusses such topics as the Respondent's background, management, facilities, staffing, related experience and financial stability.

5.5 Implementation Team

Provide an organization chart and resumes for the proposed implementation team along with a schedule for the implementation of banking services. The implementation schedule should include, but not be limited to, the various phases, (i.e. testing, etc.), materials available, and/or any on-site training provided by the financial institution for the Treasurer.

5.6 Functional and Technical Presentation

Present all aspects and details of the proposed fulfillment of specific functional, technical performance and support requirements as delineated in Section 7 of this RFP. For ease of evaluation, please refer to the numbered paragraphs as presented in this RFP. Reference each identified requirement (including paragraph number) and indicate whether the specified requirement is currently supported, is planned to be supported, or will not be supported; include a brief explanation as appropriate. Please include a list of all branch locations and the proposed locations that would be used to provide these services.

5.7 Unique Capabilities

Provide a summary of any unique expertise, products or services that distinguish your institution.

6. ADMINISTRATIVE REQUIREMENTS

6.1 Research and Information Retrieval

Provide description and information of the most efficient method for the Treasurer to seek and receive information from the selected Respondent(s) regarding account inquiries, discrepancies, questions, or other information it may seek. Also provide description and information of the most efficient method for Treasurer to request selected Respondent(s) to research account inquiries, discrepancies, or other information or questions it may have.

6.2 Customer Service

This RFP requires that the selected Respondent(s) provide appropriate staffing to meet the customer service needs of the Treasurer including, but not limited to, adequate level of staffing, direct access to staff, emergency contact phone numbers, etc. Respondent(s) must provide confirmation of its capacity to provide sufficient customer service in the response to the RFP.

6.3 Information Reporting

Respondent(s) shall confirm that its Treasury Management System can produce in electronic formats and provide internet access to the following reports (Respondent's response must include copies of the following reports):

- a) Daily bank account statements (summary and detail)
- b) Monthly bank account statements
- c) Previous day transactions (summary and detail)
- d) Current day transactions (summary and detail)
- e) 822 monthly account analyses (electronic file and statement)
- f) ACH Debit Block Exception Review
- g) Ad-hoc reporting as needed
- h) Management reports as needed

Please see section 7 for further reporting requirements.

6.4 Investment of Collected Balances

Respondent(s) may be required to provide investments for end of day collected balances. Please provide us with a detailed listing of all current investment opportunities available to us along with the related prospectuses if applicable. Also include any daily balance limitations for each investment opportunity. A historical rate of return needs to be included for all investments listed in your response. Refer to Appendix F, State Portfolio Investment Policy ("IPS").

6.5 Collateralization of Collected Balances

The selected Respondent(s) will be required to collateralize end of day collected balances, above the FDIC insurance limits and sweep limits, through a pledge of securities in compliance with Sections 11 and 11.1 of the Deposit of State Moneys Act (15 ILCS 520/11, 11.1), and the IPS.

The selected Respondent(s) will be required to pledge securities equal to 102% of the market value of the largest total balance the Treasurer maintain in the financial institution, less the insurance amount provided by the Federal Deposit Insurance Corporation. The collateral will be placed in safekeeping under the control and in the name of the Treasurer with a third party custodian designated by the Treasurer. Refer to Appendix E for the Treasurer's Acceptable Collateral Listing.

6.6 Automated Clearing House (ACH) Debit Block

The selected Respondent(s) will be required to provide an Automated Clearing House (ACH) Debit Block feature on all accounts of the Treasurer to prevent

ACH fraud. Include in detail the available notification formats and timelines associated with the reporting of fraudulent activity.

6.7 Wire Transfer Limitations

The selected Respondent(s) will be required to be able to establish maximum wire transfer limits per user in order to accommodate daily volume activity.

6.8 System Security

The selected Respondent's Treasury Management system must provide dual controls for both the establishment and maintenance of security administrator rights as well as for the creation and maintenance of users.

6.9 822 Account Analysis

The selected Respondent(s) will be required to submit an electronic monthly account analysis statement to the Treasurer detailing all services provided and all associated charges within ten (10) business days following the last calendar day of the month. Also required within ten (10) business days is an EDI transmission, detailing the monthly service charges, in an 822 format that is compatible with the Treasurer's software. This format is a mandatory requirement. Refer to Appendix G for an example of a layout for an 822 EDI file.

7. CURRENT AND PROPOSED TREASURER DEPOSITORY PROCESSES

This section contains instructions and descriptions of the Treasurer's and State Agencies' specialized needs to accommodate banking/depository services. The information you provide in response to these requirements will enable the Treasurer to understand and evaluate your capabilities in accordance with the States Agencies' requirements.

Please provide a narrative response to each of the proposed processes by describing:

- a) The type of service to be provided;
- b) Hardware, software and training to be provided;
- c) Frequency and formats of accounting transaction data to be provided;
- d) Ad hoc look-up and reporting capabilities.

7.1 Account Structure

The account will be established as demand deposit account(s). For the purpose of compensation, the Respondent(s) will be required to provide an earnings credit rate which will be used in the credit calculation for the payment of the monthly banking fees as provided in the monthly account analysis statement.

7.2 Deposit Posting

The Treasurer assigns a ten-digit internal clearing account number for each specific account requested by each State Agency. This number will be required in the deposit detail and in the daily import file.

The Treasurer's Office executes a daily wire transfer at approximately 9:30 a.m. The wire transfer is based on the actual available balance in the account. The funds are transferred to the Treasurer's concentration bank for daily investment.

7.3 Mandatory Operational Requirements

- a) The Treasurer must be able to electronically obtain a current and prior day bank statement in BAI, CSV and PDF formats.
- b) The Treasurer must be able to search on specific transactions within the information reporting system. For audit controls, the Treasurer must be able to produce reports showing which employee initiated and/or confirmed wire transfers.
- c) The Treasurer downloads a standard BAI formatted file for importing to its internal general ledger system. The BAI file information must be available to the Treasurer no later than 8:00 a.m. each business day. The Treasurer would agree to a file transmission from the selected Respondent(s) of the BAI information in a secure format that would include bank date, internal general ledger clearing account and amount. This file would include the total deposit by internal general ledger clearing account.
- d) The Treasurer requires credit/debit adjustments, as well as their supporting documentation, be mailed to its offices. All debit and credit discrepancies must be resolved within 72 hours.
- e) The Treasurer requires the selected Respondent(s) to provide oral or written notification prior to 2:00 p.m. on any adjustments affecting the accounts in excess of \$25,000.
- f) IDOR's specific mandatory requirements are set forth on Appendix H.

7.4 Outgoing Wire Transfers

The selected Respondent(s) must be able to execute wire transfer orders within one (1) hour after notification by the Treasurer through the internet, or by telephone, or by fax, if necessary. If wire transfers are not received by the destination party by 5:00 p.m., the selected Respondent(s) will trace the transfer from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made for any lost interest or charges resulting from a failure to consummate an investment transaction.

8. CONTRACTUAL TERMS

You must specifically agree to each contractual provision set forth below:

8.1 Contractual Responsibility

If chosen to provide the services under this RFP, you will be contractually responsible for all services provided.

8.2 Illinois Law

Any agreement made in connection with this RFP shall be governed in all respects by the laws of the State of Illinois.

8.3 Terms of Contract

The initial term of this contract shall be four (4) years contingent upon the Medical Cannabis Program becoming a permanent state program. The Treasurer may elect to extend the contract for additional periods, not to exceed a total term of ten (10) years (including the initial four (4) years).

8.4 Termination

a) Termination Without Cause:

The Treasurer may elect to terminate the agreement at any time upon thirty (30) calendar days' notice. Upon termination, the Treasurer will pay for work satisfactorily completed prior to the date of termination as determined in a reasonable manner.

b) Termination for Cause/Reduction of Fees:

Notwithstanding any language to the contrary, the Chief Procurement Officer may terminate the agreement with the approval of the Treasurer and subject to the determination of the Treasurer's General Counsel under any of the following circumstances:

- (1) You fail to furnish satisfactory performance within the time specified.
- (2) You fail to perform any of the provisions of this contract or so fail to make progress as to endanger the performance of this contract in accordance with its terms.
- (3) Any services provided under the contract are rejected and are not promptly cured by you or repeatedly rejected even though you offer to cure services promptly.
- (4) There is sufficient evidence to show that fraud, collusion, conspiracy, or other unlawful means were used to obtain the contract.
- (5) You are guilty of misrepresentation in connection with another contract for services to the State and cannot be reasonably depended upon to fulfill your obligations under any of your contracts with the State.
- (6) You are adjudged bankrupt or enter into a general assignment for the benefit of your creditors or receivership due to insolvency.

- (7) You disregard laws and ordinances, rules, or instructions of the Treasurer or his agents, act in violation of any provision of the Agreement, or act in conflict of any statutory or constitutional provision of the State of Illinois or the United States.
- (8) You commit any other breach of the contract to be entered into or commit other unlawful acts.

8.5 Work Product

Except as otherwise agreed to in writing, all work product including, but not limited to, documents, reports, data, information, and ideas specially produced, developed or designed by you under any agreement for the Treasurer, whether preliminary or final, will become and remain the property of the Treasurer, including any copyright or service marks you developed on behalf of the Treasurer. The Treasurer shall have the right to use all such work product without restriction or limitation and without further compensation to you.

8.6 Deposit Processing Liability

The selected Respondent(s) assumes full liability to credit the Treasurer's account(s) on a timely basis (but no later than by the close of business on the day funds are received) for deposits received. The selected Respondent(s) agrees to compensate the relevant State Agency for any loss of revenue, including investment income potentially earned on delayed deposits. Such compensation will be determined on the basis of the Treasurer's daily overnight repurchase agreement investment rate during the period which funds were unavailable.

8.7 Modification of the Contract

The services to be provided under the depository services agreement may be modified and supplemented only upon the written agreement of the parties. No modification of the terms of the Agreement shall be made that would materially change the delivery of service, unless such changes are mutually agreed by and between the Treasurer and the selected Respondent(s) and shall be incorporated in written amendments to the Agreement, processed through and approved by the Treasurer.

8.8 State Certifications/Disclosures

The contract to be agreed upon pursuant to this RFP will incorporate your fully executed State Certifications and Disclosure Forms, a copy of which is attached hereto as Appendix A.

8.9 Internal Controls

The selected Respondent(s) shall annually provide the Treasurer with a copy of the Annual Report or Form 10-K of its parent holding company which will

include the attestation of the company's independent registered accounting firm regarding the company's internal control over financial reporting.

8.10 Backup Facilities

The selected Respondent(s) shall provide the Treasurer a summary of their disaster recovery and back up plans as well as the testing schedule.

8.11 Confidentiality and Security Requirements

The selected Respondent(s) is prohibited from using or disclosing confidential information received while providing these banking services. See Appendix H for confidentiality, security and inspection requirements for the Illinois Department of Revenue.

Confidential information includes all information except the following:

- Information already known or independently developed by the selected Respondent;
- Information required to be released by law;
- Information in the public domain through no wrongful act of the selected Respondent(s); and
- Information received by the selected Respondent(s) from a third party who was free to disclose it.

This Section shall survive the termination or expiration of the underlying agreement and any extensions thereof.

8.12 Subcontracting

The selected Respondent(s) may not use subcontractors to perform the duties as outlined in the RFP unless the subcontractor is approved, in advance, by the Treasurer. If your response requires a subcontractor, the Respondent(s) must disclose the duties performed by the subcontractor. Subcontractors must submit separate State Certifications and Disclosure Forms, a copy of which is found in Appendixes A, B, and C.

8.13 Right to Audit Books and Records

The Respondent(s) and any subcontractor shall maintain, for a minimum of six (6) years after the termination of the contract, adequate books, records, and supporting documents related to the contract. These documents shall be available for review and audit by the Treasurer and the Illinois State Auditor General. The selected Respondent(s) agrees to cooperate fully with any audit conducted by the Auditor General, State Agencies or the Treasurer and to provide full access to all relevant materials. Failure to maintain the books, records and supporting documents required by this section shall establish a presumption in favor of the

Treasurer for the recovery of any funds paid by the Treasurer under the underlying agreement for which adequate books, records and supporting documentation are not available to support their purported disbursement.

8.14 Indemnification

The selected Respondent(s) will indemnify, defend and hold the Treasurer, its officers, agents and employees harmless from and against any and all liabilities, demands, claims, lawsuits, losses, damages, causes of action, fines or judgments, including costs, attorneys' and witnesses' fees and expenses incident thereto, for all injuries, and for loss of, damage to, or destruction of property because of the Respondent's negligent or intentional acts of omissions in connection with this RFP and subsequent agreement.

8.15 Successor and Assignment

No rights or obligations under any agreement for the provision of banking services for Treasurer accounts may be transferred or assigned by a financial institution without the Treasurer's prior written consent. Any attempt by a financial institution (and subcontractor, if applicable) to transfer or assign any rights or obligations related to the provision of banking services for concentration accounts without the consent of the Treasurer shall render the concentration relationship void.

The Treasurer may unilaterally bind any successor of the financial institution(s) to the terms and conditions of any agreement between the parties.

8.16 Disclaimer

There is no historical data regarding the volume of activity contemplated in the banking services in this RFP.

8.17 Compensation

The Respondent(s) will be required to provide the contracted services on a fee-for-service basis and may be compensated by State of Illinois warrant upon a review of account analysis statement. Payment via electronic funds transfer ("EFT") may be an option. As an alternative, services may be paid through compensating balances, or other investment vehicles as deemed necessary.

8.18 Reporting and Testing

Upon selection the Respondent(s) must provide a complete sample of all reports by its Treasury Management system. The reports must contain data specific to the type of transactions the account will be expecting on a daily basis. The selected respondent(s) must also provide access to the Treasury Management system for the purpose of testing the exporting of information into the following formats: PDF, BAI2, CSV and TXT. The export must also contain data specific to the type of transactions the account will be anticipating on a daily basis. The Treasurer's

office will require all reports and test data a minimum of two (2) weeks prior to implementation of the contract in order to perform all necessary testing well in advance of execution date.

8.19 Continuation of Services

The selected Respondent(s) shall guarantee uninterrupted service and agree to perform all work in an efficient and professional manner. The selected Respondent's obligations and responsibilities hereunder shall not be affected in the event of personnel problems, strike by employees, work stoppages, and other employee-related events. The selected Respondent(s) is responsible for and shall provide commercially reasonable backup systems and shall review the adequacy of those systems with the Treasurer upon request. The prevention of such business interruption shall be the sole responsibility of the selected Respondent(s), and the selected Respondent(s) shall immediately notify the Treasurer in the event such business interruption takes place. The selected Respondent(s) shall be liable for any losses or damages sustained by the Treasurer due, in whole or in part, to the selected Respondent's failure to provide reasonable backup systems.

8.20 Enforceability

The selected Respondent(s) shall certify that the execution and delivery by the selected Respondent(s) of the agreement and the performance by the selected Respondent(s) of its obligations hereunder have been duly and validly authorized, with no other corporate action on the part of the selected Respondent(s) or its stockholders being necessary. The selected Respondent(s) shall certify that it has the full legal right, power, and authority to execute and deliver the agreement and to perform its obligations hereunder and that the agreement has been duly and validly executed and delivered by the selected Respondent(s) and constitutes a legal, valid, and binding obligation of the selected Respondent(s) enforceable against the selected Respondent(s) in accordance with its terms.

8.21 No Conflicts

The selected Respondent(s) shall certify that the execution and delivery by the selected Respondent(s) of this agreement, the performance by selected Respondent(s) of its duties and obligations thereunder, and the consummation of the transactions contemplated do not:

- (i) Conflict with or result in a violation or breach of any of the terms, conditions, or provisions of the charter or by-laws of selected Respondent(s);
- (ii) Conflict with or result in a violation or breach of any term or provision of any law, rule, regulation, judgment, decree, order, or injunction applicable to the selected Respondent(s) or any of its assets and properties or any agreement restriction of any kind

- binding on or affecting the selected Respondent(s) or any of its properties; or
- (iii) Conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under any material agreement to which the selected Respondent(s) is a party, or any material obligation or responsibility which the selected Respondent(s) has to any third party.

8.22 No Pending or Threatened Litigation

The selected Respondent(s) shall certify that there is no action, suit, investigation, or proceeding pending or, to the best knowledge of the selected Respondent(s), threatened against the selected Respondent(s) before any court, arbitrator, or administrative or governmental body that might result in any material adverse change in the operations of the selected Respondent(s).

8.23 Most Favorable Terms

If more favorable terms are granted by the selected Respondent(s) to any similar governmental agency in any state in a contemporaneous agreement under the same or similar financial terms and circumstances for comparable services, the more favorable terms will be applicable under the depository services agreement.

8.24 Modification of Services

The selected Respondent(s) shall not modify any service or the manner of providing such service requirement under this agreement without the prior written authorization of the Treasurer. Modification means any change to an existing service or the addition of a new service.

8.25 Changes of Law or Policy

The selected Respondent(s) shall notify the Treasurer in writing within ten (10) business days of any changes or additions applicable to the selected Respondent(s) in federal or state regulations or laws that would adversely affect either the terms of or the rights granted the Treasurer by this agreement, and within five (5) business days of any changes in or additions to internal financial institution operational policy that might affect the servicing of the securities account(s), including but not limited to any policy that relates to management, maintenance, record keeping, safekeeping, custody, or subcontracting.

The selected Respondent(s) shall at all times monitor and take whatever remedial steps are necessary to ensure that the Treasurer's interest in the financial assets remain perfected to the highest degree possible under Illinois law.

9. PRICING

It is intended that the pricing structure in your proposal will apply to the Treasurer, the State Agencies, and potentially Medical Cannabis Program participants. This approach will obviate the need for additional procurements by individual agencies.

9.1 Terms

Pricing schedules are to cover up to a four (4)-year period.

The selected Respondent(s) will be compensated by the Treasurer, State Agencies, or Medical Cannabis Program participants. Responses should include a pricing schedule designated as Appendix D, "Proposed Cost Schedule" that includes individual line item prices for the services to be provided under this RFP. Do not provide pricing in a bundled format.

9.2 Other Costs

Unless otherwise indicated, the cost of all development necessary to meet the Treasurer's and agency requirements should be included in the pricing. If specific services are not to be included in this pricing, such items and the associated cost must be indicated and clearly identified.

APPENDIX

- A. State Certifications Forms
- B. Financial Interest and Potential Conflicts of Interest Disclosure Form
- C. Other Contract and Procurement Related Information Disclosure Form
- D. Proposed Cost Structure
- E. Acceptable Collateral Listing
- F. State Portfolio Investment Policy
- G. 822 EDI format
- H. Illinois Department of Revenue Specific Requirements
 - H-1 Medical Marijuana Cash Processing Forms
 - H-2. Medical Marijuana Cash Processing Reporting