

**Missouri Department of Transportation**  
*David B. Nichols, Director*

573.751.2551  
Fax: 573.751.6555  
1.888.ASK MODOT (275.6636)

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## REQUEST FOR PROPOSALS

### COMMERCIAL BANKING, INVESTMENT MANAGEMENT AND SECURITY SERVICES RFP 6-140618KH TABLE OF CONTENTS

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**ATTACHMENTS:**

**Attachment A – Banking Statistics** (6 tabs – also published as worksheet on web page)

**Attachment B – Investment Policy** (7 pages)

**Attachment C – Annual Worker Eligibility Verification Affidavit** (1 page)

**Attachment D – Applicant Affidavit For Sole-Proprietorship Or Partnership** (1 page)

**Attachment E – Pricing Table** (4 tabs – also published as worksheet on web page)

**LIST OF ACRONYMS:**

<b>MHTC</b>	Missouri Highways and Transportation Commission
<b>MoDOT</b>	Missouri Department of Transportation
<b>MSHP</b>	Missouri State Highway Patrol
<b>MTFC</b>	Missouri Transportation Finance Corporation
<b>RFP</b>	Request for Proposals

## INTRODUCTION

This Request For Proposals (**RFP**) seeks proposals from qualified organizations (**Offeror**) to furnish the described services to the Missouri Highways and Transportation Commission (**MHTC**). One (1) original, five (5) copies and an electronic copy on CD-ROM of each proposal must be mailed in a sealed envelope to Kristi Hixson, Missouri Department of Transportation - General Services, Post Office Box 270, Jefferson City, Missouri 65102, or hand-delivered in a sealed envelope to Kristi Hixson, Missouri Department of Transportation - General Services, 830 MoDOT Drive, Jefferson City, MO 65109. **Proposals must be returned to the office of Kristi Hixson no later than 2:00 p.m., June 18, 2014.**

MHTC reserves the right to reject any and all proposals for any reason whatsoever. Time is of the essence for responding to the RFP within the submission deadlines.

## PROPOSAL

- (1) The Offeror shall provide a fee proposal to MHTC on the **PRICING TABLE** in accordance with the terms of this RFP.
- (2) The Offeror agrees to provide the services at the fees quoted, under the terms of this RFP.

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Authorized Signature of Offeror: \_\_\_\_\_

Date of Proposal: \_\_\_\_\_

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

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

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

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Electronic Mail Address: \_\_\_\_\_

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## ACCEPTANCE

This proposal is accepted by MHTC.

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(Name and Title)

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Date

**SECTION (1):  
GENERAL DESCRIPTION AND BACKGROUND**

- (A) **Request for Proposal:** This document constitutes a RFP from qualified organizations to provide commercial banking, investment management and security safekeeping services to MHTC and the Missouri Department of Transportation (**MoDOT**).
- (B) **Background:** MHTC is accepting written proposals from financial institutions (banks) to serve as its commercial banking, investment management and security safekeeping services provider. MHTC currently maintains five checking and investment management accounts for the following affiliated operations:
- Missouri Department of Transportation and Missouri State Highway Patrol's Self Insurance Plan;
  - Missouri Department of Transportation and Missouri State Highway Patrol's Medical and Life Insurance Plan;
  - Missouri Transportation Finance Corporation's Highway Account;
  - Missouri Transportation Finance Corporation's Transportation Account; and
  - Missouri Department of Transportation's Local Fund.

MHTC's current contract with Central Trust Bank expires on September 30, 2014.

**General Description**

Given the ongoing changes in the banking industry and evolving technologies, MoDOT has determined that a review of the services offered by qualifying banks is appropriate at this time. MoDOT wishes to create efficiencies, make improvements where possible, take advantage of new applicable technologies and review its costs. MoDOT is interested in selecting one bank to provide the commercial banking, investment management and security safekeeping services described in this RFP.

**Current Account Features**

MoDOT administers five checking / investment management accounts on behalf of the MHTC under three separate tax identification numbers. MHTC has the authority to hold these funds outside the state treasury. For legal purposes, the five checking / investment management accounts must be maintained separately from each account and funds cannot be commingled among the accounts.

The current bank has assigned professional investment managers from their staff to manage the current investment portfolios within the parameters of the MHTC's Investment Policy with advice from MoDOT staff regarding security type. As of April 30, 2014, the five investment portfolios held 180 securities in total, with annual trade volumes estimated at 108 trades (41 for called / matured securities, 7 sold securities and

60 purchased securities). The market value for the accounts in total as of April 30, 2014 was approximately \$236 million with \$50 million held as overnight repurchase agreements, \$91 million in U.S. government agencies, \$11 million in mortgage backed securities and \$84 million in collateralized mortgage obligations.

#### **1. Missouri Department of Transportation and Missouri State Highway Patrol's Self Insurance Plan**

The Missouri Department of Transportation and Missouri State Highway Patrol's Self Insurance Plan (Self Insurance Plan) covers all risk exposures related to property damage, fleet liability, general liability and workers' compensation. This account is used to pay claims or judgments for damages to a person due to incidents involving MoDOT vehicles or from a dangerous condition of MoDOT's property. This account is also used to pay for injuries sustained to employees on the job as a direct result of employment with MoDOT or the Missouri State Highway Patrol (MSHP). MoDOT and the MSHP transfer state funds into this account to fund their self-insurance programs.

Currently, this account clears about 9,700 checks per year (see **Attachment A** – Page 2), utilizes positive pay and full account reconciliation, and receives images of the cleared checks on CD-ROM monthly. This account will require one signature on checks of \$10,000 or less, two signatures on checks over \$10,000 and telephone verification on checks greater than \$25,000. Overnight repurchase agreements average approximately \$6.8 million with investments averaging approximately \$81.0 million for this fund. This fund plans to start converting about half of its payments from checks to ACH payments within the next six months.

The Self Insurance Plan is required to hold a U.S. Treasury security with a market and par value of at least \$200,000 and be pledged to the Division of Workers Compensation. The bank will be responsible for making sure this pledged security remains in place.

#### **2. Missouri Department of Transportation and Missouri State Highway Patrol's Medical and Life Insurance Plan**

The Missouri Department of Transportation and Missouri State Highway Patrol's Medical and Life Insurance Plan (Medical and Life Plan) covers all enrolled employees and retirees of MoDOT and the MSHP, as well as enrolled spouses and dependents of the subscribers. The Medical Plan is a self-insured medical plan and the Life Insurance Plan is fully insured. This account is used to pay for medical and prescription claims for all enrolled members of the Medical and Life Plan. In addition, this account is used to pay for any services provided by various contracted vendors who provide administration or professional services pertaining to the administration of the Medical and Life Plan. Premiums for the Life Insurance Plan

also pass through this account. MoDOT, MSHP, and employees and retirees of the two agencies deposit state contributions and subscriber premium contributions into this account to fund the Medical and Life Plan and to pay premiums for group life insurance coverage. Prescription drug rebates and Medicare Part D subsidies are also deposited in this account.

The Medical and Life Plan contracts with a claims administrator to directly issue the claim checks on their account and initiates a wire transfer daily out of this account to cover the checks clearing for the day on their account. The weekly wire transfers totals about \$1.6 million, with approximately \$1.2 million being transferred out on Friday. Over the past twelve months this account cleared about 360 checks (see **Attachment A** – Page 3). This account will continue to utilize remote deposit, positive pay, and full account reconciliation. This account will require only one signature on all checks. Overnight repurchase agreements average approximately \$7.3 million with investments averaging approximately \$41.9 million for this fund.

The Medical and Life Plan is required to maintain a Certificate of Deposit in the amount of \$100,000 as a security pledge for the Medicare Drug Plan. The bank will be responsible for making sure this pledged Certificate of Deposit remains in place.

### **3. Missouri Transportation Finance Corporation's Highway Account**

The Missouri Transportation Finance Corporation (**MTFC**) is a not-for-profit corporation associated with MHTC which focuses on funding Missouri highway and transportation projects by offering financing options such as low interest direct loans to private and public entities. The MTFC was originally capitalized with a mixture of federal and state funds. This account represents the state funded portion of the revolving loan program. This account is used to disburse loan proceeds to, and collect loan payments from, the borrowers.

This account is a basic checking account with minimal transactions (see **Attachment A** – Page 4). This account will not utilize positive pay and will require one signature on checks under \$25,000 and two signatures on checks equal to or greater than \$25,000. Fund balances in this account may increase over the next few years because the demand for loans has recently diminished. Overnight repurchase agreements can be targeted at approximately \$1.0 million with investments increasing to approximately \$6.9 million going forward.

### **4. Missouri Transportation Finance Corporation's Transportation Account**

This account represents the MTFC's federal funded portion of the revolving loan program and must be kept separate from the state funds. This account is also used to disburse loan proceeds to, and collect loan payments from, the borrowers and transfer funds to MoDOT for reimbursements of operating expenses paid directly by MoDOT.

This account is a basic checking account with minimal transactions (see **Attachment A** – Page 5). This account will not utilize positive pay and will require one signature on checks under \$25,000 and two signatures on checks equal to or greater than \$25,000. Fund balances in this account may increase as the demand for loans has recently diminished. Overnight repurchase agreements can be targeted at approximately \$2.0 million with investments increasing to approximately \$29.7 million going forward.

## 5. Missouri Department of Transportation’s Local Fund

MHTC is authorized to accept and receive as trustee, monies from outside local entities for transportation-related activities. After MoDOT directly pays for the acquisition, construction, development, improvement, operation and maintenance of the transportation projects from monies held within the state treasury, MoDOT then transfers monies from the Local Fund to the state treasury to reimburse MoDOT for the portion of funds agreed to by the local entity. MoDOT allocates interest to the local entities while funds are on deposit in the Local Fund. Upon completion of the project and payment of the final invoice, and if any funds remain, MoDOT will issue a refund to the local entity from the Local Fund to close the project out.

This fund needs to be more liquid and short-term in nature due to the timing of incoming and out-going cashflow. This fund’s balance has varied from a high balance of approximately \$96.3 million on May 31, 2013 to a low balance of \$43.8 million on January 31, 2014 (see **Attachment A** – Page 6). The most critical issue is the continued protection of the principal of each local entities’ deposit. MoDOT is interested in pursuing investment options from the bank for these funds in order to guarantee that no loss of principal occurs in the future. MoDOT, as trustee, does not want to inform a local entity that a loss of principal has occurred and that additional funds must be deposited to cover the loss.

This account is a basic checking account with minimal transactions (see **Attachment A** – Page 6). This account will not utilize positive pay and will require two signatures on checks of \$100,000 or less and two signatures and telephone verification on checks greater than \$100,000. Overnight repurchase agreements average approximately \$17.2 million with investments averaging approximately \$46.6 million for this fund.

(C) **Anticipated Timeline:** The below timeline is subject to modification based on the needs and best interests of MHTC:

Issue RFP	May 28, 2014
Written Questions Due by 4:00 p.m.	June 4, 2014
Question & Answer Addendum Issued	June 9, 2014
Proposals Due by 2:00 p.m.	June 18, 2014

Evaluation Recommendation  
Contingent Award to Winning Offeror  
MHTC To Review & Finalize Contract Award  
Notice to Proceed & Effective Date of Contract

August 4, 2014  
August 6, 2014  
September 10, 2014  
October 1, 2014

**SECTION (2):  
SCOPE OF WORK**

- (A) **Services:** The Offeror shall provide commercial banking, investment management and security safekeeping services as described herein. If an alternative solution is as cost effective and meets the same intent of the required service, the Offeror will be considered to have met the scope of work.
- (B) **Specific Requirements:** The Offeror will provide to General Services Procurement Unit one (1) original, five (5) copies, and an electronic copy on CD-ROM of a program proposal which will include, but not necessarily be limited to, the following services:
1. Establish five separate checking accounts to meet the banking requirements of MHTC and maintain accurate records of activities in the accounts;
  2. Process the deposit of approximately 105 un-encoded checks per year;
  3. Process remotely the deposit of approximately 665 checks per year;
  4. Provide equipment for remote deposits;
  5. Process approximately 10,075 disbursement checks per year;
  6. Provide electronic positive pay services on selected accounts;
  7. Accept and send Automated Clearing House (ACH) transactions;
  8. Provide an on-line service capable of initiating manual ACH transactions with dual approval including ACH credits from MHTC accounts (cash disbursement) and ACH debits sweeping monies from non-MHTC accounts into MHTC accounts (cash concentration);
  9. Provide electronic communications by e-mail of returned items (deposited checks and ACH transactions);
  10. Disburse funds via wire transfer upon written request of authorized personnel and/or provide a secure electronic method for wiring funds with dual-approval / dual-controls;
  11. Process daily wire transfers initiated by the Medical and Life Plan's claims administrator to automatically sweep funds out of Medical and Life Plan's checking account without being approved by MoDOT staff (i.e., without a call-back);
  12. Provide electronic communications by e-mail of all in-coming and out-going wire transfers;
  13. Provide a secure electronic method for initiating intra-bank transfers between the MHTC accounts;

14. Provide ACH debit blocking and filtering services to ensure unauthorized debits are not posted to the accounts;
15. Provide on-line banking reporting services;
16. Provide partial and/or full account reconciliation reports for the checking accounts utilizing positive pay services;
17. Provide on-line stop payment services;
18. Provide imaging (front and back) of disbursement checks by CD-ROM or through a file transfer by e-mail;
19. Provide an overnight investment service (sweep) for excess cash balances in the checking accounts (see Section V of **Attachment B** – Pages 4 and 5 for a list of acceptable overnight investments);
20. Collateralize all balances (collected and uncollected) in excess of balances insured by the Federal Deposit Insurance Corporation (see Section V. 4 and 5 of **Attachment B** – Pages 5 and 6 for collateral requirements);
21. Provide daily reports confirming full collateralization of funds and monthly reports indicating the market value of securities pledged as collateral;
22. Establish five separate investment accounts to meet the investment management and security safekeeping service requirements of MHTC and maintain accurate records of activities in the accounts;
23. Manage the portfolio within the parameters of MHTC's Investment Policy (see **Attachment B**) and cash-flow projections with advice from MoDOT staff;
24. Assure all securities and cash held by a custodian shall be segregated from assets of others and shall be and remain the sole property of MHTC. The securities held by the custodian shall, unless payable to the bearer, be registered in the name of the MHTC;
25. Collect all coupons, other period income and principal on securities held and process as appropriate ensuring credits are timely posted to the correct account(s);
26. Create, maintain and retain all records relating to securities held in custody in the accounts to meet the requirements and obligations under generally accepted accounting principles, including but not limited to, fiscal year-end information reporting investments that are highly sensitive to interest rate changes, the effective maturities of investments and ratings of investments for Governmental Accounting Standards Board (GASB) 34 reporting purposes;
27. Communicate all trade confirmations, call notices, maturity notices and reorganization notices electronically by e-mail to MoDOT;
28. Provide monthly activity statements and reports for all checking accounts by the 2<sup>nd</sup> business day of the following month;
29. Provide monthly activity statements and reports including the market value of all portfolio holdings for all investment accounts by the 2<sup>nd</sup> business day of the following month;

30. Provide a detailed monthly analysis statement for each individual account and a consolidated statement showing charges for all account services by the 7<sup>th</sup> business day of the following month or sooner if available;
31. Provide monthly investment reports for each account showing such items as the portfolio composition by security type, market valuation, weighted average yield, weighted average life, etc. by the 7<sup>th</sup> business day of the following month or sooner if available, including confirmation that the investments are in compliance with the investment policy;
32. Keep MoDOT staff informed of Offeror's current investment strategies and seek approval before making significant changes to Offeror's investment strategies;
33. Conduct annual meetings in Jefferson City to review account service performance, investment portfolios, investment strategies, etc.; and
34. Work with MoDOT staff at least annually to modify the MHTC's Investment Policy when appropriate.

**(C) Technical Questions:**

1. Confirmation of Scope of Work:

Confirm the bank is able to provide all of the required services described in Section (2): Scope of Work.

2. Deposit Processing:

- a. Identify branch locations within Jefferson City. Provide addresses for each location. If the bank does not have a branch location in Jefferson City, describe a reasonable solution if, in a very rare event, a deposit would contain cash.
- b. What is the ledger cut-off time for deposits?
- c. Describe the bank's remote deposit features, including any limits on the number of checks per deposit, the capabilities of one machine being able to make deposits into different accounts, etc. Describe the detailed steps necessary for MoDOT staff to process a remote deposit, including the steps for processing an item the equipment cannot read. Provide sample reports available through the equipment.
- d. Verify that the bank provides the remote deposit equipment. Is the bank willing to provide a minimum of four remote deposit machines? Are there charges associated with the remote deposit equipment?
- e. If a deposit is taken to an actual branch, what type of deposit bags does the bank allow/require? Does the bank provide these bags? Does the bank charge a fee for these bags? Are there any restrictions on deposit bags provided by the

customer? Does the bank limit the number of deposit tickets that can be included in one deposit bag?

- f. How and when will the bank notify MoDOT of a deposit error correction? Provide a sample deposit correction notice.
- g. Verify that returned items are automatically redeposited. How many times? Are there additional charges for redeposited items?
- h. How and when will the bank notify MoDOT of returned items? Do the notifications include the payer's name and reason for the return? Provide a sample returned item notification.

3. Availability

Provide a copy of the proposed availability schedule for this RFP. If this is not the best availability schedule, quantify the difference and explain how MHTC can obtain the bank's best availability schedule. Describe the extra charge, if any, for obtaining the bank's best availability schedule.

4. Positive Pay

- a. Describe the bank's ability to provide positive pay services and its features including the ability for MoDOT staff to manually add checks to and remove cancelled checks from the outstanding check file.
- b. Currently, a couple of times a week, MoDOT staff uploads a text file with the check issuance data into the bank's on-line system. What formats can the bank accept through an upload? What other transmission options are available?
- c. What is the deadline for the transmission of check issuance files to the bank?
- d. How would MoDOT notify the bank of an "immediate pay check" (i.e., a check that is processed out of the normal process)?
- e. Would MoDOT be notified of rejected positive pay items? How much time will MoDOT have to review discrepancies and notify the bank to reject or process the item? Provide sample notification reports or screen prints of the notification system and steps to review and confirm or reject. How is notification of the positive pay reject items made?

5. Account Reconciliation

Describe partial and full reconciliation services available. Provide sample reports. With regards to the reports, what are the available formats (e.g., on-line, hard copy,

etc.) and how will MoDOT staff be informed that the information is available (e.g., telephone, mail, e-mail, fax, etc.)? How soon after the cut-off date will the CD-ROMs of paid checks be available?

6. Stop Payments

- a. How are stop payments orders placed? Can stop payments be placed on-line? Provide a screen print of the on-line process.
- b. What is the deadline for same day action?
- c. How long will the stops remain in effect? Will MoDOT staff be notified and in what format when they expire?
- d. Are stop payments immediately active? How long from placement on-line until it is effective at the teller-line?

7. ACH Processing

- a. Describe the bank's ACH service in detail, including verification that it uses National Automated Clearing House Association (NACHA) guidelines.
- b. What are the different ACH file transmission options available to MoDOT?
- c. What are the transmission deadlines for ACH files? When does the bank need the file from MoDOT, does the amount need to be pre-funded and when are funds debited from MoDOT's account?
- d. Describe any steps the bank uses to verify the accuracy of file contents / file totals for transmissions originated by MoDOT.
- e. Describe steps the bank takes to make the personal information being transferred back and forth via a file transfer protocol (FTP) site or another method remains secure at all times.
- f. Describe the bank's ACH return process. Within what time frame will MoDOT staff be notified of the return and by what means (e.g., telephone, mail, e-mail, fax, etc.)? Does this differ for debits and credits?
- g. Describe the bank's ability to block unauthorized ACH Debits. Describe the bank's ability to filter ACH Debits. Who sets up the blocks and filters? Provide an illustration of the processes.

- h. In the event an unauthorized debit has occurred, describe the detailed steps necessary by MoDOT staff to get this item corrected and funds credited back to the account. Within what timeframe would credit be received?

8. Wire Transfers

- a. Describe the bank's secure electronic method for wiring funds. Describe the detailed steps and security procedures necessary by MoDOT staff to process a wire transfer on-line, including the initiation, approval and release. Provide screen prints and reports. Does the process differ for repetitive and non-repetitive wire transfers?
- b. Will the bank process wire transfers on behalf of MHTC with written instruction?
- c. What is the cut-off time for same-day wire transfers?
- d. Describe controls for wire transfers.
- e. Does the bank have a notification feature for in-coming and out-going wires? How and when would MoDOT staff be notified of receiving an in-coming and out-going wire transfer? Provide a sample of the report.
- f. What backup processes are available for wire transfer initiation should the bank's website be down.

9. Overdraft Charges

- a. To date, MoDOT has not overdrawn any of these accounts, but in the event an account is overdrawn, what are the fees and interest charges associated with overdrafts? How are these charges calculated?
- b. Is there a fee per check or per occurrence when there is an overdraft?
- c. Is there a daily cap on fees?

10. Daylight Overdrafts

- a. Describe the bank's policies concerning daylight and associated charges. Indicate whether this is applied to each individual account or across all accounts of a client relationship. Explain steps necessary to increase the limit for any given day.

- b. Does the bank have an intra-day limit on wire transfers? Does the bank continue to process wire transfers when the intra-day limit is reached? Explain the bank's procedures.
- c. If the bank incurs a daylight overdraft charge from the Federal Reserve, does the bank pass this charge on to its customers? If so, how are the charges allocated among the bank's customers and in what form (e.g., intra-day loan, daylight overdraft facility fees, etc.)?

#### 11. Overnight Sweep Product and Collateral

- a. Describe the bank's overnight sweep product / process. Is it an automatic process?
- b. What type of securities does the bank propose to use as collateral for overnight sweeps?
- c. Describe in detail how the bank guarantees to provide full collateralization of MHTC funds held in overnight sweeps. Provide sample reports that can be used by MoDOT staff to confirm daily that MHTC funds held in overnight sweeps are fully collateralized. How often does the bank estimate the market values of the pledged securities to assure the current market values are greater than the funds held in overnight sweeps? How often and in what format would the bank share this information with MoDOT staff? Provide a sample report indicating market values.
- d. On occasion, MHTC receives wired funds and/or deposits a check late in the day in an amount up to \$5.0 million. Describe in detail how the bank would guarantee to provide full collateralization of these late funds.
- e. What outside entity does the bank propose to serve as the designated custodial agent for the securities pledged as collateral to MHTC for overnight sweeps? When and in what format will MoDOT staff receive confirmation that the pledge has been placed on the security with the designated custodial agent? Does the designated custodial agent provide any month-end balancing reports? Provide a sample of a pledge confirmation report and a month-end balancing report.
- f. Describe the detailed steps necessary by MoDOT staff to release a security pledge with the designated custodial agent. When and what format will MoDOT staff receive confirmation that the pledge has been released on the security? Provide a sample of a release confirmation.
- g. Provide the bank's deadlines for purchasing overnight sweeps.

- h. Will the earnings rate credited on overnight sweeps be applied to the entire balance? If not, what percent of the overnight sweeps will earn interest?
- i. Does the bank charge fees to invest funds into overnight sweeps? If so, how are the fees calculated?

## 12. Investments

- a. Describe the bank's investment management philosophy including the approach to managing governmental funds.
- b. Describe how the bank proposes to manage the different portfolios (e.g., by a team or individual manager). Is talent concentrated or spread across the organization?
- c. What are the primary strategies employed by the bank for adding value to a portfolio (e.g., market timing, credit research, etc.)?
- d. Describe the in-house technical and research support services available. What other sources are used on a regular basis?
- e. Describe the approach utilized by the bank to keep its portfolio managers informed of developments relevant to the management of governmental funds and how it plans to share this information with MoDOT staff.
- f. How does the bank propose to handle fluctuating cash flows and cash forecasting processes? Describe how the bank would handle a request for disbursement of invested funds within a day or two of up to \$3.0 million with very little notice. In addition, describe how the bank would handle investing funds received late in the day.
- g. Describe the investment program the bank is proposing for the MHTC, including the type of securities proposed to be purchased, how the funds will be managed after the initial investments are made and how the bank will provide sufficient liquidity.
- h. Provide the bank's investment performance with an investment horizon of approximately one to three years compared to an appropriate benchmark for the most recent five years. Provide annualized quarterly returns, gross of all management fees.
- i. Provide recommendations regarding performance benchmarks for a portfolio similar to that of MHTC.

- j. How frequently does the bank suggest making contact with MoDOT staff to discuss investments? Who will make the contact?
- k. Describe the investment accounting and reporting system used by the bank and whether it complies with Association for Investment Management and Research (AIMR) standards.
- l. Describe the frequency and format of reports that will be provided, including the methods and formulas used to calculate yield and performance. Provide a sample of all reports that will be provided.
- m. Describe how the bank plans to communicate trade confirmation notices, call notices, etc. in duplicate to MoDOT staff. Provide a sample copy of each type of notice generated by the bank's investment system.

### 13. Investment Alternatives for the Local Fund

- a. Given the need to guarantee the preservation of principal of the funds within the Local Fund as described in Section (1) (B) 5, propose an investment strategy within the MHTC's Investment policy for the Local Fund to guarantee that principal will never be at risk of loss. Include the fees associated with these strategies.
- b. Describe in detail how the bank would meet the requirements to collateralize / insure the entire balance of funds.
- c. Would there be any limits placed upon the amount of funds that could be deposited and/or disbursed in to / out of the fund on any given day?
- d. Describe in detail the transition of the current securities held at September 30, 2014 to this new investment strategy.
- e. What are the strengths and weaknesses of the strategies proposed?

### 14. Security Safekeeping & Custody

- a. Provide a list of the total number of custodial accounts and market values of the accounts managed as of December 31, 2012, December 31, 2013 and March 31, 2014.
- b. Briefly describe how the bank handles securities processing on behalf of its clients for each of the items listed below. Where automated processing is available, indicate the nature of the automation and level of availability.
  - i. Receipt of trade instructions including same-day (cash) trades.

- ii. Notification of settled trades, failed trades, available balances, etc.
  - iii. Collecting interest, dividends and proceeds from maturing securities.
  - iv. Securities position reporting and reconciliation.
  - v. Reporting of income on securities held.
  - vi. Trade discrepancies.
- c. Describe how the bank will reconcile MHTC's securities in the bank's custody and how such reconciliation will be documented for MoDOT staff. How do you insure that securities have properly posted to MHTC's accounts?
  - d. Describe the bank's policy regarding restitution of lost interest and/or other remedies for MHTC on a failed trade. Explain how a failed trade would be handled.
  - e. Provide a listing of cut-off times for notification of securities transactions. Specify if the cut-off times vary for different types of securities.
  - f. Describe any sub-custodial arrangements that would be used for securities belonging to MHTC, including any arrangements used for the delivery of physical securities. Does the bank plan to open an account with the Federal Reserve System and Depository Trust Company to hold the securities?
  - g. When does the bank credit interest and principal? How does the bank ensure amounts received and credited are correct?
  - h. Describe the frequency and format of custody reports that the bank will provide to MoDOT. Are the reports available on-line? Provide sample reports.
  - i. What source does the bank use for market valuation of securities? What is the process to price a security that is available through this source?

15. Balance Reporting

- a. Describe the reports that will be available to MoDOT through the bank's balance reporting system. Provide sample reports.
- b. How will MoDOT access the reporting system (i.e., Internet, etc.)? Is specific software required to communicate with the bank's system? Is there an extra charge for this software? Describe the steps necessary to secure the system.

- c. Will the reporting system provide beginning and ending ledger (book) balances, collected balances, available balances, float assignment and the previous day's activities?
- d. What current-day reporting is available through the reporting system?
- e. Can the reporting system provide serial number sorts on disbursement items?
- f. Does the bank's deposit reporting system report electronic transactions (e.g., ACH, wire transfers, etc.) as well as paper documents? Are images of paper transactions available? Is there a charge for this service?
- g. Can reports be customized?
- h. How many business days of balance history are stored on the reporting system and available for customer access?
- i. How many business days of check images are stored on the reporting system and available for customer access?
- j. Provide a demonstration of the bank's on-line capabilities. This may be accomplished by including a CD-ROM or access via the Internet.

#### 16. Account Analysis

- a. Provide a sample account analysis statement that is appropriate for the proposed accounts. How soon after month-end will the account analysis statement be available? How will the account analysis statement be provided to MoDOT (e.g., online, mail, e-mail, fax, etc.)? Does the bank offer electronic analysis and bank statements?
- b. How many days after the account analysis statement is provided to MoDOT will the banking services fees be deducted from each account? Describe the process for challenging disputed charges.
- c. Does the bank propose to pass on any Federal Deposit Insurance Corporation (FDIC) or other such regulatory charges to the MHTC? If so, what are the current charges and how are the charges computed?

#### 17. Errors and Corrections

- a. Describe the process and how often the bank will reconcile transactions initiated by the bank involving MHTC accounts (e.g., security purchases with funds from a checking account, security sales proceeds deposited back into a checking account, etc.). What safeguards are built into the bank's systems to ensure

transactions are properly posted to MHTC accounts? If an error is made, when will MoDOT staff be notified and how quickly will it be remedied?

- b. When corrections / adjustments are required to bank statements to reflect actual activity, will the bank be able to provide acceptable documentation to MoDOT staff within two (2) business days of the notification of the error?

**(D) Control:**

1. Describe the electronic and/or manual systems used to provide the requested services of this RFP, along with backup and recovery capabilities.
2. Given the constant internet security threats, describe the bank's security procedures for its information reporting system, both for access and information protection.
3. Provide a copy of the bank's most recent report issued in accordance with the Statement on Standards for Attestation Engagements – 16 (SSAE 16).
4. Describe the bank's disaster recovery plan.

**(E) Conversion:**

1. Provide a conversion plan and timeline to transition MHTC's accounts to your bank, including MHTC's responsibilities and critical timing during the transition.
2. How much lead-time will be necessary before the conversion begins?
3. Describe plans for educating and training MoDOT staff in the use of your banking systems.

**(F) New Services & Ideas:**

1. Describe new services or ideas that your bank is proposing to provide that would enhance the current banking services utilized by MHTC.
2. Provide any additional information that your bank believes to be pertinent but not specifically requested elsewhere in this RFP.

**(G) Required Documents:** The Offeror must provide a sample of all proposed contract(s), signature cards and other forms required by the bank in order to provide the services requested in this RFP.

**(H) Administration of Program:** The Offeror will consult MHTC's representative regarding any problems involved with the administration of the services provided pursuant to this RFP. MHTC requires the contractor to keep MoDOT staff informed of any banking and

securities regulation changes that could impact the scope of work going forward. MHTC also reserves the right to negotiate changes to the contract if there are changes to the scope of service and/or new services are required at a later date.

### **SECTION (3): AGREEMENT REQUIREMENTS**

This RFP shall be governed by the following contract provisions. The award of this RFP is subject to a post-award negotiated contract. These same contract provisions will appear in the post-award negotiated contract. If the parties are unable to agree to terms in the post-award contract, MHTC shall reserve the right to cancel the award of the RFP and contract and select a different offeror.

- (A) **MHTC's Representative:** MoDOT's Financial Services Director is designated as MHTC's representative for the purpose of administering the provisions of the Agreement as defined in Paragraph (E) of this section. MHTC's representative may designate by written notice other persons having the authority to act on behalf of MHTC in furtherance of the performance of the Agreement. The Offeror shall fully coordinate its activities for MHTC with those of the Financial Services Director. As the work of the Offeror progresses, advice and information on matters covered by the Agreement shall be made available by the Offeror to the Financial Services Director throughout the effective period of the Agreement.
- (B) **Release to Public:** No material or reports prepared by the Offeror shall be released to the public without the prior consent of MHTC's representative.
- (C) **Assignment:** The Offeror shall not assign or delegate any interest, and shall not transfer any interest in the services to be provided (whether by assignment, delegation, or novation) without the prior written consent of MHTC's representative.
- (D) **Status as Independent Contractor:** The Offeror represents itself to be an independent contractor offering such services to the general public and shall not represent itself or its employees to be an employee of MHTC or MoDOT. Therefore, the Offeror shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers' compensation, employee insurance, minimum wage requirements, overtime, or other such benefits or obligations.
- (E) **Components of Agreement:** The Agreement between MHTC and the Offeror shall consist of: the RFP and any written amendments thereto, the proposal submitted by the Offeror in response to the RFP and the post-award contract agreement signed between the parties. However, MHTC reserves the right to clarify any relationship in writing and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the Offeror's proposal. The Offeror is cautioned that its proposal shall be subject to acceptance by MHTC without further clarification.

**(F) Amendments:** Any change in the Agreement, whether by modification or supplementation, must be accompanied by a formal contract amendment signed and approved by the duly authorized representative of the Offeror and MHTC.

**(G) MBE/WBE Participation Encouraged:**

1. Offerors are encouraged to submit copies of their existing affirmative action programs, if any. Offerors are also encouraged to directly hire minorities and women as direct employees of the Offerors.
2. Offerors are encouraged to obtain minority business enterprise (MBE) and women business enterprise (WBE) participation in this work through the use of subcontractors, suppliers, joint ventures, or other arrangements that afford meaningful participation for M/WBEs. Offerors are encouraged to obtain 10% MBE and 5% WBE participation.
3. Regardless of which persons or firms, if any, that the Offeror may use as subcontractors or suppliers of goods or services for the services to be provided, the Offeror ultimately remains responsible and liable to MHTC for the complete, accurate and professional quality/performance of these services.

**(H) Nondiscrimination:** The Offeror shall comply with all state and federal statutes applicable to the Offeror relating to nondiscrimination, including, but not limited to, Chapter 213, RSMo; Title VI and Title VII of the Civil Rights Act of 1964 as amended (42 U.S.C. Sections 2000d and 2000e, *et seq.*); and with any provision of the “Americans with Disabilities Act” (42 U.S.C. Section 12101, *et seq.*).

**(I) Executive Order:** The Offeror shall comply with all the provisions of Executive Order 07-13, issued by the Honorable Matt Blunt, Governor of Missouri, on the sixth (6<sup>th</sup>) day of March 2007. This Executive Order, which promulgates the State of Missouri’s position to not tolerate persons who contract with the state engaging in or supporting illegal activities of employing individuals who are not eligible to work in the United States, is incorporated herein by reference and made a part of this Agreement.

1. By signing this Agreement, the Offeror hereby certifies that any employee of the Offeror assigned to perform services under the contract is eligible and authorized to work in the United States in compliance with federal law.
2. In the event the Offeror fails to comply with the provisions of the Executive Order 07-13, or in the event MHTC has reasonable cause to believe that the Offeror has knowingly employed individuals who are not eligible to work in the United States in violation of federal law, MHTC reserves the right to impose such contract sanctions as it may determine to be appropriate, including but not limited to contract cancellation, termination or suspension in whole or in part or both.

- (J) **Incorporation of Provisions:** The Offeror shall include the provisions of Section (3), paragraph I of this Agreement in every subcontract. The Offeror shall take such action with respect to any subcontract as MHTC may direct as a means of enforcing such provisions, including sanctions for noncompliance.
- (K) **Non-employment of Unauthorized Aliens:** Pursuant to Section 285.530, RSMo, no business entity or employer shall knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri. As a condition for the award of any contract or grant in excess of five thousand dollars by the State or by any political subdivision of the State to a business entity, or for any business entity receiving a state-administered or subsidized tax credit, tax abatement, or loan from the state, the business entity shall:
1. By sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. E-Verify is an example of a federal work authorization program. The business entity must affirm its enrollment and participation in the E-Verify federal work authorization program with respect to the employees proposed to work in connection with the services requested herein by providing acceptable enrollment and participation documentation consisting of **completed** copy of the E-Verify Memorandum of Understanding (MOU). For business entities that are not already enrolled and participating in a federal work authorization program, E-Verify is available at [http://www.dhs.gov/files/programs/gc\\_1185221678150.shtm](http://www.dhs.gov/files/programs/gc_1185221678150.shtm).
  2. By sworn affidavit, affirm that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. A copy of the affidavit referenced herein is provided within this document, attached as **Attachment C**.
- (L) **Proof of Lawful Presence For Sole Proprietorships and Partnerships:** If the business entity is a sole proprietorship or partnership, pursuant to Section 208.009, RSMo, each sole proprietor and each general partner shall provide affirmative proof of lawful presence in the United States. Such sole proprietorship or partnership is eligible for temporary public benefits upon submission by each sole proprietor and general partner of a sworn affidavit of his/her lawful presence on the United States until such lawful presence is affirmatively determined, or as otherwise provided by Section 208.009, RSMo. A copy of the affidavit referenced herein is provided within this document, attached as **Attachment D**.
- (M) **Bankruptcy:** Upon filing for any bankruptcy or insolvency proceeding by or against the Offeror, whether voluntarily, or upon the appointment of a receiver, Offeror, or assignee, for the benefit of creditors, MHTC reserves the right and sole discretion to either cancel the Agreement or affirm the Agreement and hold the Offeror responsible for damages.

- (N) **Law of Missouri to Govern:** The Agreement shall be construed according to the laws of the state of Missouri. The Offeror shall comply with all local, state and federal laws and regulations relating to the performance of the Agreement.
- (O) **Cancellation:** MHTC may cancel the Agreement at any time for a material breach of contractual obligations or for convenience by providing the Offeror with written notice of cancellation. Should MHTC exercise its right to cancel the contract for such reasons, cancellation will become effective upon the date specified in the notice of cancellation sent to the Offeror.
- (P) **Venue:** No action may be brought by either party concerning any matter, thing or dispute arising out of or relating to the terms, performance, nonperformance or otherwise of the Agreement except in the Circuit Court of Cole County, Missouri. The parties agree that the Agreement is entered into at Jefferson City, Missouri, and substantial elements of its performance will take place at or be delivered to Jefferson City, Missouri, by reason of which the Offeror consents to venue of any action against it in Cole County, Missouri.
- (Q) **Ownership of Reports:** All documents, reports, exhibits, etc. produced by the Offeror at the direction of MHTC's representative and information supplied by MHTC's representative shall remain the property of MHTC.
- (R) **Confidentiality:** The Offeror shall not disclose to third parties confidential factual matters provided by MHTC's representative except as may be required by statute, ordinance, or order of court, or as authorized by MHTC's representative. The Offeror shall notify MHTC immediately of any request for such information.
- (S) **Nonsolicitation:** The Offeror warrants that it has not employed or retained any company or person, other than a bona fide employee working for the Offeror, to solicit or secure the Agreement, and that it has not paid or agreed to pay any percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach or violation of this warranty, MHTC shall have the right to annul the Agreement without liability, or in its discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.
- (T) **Conflict of Interest:** The Offeror covenants that it presently has no actual conflict of interest or appearance of conflict of interest and shall not acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the services under this Agreement. The Offeror further covenants that no person having any such known interest shall be employed or conveyed an interest, directly or indirectly, in this Agreement.

- (U) **Maintain Papers:** The Offeror must maintain all working papers and records relating to the Agreement. These records must be made available at all reasonable times at no charge to MHTC and/or the Missouri State Auditor during the term of the Agreement and any extension thereof, and for three (3) years from the date of final payment made under the Agreement.
1. MHTC's representative shall have the right to reproduce and/or use any products derived from the Offeror's work without payment of any royalties, fees, etc.
  2. MHTC's representative shall at all times have the right to audit any and all records pertaining to the services.
- (V) **Indemnification:** The Offeror shall defend, indemnify and hold harmless MHTC, including its members and department employees, from any claim or liability whether based on a claim for damages to real or personal property or to a person for any matter relating to or arising out of the Offeror's performance of its obligations under this Agreement.
- (W) **Insurance:** Prior to contract signing, the Offeror may be asked about its ability to provide certificates of insurance which meet, or approach, the following coverages:
1. General Liability – Not less than \$500,000 for any one person in a single accident or occurrence, and not less than \$3,000,000 for all claims arising out of a single occurrence;
  2. Automobile Liability – Not less than \$500,000 for any one person in a single accident or occurrence, and not less than \$3,000,000 for all claims arising out of a single occurrence; and
  3. Missouri State Workmen's Compensation policy or equivalent in accordance with state law.
- (X) **Offeror Liability for Failure to Perform:** The Offeror shall perform all of its contractual obligations in the resulting Agreement as mentioned in Section (3) (E) of this RFP and shall be liable to MHTC for any monetary damages as a result of the Offeror's failure to properly perform such contract obligations. The bank shall compensate MHTC for the loss of funds and any interest due MHTC as a result of the Offeror's failure to perform any contractual obligations. Such compensation for lost interest shall be reimbursed based upon the earnings rate paid on Overnight Repurchase Agreements for the period of time and amount in question computed on a daily basis.
- (Y) **Contract Effective Date:** This RFP is issued to select one bank to provide commercial banking, investment management and security safekeeping services for an initial three-year period commencing on October 1, 2014 through September 30, 2017 with the

option of MHTC to renew for two (2) additional one-year periods, or any portion therein.

**SECTION (4):  
PROPOSAL SUBMISSION INFORMATION**

**(A) SUBMISSION OF PROPOSALS**

- 1. Pricing and Signature:** Proposals should be priced, signed and returned (with necessary attachments) to Kristi Hixson as provided in this RFP. Specifically, any form containing a signature line in this RFP and any amendments, pricing tables, etc., must be manually signed and returned as part of the proposal.
- 2. Submission of All Data Required:** The Offeror must respond to this RFP by submitting all data required in paragraph (B) below for its proposal to be evaluated and considered for award. Failure to submit such data shall be deemed sufficient cause for disqualification of a proposal from further consideration.
- 3. Public Inspection:** The Offeror is hereby advised that all proposals and the information contained in or related thereto shall be open to public inspection and that MHTC does not guarantee nor assume any responsibility whatsoever in the event that such information is used or copied by individual person(s) or organization. Therefore, the Offeror must submit its proposal based on such conditions without reservations.
- 4. Clarification of Requirements:** Any and all questions regarding specifications, requirements, competitive procurement process, or other questions must be directed to Kristi Hixson, Missouri Department of Transportation - General Services, P. O. Box 270, Jefferson City, Missouri, 65102, or emailed to [Kristi.Hixson@modot.mo.gov](mailto:Kristi.Hixson@modot.mo.gov) no later than 4:00 p.m. on June 4, 2014. **If necessary, an addendum will be issued by June 9, 2014.** It is the sole responsibility of all Offerors to check the website for any and all addendums throughout the procurement process.

**(B) REQUIRED ELEMENTS OF PROPOSAL**

- 1. Experience:** The proposal must clearly identify the Offeror's experience in offering the services requested in this RFP during the past three (3) years. The description should include a list of the agencies, which your institution has served or currently serves. In addition, the Offeror must provide the following information:
  - a. Provide a general overview and brief history of the bank, including parent and/or subsidiary companies and the number of employees.

- b. Provide the address of the branch location(s) that will service MHTC's accounts.
  - c. Describe the experience of the bank in providing similar commercial banking, investment management and security safekeeping services for governmental entities, including the number of customers and dollar amounts of assets managed for state and local governments.
  - d. Describe the experience of the bank in developing investment policies and portfolio management guidelines for governmental funds.
  - e. Provide the rating for the bank and/or bank holding company from a Nationally Recognized Statistical Ratings Organization as defined by the Securities and Exchange Commission. If the Offeror is not rated by one of these rating organizations, provide other evidence of the institution's credit quality.
  - f. Provide a copy of the most recent audited annual financial statement and the Call Report of the bank and/or bank holding company.
  - g. Provide information indicating the bank is financially solvent and adequately capitalized to be able to service the MHTC for the duration of the contract.
  - h. Provide a summary of insurance coverage / bonding carried by the bank that would be relevant to the services requested under this RFP.
  - i. Describe any Securities and Exchange Commission (SEC), National Association of Securities Dealers (NASD) or any other regulatory censure or litigation involving the bank or its employees during the past five years.
  - j. Provide the names and relevant information of any investment accounts the bank has lost in the past five years due to malfeasance, lack of adherence to professional standards or other general neglect?
  - k. Provide the bank's Community Reinvestment Act (CRA) rating.
- 2. Personnel:** Information presented in this section should highlight the Offeror's previous experience, as well as any work with other state agencies or local governments in Missouri. Offeror must furnish a complete listing of each sub-Offeror, if any, and complete contact information for that sub-Offeror. In addition, the Offeror must provide the following information:
- a. Provide the name, title, address, telephone number, fax number and e-mail address of the primary contact person(s) assigned to this account.

- b. Provide biographical information on senior staff that will be directly involved in the management of MHTC’s accounts, and what, if any, experience these employees have in working with state and local governments and other public agencies. Describe the proposed role of each with regard to MHTC’s accounts. Be sure to include the staff person who will be responsible for making the daily investment trade decisions.
- c. For each key person, show the number of years of experience in this field and the number of years with the bank.

**3. References:**

- a. Provide names, addresses, telephone numbers and e-mail addresses of at least five (5) references (governments and public agency references, if possible), which are currently using the services for which the bank is proposing. Select a mix of long-standing and recent customers.
- b. Provide a list of government clients that have terminated similar services in the last three years.

**(C) EVALUATION CRITERIA AND PROCESS**

**1. Evaluation Factors:** Any agreement for services resulting from this RFP shall be awarded to the Offeror providing the best proposal to MHTC. After determining responsiveness, proposals will be evaluated in accordance with the following criteria:

Pricing	50 points
Collateral Assurance and Financial Strength	25 points
Proposed Method of Performance and Transition	15 points
Experience	10 points

- 2. Historic Information:** MHTC reserves the right to consider historic information and facts, whether gained from the Offeror's proposal, question and answer conferences, references, or other sources, in the evaluation process.
- 3. Responsibility to Submit Information:** The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that MHTC’s representative is under no obligation to solicit such information if it is not included with the Offeror's proposal. Failure of the Offeror to submit such information may cause an adverse impact on the evaluation of the Offeror's proposal. It is suggested the Offeror submit the proposal in an outline format that follows the RFP.

**(D) PRICING**

- 1. Pricing Table:** The Offeror must submit a proposed fee for all services defined in the Scope of Work. All fees must be reflected on the Pricing Table (**Attachment E** – Pages 1 to 4). The Pricing Table must be completed, signed and returned with the Offeror's proposal. Complete the Pricing Table per the instructions including on Pages 5 and 6 of **Attachment E**.
  
- 2. Alternative Proposal:** Two of MoDOT's values are "Be Bold – So we can be innovative in our pursuit of excellence" and "Be Better – I always try to improve my results." As a result, MoDOT staff is encouraging the Offeror to also propose alternative pricing proposals. For example, feel free to propose an alternative, which would result in a simpler and more passive investment involvement for MoDOT staff through applying a variable rate index (net of all fees) for an interest earnings rate on all funds under this RFP. Be specific and describe in detail any alternative proposal.

**(E) AWARD AND IMPLEMENTATION**

MHTC expects to award this contract at its September 10, 2014 meeting. The contractor must be prepared to assume responsibility for the commercial banking, investment management and security safekeeping services on October 1, 2014. MoDOT staff will work with the contractor to complete implementation in a timely manner.

# Missouri Department of Transportation

## Attachment A

### Banking Services RFP - 12 Month Summary Statistics for the 5 Accounts

Account	Overnight Repurchase Agreement	Investments	ACH Credits		Deposits			Wire (In-Coming)	
	(Monthly Average)	(Monthly Average)	Number of Transactions	Amount	Number of Deposits	Number of Checks	Amount	Number of Transactions	Amount
Self Insurance Fund	\$6,778,624	\$80,985,050	164	\$22,462,412	63	90	\$151,659	0	\$0
Medical & Life Insurance Fund	\$7,312,268	\$41,885,749	619	\$114,360,144	108	618	\$1,259,088	0	\$0
MTFC - Highway Fund	\$1,000,000 <sup>a</sup>	\$6,871,533 <sup>a</sup>	5	\$2,672,868	2	2	\$130,000	4	\$2,415,167
MTFC - Transportation Fund	\$2,000,000 <sup>a</sup>	\$29,730,273 <sup>a</sup>	10	\$11,886,286	0	0	\$0	11	\$12,229,580
Local Fund	\$17,169,929	\$46,556,006	3	\$3,800,950	12	13	\$2,444,487	6	\$9,811,684
<b>Total</b>	<b>\$34,260,820</b>	<b>\$206,028,610</b>	<b>801</b>	<b>\$155,182,660</b>	<b>185</b>	<b>723</b>	<b>\$3,985,234</b>	<b>21</b>	<b>\$24,456,431</b>

**Largest Single ACH Transaction** **\$5,000,000**

**Monthly Average** **67** **\$12,931,888** **15** **60** **\$332,103** **2** **\$2,038,036**

Account	Returned Items		ACH Debits		Checks			Wire (Out-Going)	
	Number of Returns	Amount	Number of Transactions	Amount	Number of Stop Payments	Number of Checks Cleared	Amount	Number of Transactions	Amount
Self Insurance Fund	1	\$50	0	\$0	2	9,707	\$20,159,473	0	\$0
Medical & Life Insurance Fund	16	\$7,313	153	\$34,380,982	0	360	\$111,745	248	\$83,518,862
MTFC - Highway Fund	0	\$0	2	\$525,653	0	0	\$0	2	\$300,000
MTFC - Transportation Fund	0	\$0	14	\$5,337,103	0	6	\$12,018	0	\$0
Local Fund	0	\$0	63	\$59,887,622	0	2	\$1,750	3	\$3,078,156
<b>Total</b>	<b>17</b>	<b>\$7,363</b>	<b>232</b>	<b>\$100,131,360</b>	<b>2</b>	<b>10,075</b>	<b>\$20,284,986</b>	<b>253</b>	<b>\$86,897,018</b>

**Largest Single ACH Transaction** **\$9,716,182**

**Monthly Average** **1** **\$614** **19** **\$8,344,280** **0** **840** **\$1,690,416** **21** **\$7,241,418**

**Certificate of Deposit:** **\$100,000**

Note: <sup>a</sup> Represents an annual estimate of the projected monthly average going forward.

# Missouri Department of Transportation

## Banking Services RFP - Statistics for the Self Insurance Fund Account

Date	Overnight Repurchase Agreement		ACH Credits		Deposits			Wire (In-Coming)	
	Investments	Number of Transactions	Amount	Number of Deposits	Number of Checks	Amount	Number of Transactions	Amount	
May 31, 2013	\$2,105,157	5	\$1,642,687	3	4	\$656	0	\$0	
June 28, 2013	\$8,836,480	14	\$1,892,603	5	7	\$16,525	0	\$0	
July 31, 2013	\$9,720,370	24	\$2,142,687	6	8	\$14,524	0	\$0	
August 30, 2013	\$9,810,992	14	\$1,892,687	4	6	\$8,984	0	\$0	
September 30, 2013	\$7,765,703	14	\$1,892,687	6	12	\$7,610	0	\$0	
October 31, 2013	\$9,151,016	14	\$1,892,687	5	7	\$829	0	\$0	
November 29, 2013	\$7,786,752	13	\$1,890,485	4	8	\$7,315	0	\$0	
December 31, 2013	\$1,707,888	16	\$1,894,890	6	8	\$15,177	0	\$0	
January 31, 2014	\$6,541,065	14	\$1,890,055	6	9	\$51,090	0	\$0	
February 28, 2014	\$7,760,139	5	\$1,642,750	6	6	\$2,602	0	\$0	
March 31, 2014	\$4,826,598	16	\$1,895,444	7	10	\$24,813	0	\$0	
April 30, 2014	\$5,331,323	15	\$1,892,750	5	5	\$1,535	0	\$0	
<b>Total</b>		<b>164</b>	<b>\$22,462,412</b>	<b>63</b>	<b>90</b>	<b>\$151,659</b>	<b>0</b>	<b>\$0</b>	
<b>Largest Single ACH Transaction</b>			<b>\$950,834</b>						
<b>Monthly Average</b>	<b>\$6,778,624</b>	<b>\$80,985,050</b>	<b>14</b>	<b>\$1,871,868</b>	<b>5</b>	<b>8</b>	<b>\$12,638</b>	<b>0</b>	<b>\$0</b>

Date	Returned Items		ACH Debits		Checks			Wire (Out-Going)	
	Number of Returns	Amount	Number of Transactions	Amount	Number of Stop Payments	Number of Checks Cleared	Amount	Number of Transactions	Amount
May 31, 2013	0	\$0	0	\$0	0	824	\$1,408,088	0	\$0
June 28, 2013	0	\$0	0	\$0	0	689	\$825,019	0	\$0
July 31, 2013	0	\$0	0	\$0	1	833	\$839,734	0	\$0
August 30, 2013	0	\$0	0	\$0	0	715	\$1,547,591	0	\$0
September 30, 2013	0	\$0	0	\$0	0	801	\$3,033,855	0	\$0
October 31, 2013	0	\$0	0	\$0	0	930	\$1,588,904	0	\$0
November 29, 2013	0	\$0	0	\$0	0	710	\$2,251,267	0	\$0
December 31, 2013	0	\$0	0	\$0	0	755	\$667,024	0	\$0
January 31, 2014	0	\$0	0	\$0	0	789	\$2,722,150	0	\$0
February 28, 2014	0	\$0	0	\$0	0	641	\$1,427,008	0	\$0
March 31, 2014	1	\$50	0	\$0	0	969	\$1,589,649	0	\$0
April 30, 2014	0	\$0	0	\$0	1	1,051	\$2,259,185	0	\$0
<b>Total</b>	<b>1</b>	<b>\$50</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>9,707</b>	<b>\$20,159,473</b>	<b>0</b>	<b>\$0</b>
<b>Largest Single ACH Transaction</b>				<b>\$0</b>					
<b>Monthly Average</b>	<b>0</b>	<b>\$4</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>809</b>	<b>\$1,679,956</b>	<b>0</b>	<b>\$0</b>

# Missouri Department of Transportation

## Banking Services RFP - Statistics for the Medical & Life Insurance Fund Account

Date	Overnight Repurchase Agreement	Investments	ACH Credits		Deposits (Remote)			Wire (In-Coming)	
			Number of Transactions	Amount	Number of Deposits	Number of Checks	Amount	Number of Transactions	Amount
May 31, 2013	\$7,326,091	\$43,431,570	56	\$9,616,203	6	52	\$21,707	0	\$0
June 28, 2013	\$10,057,952	\$40,365,974	59	\$9,197,064	16	69	\$254,244	0	\$0
July 31, 2013	\$7,825,858	\$43,079,037	24	\$9,400,242	7	42	\$13,119	0	\$0
August 30, 2013	\$6,308,201	\$43,143,111	25	\$9,567,874	9	57	\$18,000	0	\$0
September 30, 2013	\$6,249,049	\$43,653,772	44	\$9,051,154	10	55	\$269,960	0	\$0
October 31, 2013	\$5,419,755	\$43,276,200	87	\$9,527,177	6	30	\$15,604	0	\$0
November 29, 2013	\$9,522,250	\$39,243,641	57	\$10,250,889	10	66	\$27,018	0	\$0
December 31, 2013	\$3,344,349	\$44,572,651	79	\$9,264,231	9	64	\$178,387	0	\$0
January 31, 2014	\$7,634,775	\$39,290,587	28	\$9,801,169	9	47	\$169,834	0	\$0
February 28, 2014	\$9,332,004	\$38,980,821	44	\$9,631,487	11	49	\$16,048	0	\$0
March 31, 2014	\$6,816,455	\$41,970,168	90	\$9,644,830	10	67	\$268,065	0	\$0
April 30, 2014	\$7,910,473	\$41,621,451	26	\$9,407,823	5	20	\$7,101	0	\$0
<b>Total</b>			<b>619</b>	<b>\$114,360,144</b>	<b>108</b>	<b>618</b>	<b>\$1,259,088</b>	<b>0</b>	<b>\$0</b>

**Largest Single ACH Transaction**

**\$2,649,746**

**Monthly Average**

**\$7,312,268    \$41,885,749**

**52    \$9,530,012**

**9    52    \$104,924**

**0    \$0**

Date	Returned Items		ACH Debits		Checks			Wire (Out-Going)	
	Number of Returns	Amount	Number of Transactions	Amount	Number of Stop Payments	Number of Checks Cleared	Amount	Number of Transactions	Amount
May 31, 2013	0	\$0	13	\$2,219,598	0	34	\$6,200	22	\$8,222,843
June 28, 2013	0	\$0	14	\$2,913,097	0	25	\$2,966	20	\$6,632,662
July 31, 2013	0	\$0	13	\$2,789,328	0	26	\$6,014	22	\$6,211,091
August 30, 2013	1	\$298	13	\$3,672,654	0	20	\$41,062	22	\$7,194,281
September 30, 2013	1	\$164	13	\$2,297,611	0	30	\$4,940	19	\$6,732,412
October 31, 2013	2	\$1,400	14	\$2,848,160	0	30	\$25,945	22	\$8,075,827
November 29, 2013	2	\$1,182	16	\$3,437,686	0	15	\$2,946	19	\$6,765,441
December 31, 2013	1	\$761	10	\$2,760,045	0	29	\$3,686	21	\$7,317,580
January 31, 2014	6	\$3,070	11	\$2,938,033	0	44	\$4,340	19	\$8,276,865
February 28, 2014	1	\$236	13	\$2,904,203	0	34	\$4,770	19	\$5,549,292
March 31, 2014	1	\$5	14	\$2,915,126	0	16	\$1,909	21	\$6,203,160
April 30, 2014	1	\$197	9	\$2,685,441	0	57	\$6,967	22	\$6,337,408
<b>Total</b>	<b>16</b>	<b>\$7,313</b>	<b>153</b>	<b>\$34,380,982</b>	<b>0</b>	<b>360</b>	<b>\$111,745</b>	<b>248</b>	<b>\$83,518,862</b>

**Largest Single ACH Transaction**

**\$1,292,374**

**Monthly Average**

**1    \$609**

**13    \$2,865,082**

**0    30    \$9,312**

**21    \$6,959,905**

**Certificate of Deposit:    \$100,000**

# Missouri Department of Transportation

## Banking Services RFP - Statistics for the MTFC Highway Fund Account

Date	Overnight Repurchase Agreement		ACH Credits		Deposits			Wire (In-Coming)	
	Investments	Number of Transactions	Amount	Number of Deposits	Number of Checks	Amount	Number of Transactions	Amount	
May 31, 2013	\$4,230,453	0	\$0	0	0	\$0	0	\$0	
June 28, 2013	\$4,253,283	0	\$0	0	0	\$0	0	\$0	
July 31, 2013	\$6,752,205	3	\$2,478,175	0	0	\$0	0	\$0	
August 30, 2013	\$6,771,251	0	\$0	0	0	\$0	0	\$0	
September 30, 2013	\$4,982,619	1	\$192,900	0	0	\$0	0	\$0	
October 31, 2013	\$4,760,710	0	\$0	1	1	\$65,000	0	\$0	
November 29, 2013	\$4,830,873	0	\$0	0	0	\$0	2	\$56,152	
December 31, 2013	\$656,400	0	\$0	0	0	\$0	1	\$2,312,600	
January 31, 2014	\$7,169,148	0	\$0	0	0	\$0	0	\$0	
February 28, 2014	\$7,230,197	1	\$1,793	0	0	\$0	1	\$46,414	
March 31, 2014	\$3,782,983	0	\$0	1	1	\$65,000	0	\$0	
April 30, 2014	\$3,797,059	0	\$0	0	0	\$0	0	\$0	
<b>Total</b>		<b>5</b>	<b>\$2,672,868</b>	<b>2</b>	<b>2</b>	<b>\$130,000</b>	<b>4</b>	<b>\$2,415,167</b>	

**Largest Single ACH Transaction**

**\$1,721,261**

**Monthly Average**      **\$4,934,765**      **\$2,936,768**

**0**      **\$222,739**

**0**      **0**      **\$10,833**

**0**      **\$201,264**

**Projected**

**Monthly Average**      **\$1,000,000**      **\$6,871,533**

Date	Returned Items		ACH Debits		Checks			Wire (Out-Going)	
	Number of Returns	Amount	Number of Transactions	Amount	Number of Stop Payments	Number of Checks Cleared	Amount	Number of Transactions	Amount
May 31, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
June 28, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
July 31, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
August 30, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
September 30, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
October 31, 2013	0	\$0	0	\$0	0	0	\$0	2	\$300,000
November 29, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
December 31, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
January 31, 2014	0	\$0	0	\$0	0	0	\$0	0	\$0
February 28, 2014	0	\$0	0	\$0	0	0	\$0	0	\$0
March 31, 2014	0	\$0	2	\$525,653	0	0	\$0	0	\$0
April 30, 2014	0	\$0	0	\$0	0	0	\$0	0	\$0
<b>Total</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>\$525,653</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>\$300,000</b>

**Largest Single ACH Transaction**

**\$525,527**

**Monthly Average**      **0**      **\$0**

**0**      **\$43,804**

**0**      **0**      **\$0**

**0**      **\$25,000**

# Missouri Department of Transportation

## Banking Services RFP - Statistics for the MTFC Transportation Fund Account

Date	Overnight Repurchase Agreement		ACH Credits		Deposits			Wire (In-Coming)	
	Investments		Number of Transactions	Amount	Number of Deposits	Number of Checks	Amount	Number of Transactions	Amount
May 31, 2013	\$8,950,463	\$8,952,981	1	\$815	0	0	\$0	1	\$25,000
June 28, 2013	\$8,033,486	\$9,736,758	0	\$0	0	0	\$0	0	\$0
July 31, 2013	\$18,253,789	\$9,695,970	5	\$10,032,994	0	0	\$0	2	\$113,225
August 30, 2013	\$17,756,240	\$10,658,680	1	\$491,738	0	0	\$0	0	\$0
September 30, 2013	\$17,165,971	\$16,391,034	0	\$0	0	0	\$0	1	\$5,086,988
October 31, 2013	\$16,808,697	\$17,145,286	0	\$0	0	0	\$0	1	\$350,954
November 29, 2013	\$13,852,035	\$20,602,478	0	\$0	0	0	\$0	1	\$1,539,698
December 31, 2013	\$1,300,657	\$36,945,222	1	\$868,876	0	0	\$0	1	\$2,990,000
January 31, 2014	\$18,424,419	\$20,442,175	0	\$0	0	0	\$0	1	\$567,602
February 28, 2014	\$15,845,111	\$20,397,963	1	\$491,738	0	0	\$0	1	\$537,675
March 31, 2014	\$10,914,733	\$25,772,758	1	\$126	0	0	\$0	2	\$1,018,439
April 30, 2014	\$8,365,599	\$28,350,769	0	\$0	0	0	\$0	0	\$0
<b>Total</b>			<b>10</b>	<b>\$11,886,286</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>11</b>	<b>\$12,229,580</b>

**Largest Single ACH Transaction**

**\$5,000,000**

**Monthly Average**

**\$12,972,600    \$18,757,673**

**1    \$990,524**

**0    0    \$0**

**1    \$1,019,132**

**Projected**

**Monthly Average**

**\$2,000,000    \$29,730,273**

Date	Returned Items		ACH Debits		Checks			Wire (Out-Going)	
	Number of Returns	Amount	Number of Transactions	Amount	Number of Stop Payments	Number of Checks Cleared	Amount	Number of Transactions	Amount
May 31, 2013	0	\$0	1	\$4,623	0	0	\$0	0	\$0
June 28, 2013	0	\$0	1	\$3,416	0	0	\$0	0	\$0
July 31, 2013	0	\$0	1	\$328	0	0	\$0	0	\$0
August 30, 2013	0	\$0	1	\$2,567	0	2	\$9,042	0	\$0
September 30, 2013	0	\$0	1	\$2,076	0	0	\$0	0	\$0
October 31, 2013	0	\$0	1	\$692	0	1	\$2,400	0	\$0
November 29, 2013	0	\$0	2	\$1,075,058	0	0	\$0	0	\$0
December 31, 2013	0	\$0	0	\$0	0	1	\$290	0	\$0
January 31, 2014	0	\$0	1	\$1,394	0	0	\$0	0	\$0
February 28, 2014	0	\$0	2	\$3,704,714	0	1	\$126	0	\$0
March 31, 2014	0	\$0	2	\$539,775	0	0	\$0	0	\$0
April 30, 2014	0	\$0	1	\$2,461	0	1	\$160	0	\$0
<b>Total</b>	<b>0</b>	<b>\$0</b>	<b>14</b>	<b>\$5,337,103</b>	<b>0</b>	<b>6</b>	<b>\$12,018</b>	<b>0</b>	<b>\$0</b>

**Largest Single ACH Transaction**

**\$3,700,000**

**Monthly Average**

**0    \$0**

**1    \$444,759**

**0    1    \$1,002**

**0    \$0**

# Missouri Department of Transportation

## Banking Services RFP - Statistics for the Local Fund Account

Date	Overnight Repurchase Agreement		ACH Credits		Deposits			Wire (In-Coming)	
	Investments	Number of Transactions	Amount	Number of Deposits	Number of Checks	Amount	Number of Transactions	Amount	
May 31, 2013	\$33,516,526	\$62,766,434	0	\$0	1	1	\$270,811	2	\$320,550
June 28, 2013	\$28,323,009	\$58,136,872	1	\$950	0	0	\$0	0	\$0
July 31, 2013	\$23,787,202	\$51,788,880	0	\$0	1	1	\$25,000	0	\$0
August 30, 2013	\$24,170,317	\$46,204,446	0	\$0	0	0	\$0	1	\$1,124,000
September 30, 2013	\$17,491,280	\$50,916,947	0	\$0	0	0	\$0	0	\$0
October 31, 2013	\$12,512,906	\$50,223,621	1	\$100,000	0	0	\$0	0	\$0
November 29, 2013	\$12,582,049	\$41,188,566	0	\$0	2	2	\$1,023,335	0	\$0
December 31, 2013	\$1,447,451	\$54,667,944	0	\$0	3	4	\$1,108,421	2	\$1,406,728
January 31, 2014	\$3,228,364	\$40,544,963	0	\$0	0	0	\$0	0	\$0
February 28, 2014	\$8,072,070	\$38,370,672	1	\$3,700,000	2	2	\$6,545	0	\$0
March 31, 2014	\$15,870,388	\$36,997,986	0	\$0	2	2	\$5,867	1	\$6,960,406
April 30, 2014	\$25,037,585	\$26,864,738	0	\$0	1	1	\$4,508	0	\$0
<b>Total</b>			<b>3</b>	<b>\$3,800,950</b>	<b>12</b>	<b>13</b>	<b>\$2,444,487</b>	<b>6</b>	<b>\$9,811,684</b>
<b>Largest Single ACH Transaction</b>									
				<b>\$3,700,000</b>					
<b>Monthly Average</b>									
	<b>\$17,169,929</b>	<b>\$46,556,006</b>	<b>0</b>	<b>\$316,746</b>	<b>1</b>	<b>1</b>	<b>\$203,707</b>	<b>1</b>	<b>\$817,640</b>

Date	Returned Items		ACH Debits		Checks			Wire (Out-Going)	
	Number of Returns	Amount	Number of Transactions	Amount	Number of Stop Payments	Number of Checks Cleared	Amount	Number of Transactions	Amount
May 31, 2013	0	\$0	2	\$109,118	0	0	\$0	1	\$2,586,291
June 28, 2013	0	\$0	11	\$9,454,092	0	0	\$0	0	\$0
July 31, 2013	0	\$0	10	\$10,955,222	0	0	\$0	0	\$0
August 30, 2013	0	\$0	3	\$6,334,644	0	0	\$0	0	\$0
September 30, 2013	0	\$0	7	\$2,210,409	0	0	\$0	0	\$0
October 31, 2013	0	\$0	4	\$5,580,292	0	0	\$0	1	\$422,533
November 29, 2013	0	\$0	3	\$10,027,207	0	2	\$1,750	0	\$0
December 31, 2013	0	\$0	0	\$0	0	0	\$0	0	\$0
January 31, 2014	0	\$0	15	\$12,529,743	0	0	\$0	0	\$0
February 28, 2014	0	\$0	2	\$1,115,509	0	0	\$0	1	\$69,332
March 31, 2014	0	\$0	2	\$470,856	0	0	\$0	0	\$0
April 30, 2014	0	\$0	4	\$1,100,530	0	0	\$0	0	\$0
<b>Total</b>	<b>0</b>	<b>\$0</b>	<b>63</b>	<b>\$59,887,622</b>	<b>0</b>	<b>2</b>	<b>\$1,750</b>	<b>3</b>	<b>\$3,078,156</b>
<b>Largest Single ACH Transaction</b>									
				<b>\$9,716,182</b>					
<b>Monthly Average</b>									
	<b>0</b>	<b>\$0</b>	<b>5</b>	<b>\$4,990,635</b>	<b>0</b>	<b>0</b>	<b>\$146</b>	<b>0</b>	<b>\$256,513</b>

# MISSOURI DEPARTMENT OF TRANSPORTATION

## Attachment B

### Investment Policy

*Effective December 1, 2005*

#### I. Scope

This policy applies to the investment of Missouri Department of Transportation (MoDOT) funds held outside of the State Treasurer's Office.

Investments through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

The purpose of the Investment Policy shall be to establish the investment objectives of MoDOT and provide a set of investment parameters to govern the type, quality, diversification and term of investments in order to realize those objectives. To assist in accomplishing investment objectives, MoDOT shall employ an Investment Advisor to act in a fiduciary capacity as custodian for the interest and benefit of MoDOT and to, among other responsibilities, develop, implement and execute an investment strategy consistent with this Investment Policy.

The Investment Advisor and MoDOT shall have in place an agreement that will determine the duties expected of them as MoDOT's Investment Advisor. In developing and implementing any investment strategy for the custodial assets, the Investment Advisor shall comply with the investment parameters set forth herein.

#### II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

**a. Credit Risk.** MoDOT will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities, as defined in Section V; and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

**b. Interest Rate Risk.** MoDOT will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools that offer same-day liquidity for short-term funds.
  3. **Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
    - A security with declining credit may be sold early to minimize loss of principal;
    - A security exchange would improve the quality, yield, or target duration in the portfolio; or
    - Liquidity needs of the portfolio require that the security be sold.

### III. Standards of Care

1. **Prudence.** The standard of prudence to be used by MoDOT investment officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The standard of prudence to be used by MoDOT financial advisors shall be the "prudent expert" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

2. **Ethics and Conflicts of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of MoDOT.

3. **Delegation of Authority.** Authority to manage the investment program is granted to the Resource Management division within MoDOT. Responsibility for the operation of the investment program is hereby delegated to the Resource Management Director and his or her delegate, hereinafter referred to as investment officers, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officers. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officers.

#### IV. Safekeeping and Custody

1. **Authorized Financial Dealers and Institutions.** MoDOT's Investment Advisor will serve as MoDOT's Financial Dealer and Institution. The Investment Advisor shall retain principal collection subject to MoDOT's direction and shall distribute income to MoDOT. All securities will be registered in the name of Missouri Highways and Transportation Commission unless otherwise instructed. An annual review of the financial condition and registration of MoDOT's Investment Advisor will be conducted by the investment officers. MoDOT's Investment Advisor will supply the following information as requested:
  - o Audited financial statements; and
  - o Certification of having read and understood and agreeing to comply with MoDOT's investment policy.
2. **Internal Controls.** The investment officers are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of MoDOT are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officers shall establish a process for an annual independent review by an auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- o Control of collusion;
- o Separation of transaction authority from accounting and record keeping;
- o Custodial safekeeping;
- o Avoidance of physical delivery securities;
- o Clear delegation of authority to subordinate staff members;
- o Written confirmation of transactions for investments and wire transfers;
- o Development of a wire transfer agreement with the lead bank and third-party custodian;
- o Timely check of internal trade tickets and dealer confirmations; and
- o Sufficiency check of repurchase agreement collateral on the day of trade execution.

3. **Delivery vs. Payment.** All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. All securities will be held to avoid custodial credit risk as defined by Governmental Accounting Standards Board (GASB) Statement 40 pronouncement.

## V. Suitable and Authorized Investments

1. **Investment Types.** In accordance with and subject to restrictions imposed by current statutes, the following list represents the entire range of investments that MoDOT will consider. MoDOT may directly invest in or purchase money market mutual funds with the following as underlying securities:
  - a. United States Treasury Securities. MoDOT may invest in obligations of the United States government for which the full faith and credit of the United States are pledged for the payment of principal and interest.
  - b. United States Agency Securities. MoDOT may invest in obligations issued or guaranteed by any agency of the United States Government as described in V.2.
  - c. Repurchase Agreements. MoDOT may invest in contractual agreements between MoDOT and commercial banks or primary government securities dealers. The purchaser in a repurchase agreement (repo) enters into a contractual agreement to purchase U.S. Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices. This includes the purchase of reverse repurchase agreements for not longer than ninety days.
  - d. Collateralized Public Deposits (certificates of deposit). Instruments issued by financial institutions, which state that specified sums have been deposited for specified periods of time, and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by State statute.
  - e. Bankers' Acceptances. Time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. MoDOT may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation.
  - f. Commercial Paper. MoDOT may invest in commercial paper issued by domestic corporations, which has received the highest rating issued by Moody's Investor Services, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that have total commercial paper program size in excess of five hundred million dollars (\$500,000,000).
2. **Security Selection.** The following list represents the entire range of United States Agency Securities that will be considered and which shall be authorized for the investment of funds by MoDOT. Additionally, the following definitions and guidelines should be used in purchasing the instruments:
  - a. U.S. Govt. Agency Coupon and Zero Coupon Securities. Bullet coupon bonds with no embedded options.

- b. U.S. Govt. Agency Discount Notes. Purchased at a discount with maximum maturities of one (1) year.
  - c. U.S. Govt. Agency Callable Securities. Restricted to securities callable at par only with final maturities of five (5) years.
  - d. U.S. Govt. Agency Step-Up Securities. The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher fixed term. Restricted to securities with final maturities of seven (7) years.
  - e. U.S. Govt. Agency Floating Rate Securities. The coupon rate floats off one index. Restricted to coupons with no interim caps that reset at least quarterly.
  - f. U.S. Govt. Mortgage Backed Securities. Restricted to securities with average life of five (5) years.
    - a. Collateralized Mortgage Obligations – Must pass Federal Financial Institutions Examinations Council (FFIEC) Test
- 3. Investment Restrictions and Prohibited Transactions.** To provide for the safety and liquidity of MoDOT's funds, the investment portfolio will be subject to the following restrictions:
- a. Borrowing for investment purposes ("Leverage") is prohibited.
  - b. Instruments known as Structured Notes (e.g., inverse floaters, leveraged floaters and equity-linked securities) are not permitted. Investment in any instrument, which is commonly considered a "derivative" instrument (e.g., options, futures, swaps, caps, floors, and collars), is prohibited.
  - c. Contracting to sell securities not yet acquired in order to purchase other securities for purposes of speculating on developments or trends in the market is prohibited.
  - d. No more than 5% of the total market value of the portfolio may be invested in bankers' acceptances issued by any one commercial bank and no more than 5% of the total market value of the portfolio may be invested in commercial paper of any one issuer.
- 4. Collateralization.** Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements. The market value (including accrued interest) of the collateral should be at least 100%. For certificates of deposit, the market value of collateral must be at least 100% or greater of the amount of certificates of deposits plus demand deposits with the depository, less the amount, if any, which is insured by the Federal Deposit Insurance Corporation, or the National Credit Unions Share Insurance Fund. All securities, which serve as collateral against the deposits of a depository institution, must be safe kept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date. MoDOT shall have a *depository contract and pledge agreement* with each safekeeping bank that will comply with the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA). This will ensure that MoDOT's security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed financial institution.

5. **Repurchase Agreements.** The securities for which repurchase agreements will be transacted will be limited to U.S. Treasury and government agency securities that are eligible to be delivered via the Federal Reserve's Fedwire book entry system. Securities will be delivered to MoDOT's designated Custodial Agent. Funds and securities will be transferred on a delivery vs. payment basis.

**VI. Investment Parameters**

1. **Diversification.** The aggregate investments shall be diversified to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:
  - a. U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. government..... <= 100%
  - b. Collateralized time and demand deposits.....<= 100%
  - c. U.S. Government agencies, and government sponsored enterprises..... <= 100%
    - i. No more than 50% of portfolio in one Government-sponsored enterprise
  - d. Collateralized repurchase agreements..... <= 50%
  - e. U.S. Government agency callable securities..... <= 50%
  - f. Commercial Paper..... <= 30%
  - g. Bankers' Acceptances.....<= 30%
2. **Maximum Maturities.** To the extent possible, MoDOT shall attempt to match its investments with anticipated cash flow requirements. MoDOT shall adopt weighted average life limitations for the portfolio that should not exceed three (3) years and is consistent with the investment objectives.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as in bank deposits or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

**VII. Reporting**

1. **Methods.** The investment officers shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow MoDOT to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the MoDOT Investment Advisory Board. The Investment Advisory Board will be made up of the four fund managers investing funds outside of the State Treasurers Office, MoDOT's Chief Financial & Administrative Officer and the MoDOT investment officers. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
  - Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with GASB requirements).
  - Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
  - Listing of investment by maturity date.
  - Percentage of the total portfolio that each type of investment represents.
- 2. Performance Standards.** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

Commercial paper and bankers' acceptances must be reviewed monthly to determine if the rating level has changed. The commercial paper and bankers' acceptances should be reviewed for possible sale if the securities are downgraded below the minimum acceptable rating levels.

- 3. Marking to Market.** The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

## VIII. Policy Considerations

- 1. Exemption.** Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
- 2. Amendments.** This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officers and the MoDOT Investment Advisory Board, as well as the individual(s) charged with maintaining internal controls.

## IX. List of Attachments

The following documents, as applicable, are attached to this policy:  
*(The list of attachments that would be necessary upon implementation)*

- Listing of authorized personnel,
- Relevant investment statutes and ordinances,
- Repurchase agreements and tri-party agreements,
- Listing of authorized broker/dealers and financial institutions,
- Credit studies for securities purchased and financial institutions used,
- Safekeeping agreements,
- Wire transfer agreements,
- Portfolio stress testing if necessary,
- Sample investment reports.

**Missouri Department of Transportation - Attachment C**

**ANNUAL WORKER ELIGIBILITY VERIFICATION AFFIDAVIT**  
(for joint ventures, a separate affidavit is required for each business entity)

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me appeared \_\_\_\_\_,  
Affiant name  
personally known to me or proved to me on the basis of satisfactory evidence to be a person whose name is subscribed to this affidavit, who being by me duly sworn, stated as follows:

• I, the Affiant, am of sound mind, capable of making this affidavit, and personally certify the facts herein stated, as required by Section 285.530, RSMo, to enter into any contract agreement with the state to perform any job, task, employment, labor, personal services, or any other activity for which compensation is provided, expected, or due, including but not limited to all activities conducted by business entities.

• I, the Affiant, am the \_\_\_\_\_ of \_\_\_\_\_, and I am duly authorized, directed, and/or empowered to act officially and properly on behalf of this business entity.  
title business name

• I, the Affiant, hereby affirm and warrant that the aforementioned business entity is enrolled in a federal work authorization program operated by the United States Department of Homeland Security, and the aforementioned business entity shall participate in said program to verify the employment eligibility of newly hired employees working in connection with any services contracted by the Missouri Highways and Transportation Commission (MHTC). I have attached documentation to this affidavit to evidence enrollment/participation by the aforementioned business entity in a federal work authorization program, as required by Section 285.530, RSMo.

• I, the Affiant, also hereby affirm and warrant that the aforementioned business entity does not and shall not knowingly employ, in connection with any services contracted by MHTC, any alien who does not have the legal right or authorization under federal law to work in the United States, as defined in 8 U.S.C. § 1324a(h)(3).

• I, the Affiant, am aware and recognize that, unless certain contract and affidavit conditions are satisfied pursuant to Section 285.530, RSMo, the aforementioned business entity may be held liable under Sections 285.525 through 285.550, RSMo, for subcontractors that knowingly employ or continue to employ any unauthorized alien to work within the state of Missouri.

• I, the Affiant, acknowledge that I am signing this affidavit as a free act and deed of the aforementioned business entity and not under duress.

\_\_\_\_\_  
Affiant Signature

Subscribed and sworn to before me in \_\_\_\_\_, \_\_\_\_\_, the day and year first above-written.  
city (or county) state

\_\_\_\_\_  
Notary Public

My commission expires:

*[documentation of enrollment/participation in a federal work authorization program attached]*

**Missouri Department of Transportation - Attachment D**

**APPLICANT AFFIDAVIT FOR SOLE-PROPRIETORSHIP OR PARTNERSHIP**

(a separate affidavit is required for each owner and general partner)

STATE OF \_\_\_\_\_ )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instruments, who being by me duly sworn, deposed as follows:

My name is \_\_\_\_\_, and I am of sound mind, capable of making this affidavit, and personally certify the facts herein stated, as required by Section 208.009, RSMo, for failure to provide affirmative proof of lawful presence in the United States of America:

I am the \_\_\_\_\_ of \_\_\_\_\_, which is applying for a public benefit (grant, contract, and/or loan) administered/provided by the Missouri Highways and Transportation Commission (MHTC), acting by and through the Missouri Department of Transportation (MoDOT).

I am classified by the United States of America as: (check the applicable box)

- a United States citizen.  an alien lawfully admitted for permanent residence.

I am aware that Missouri law provides that any person who obtains any public benefit by means of a willfully false statement or representation, or by willful concealment or failure to report any fact or event required to be reported, or by other fraudulent device, shall be guilty of the crime of stealing pursuant to Section 570.030, RSMo, which is a Class C felony for stolen public benefits valued between \$500 and \$25,000 (punishable by a term of imprisonment not to exceed 7 years and/or a fine not more than \$5,000 – Sections 558.011 and 560.011, RSMo), and is a Class B felony for stolen public benefits valued at \$25,000 or more (punishable by a term of imprisonment not less than 5 years and not to exceed 15 years – Section 558.011, RSMo).

I recognize that, upon proper submission of this sworn affidavit, I will only be eligible for temporary public benefits until such time as my lawful presence in the United States is determined, or as otherwise provided by Section 208.009, RSMo.

I understand that Missouri law requires MHTC/MoDOT to provide assistance in obtaining appropriate documentation to prove citizenship or lawful presence in the United States, and I agree to submit any requests for such assistance to MHTC/MoDOT in writing.

I acknowledge that I am signing this affidavit as a free act and deed and not under duress.

\_\_\_\_\_  
Affiant Signature

\_\_\_\_\_  
Affiant's Social Security Number or  
Applicable Federal Identification Number

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

# Missouri Department of Transportation

## Attachment E

### Banking Services RFP - Pricing Table for Self Insurance Fund, Medical & Life Insurance Fund and MTFC Accounts

Transaction Fees	Volume Estimate Calculation	Estimated Annual Volume	Unit	Initial Contract Period Unit Bid Price	Estimated Annual Transaction Fees	Renewal Period 1 Unit Bid Price	Renewal Period 2 Unit Bid Price	Offeror Comments
Account Maintenance & On-line Access	4 accounts @ 12 months	48	monthly fee per account	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Deposits	12 Month Summary Statistics	65	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Deposited Checks (un-encoded)	12 Month Summary Statistics	92	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Cash Deposits		0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Remote Deposits	12 Month Summary Statistics	108	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Remote Deposited Checks	12 Month Summary Statistics	618	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Deposited Returned Items	12 Month Summary Statistics	3	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Redeposit of Deposited Returned Items	12 Month Summary Statistics	3	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Remote Deposit Machines	3 machines @ 12 months	36	monthly fee per account	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Checks Paid (Positive Pay)	12 Month Summary Statistics	10,067	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Checks Paid (Not thru Positive Pay)	12 Month Summary Statistics	6	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Stop Payments	12 Month Summary Statistics	2	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Images on CD-ROM (Cleared Checks)	12 Month Summary Statistics	10,067	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
ACH Credits	12 Month Summary Statistics	798	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
ACH Debits	12 Month Summary Statistics	169	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
ACH Returns	12 Month Summary Statistics	14	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Wire Transfers (In-coming)	12 Month Summary Statistics	15	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Wire Transfers (Out-going)	12 Month Summary Statistics	250	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	

Other Service Costs (please detail):

**Total Estimated Annual Transaction Fees for the Initial Contract Period** \$0.00

Investment Services Fees

Investment Funds	Average Annual Amount	\$159,472,605	Renewal Period 1	Renewal Period 2
Bid Investment Fee	Annual Percent of Market Value	0.000%	0.000%	0.000%

**Estimated Annual Investment Fees for the Initial Contract Period** \$0.00

Earnings on Overnight Repurchase Agreements

Overnight Repurchase Agreement Funds	Average Annual Amount	\$17,090,892	Renewal Period 1	Renewal Period 2
Bid Spread (+ or -)			0.000%	0.000%
to 13-Week U.S. Treasury Bill Discount Rate			0.000%	0.000%
13-Week U.S. Treasury Bill Discount Rate (Average)	52-Week Average	0.048%		
Estimated Bid Earnings Rate on Overnight Repurchase Agreements		<u>0.048%</u>		

**Estimated Annual Earnings on Overnight Repurchase Agreements for the Initial Contract Period** \$8,203.63

# Missouri Department of Transportation

## Attachment E

### Banking Services RFP - Pricing Table for Self Insurance Fund, Medical & Life Insurance Fund and MTFC Accounts

Estimated Annual Net Earnings / (Fees) of Proposed Banking Services Bid for the Initial Contract Perio

\$8,203.63

\_\_\_\_\_  
Authorized Signature of Offeror

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Offeror

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

# Missouri Department of Transportation

## Attachment E

### Banking Services RFP - Pricing Table for Local Fund

Transaction Fees	Volume Estimate Calculation	Estimated Annual Volume	Unit	Initial Contract Period Unit Bid Price	Estimated Annual Transaction Fees	Renewal Period 1 Unit Bid Price	Renewal Period 2 Unit Bid Price	Offeror Comments
Account Maintenance & On-line Access	1 account @ 12 months	12	monthly fee per account	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Deposits	12 Month Summary Statistics	12	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Deposited Checks (un-encoded)	12 Month Summary Statistics	13	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Cash Deposits		0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Remote Deposits	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Remote Deposited Checks	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Deposited Returned Items	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Redeposit of Deposited Returned Items	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Remote Deposit Machines	1 machine @ 12 months	12	monthly fee per account	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Checks Paid (Positive Pay)	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Checks Paid (Not thru Positive Pay)	12 Month Summary Statistics	2	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Stop Payments	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Images on CD-ROM (Cleared Checks)	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
ACH Credits	12 Month Summary Statistics	3	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
ACH Debits	12 Month Summary Statistics	63	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
ACH Returns	12 Month Summary Statistics	0	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Wire Transfers (In-coming)	12 Month Summary Statistics	6	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	
Wire Transfers (Out-going)	12 Month Summary Statistics	3	per item	\$0.0000	\$0.00	\$0.0000	\$0.0000	

Other Service Costs (please detail):

**Total Estimated Annual Transaction Fees for the Initial Contract Period** **\$0.00**

Investment Services Fees

Investment Funds	Average Annual Amount	\$63,725,935		Renewal Period 1	Renewal Period 2
Bid Investment Fee	Annual Percent of Market Value	0.000%		0.000%	0.000%

**Estimated Annual Investment Fees for the Initial Contract Period** **\$0.00**

Earnings on Investment Funds

Bid Spread (+ or -)				Renewal Period 1	Renewal Period 2
to Proposed Index		0.000%		0.000%	0.000%
Proposed Index Rate (Average)	52-Week Average	0.000%			

Estimated Bid Earnings Rate on Investment Funds 0.000%

**Estimated Annual Earnings on Investment Funds for the Initial Contract Period** **\$0.00**

# Missouri Department of Transportation

## Attachment E

### Banking Services RFP - Pricing Table for Local Fund

Estimated Annual Net Earnings / (Fees) of Proposed Banking Services Bid for the Initial Contract Perio

\$0.00

\_\_\_\_\_  
Authorized Signature of Offeror

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Offeror

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

# Missouri Department of Transportation

## Banking Services RFP - Pricing Table Instructions

### Instructions to Offeror

1. Offeror must complete the Pricing Table (Attachment D - Pages 1 to 4) in order to be considered responsive to the Request For Proposal. All costs the Offeror is requesting to be paid for by providing the required services must be reflected on the Pricing Table.
2. All gray shaded cells must be bid.
3. For the services listed under the Transaction Fees, enter the Initial Contract Period Unit Bid Price for the given service in the corresponding gray shaded cell and it will be multiplied by the Estimated Annual Volume to calculate the Estimated Annual Transaction Fees for the given service.
4. For any of the services listed under the Transaction Fees that have no charge or does not apply, enter zero (0) into the corresponding gray shaded cell and this will result in the Estimated Annual Transaction Fees for the given service to be zero.
5. For any of the services listed under the Transaction Fees that do not match the category name given by your bank, please note the correct name and explain the difference in the "Offeror Comments" cell.
6. Additional service categories may be added under the "Other Service Costs" in the Pricing Table if necessary. The Offeror must provide: the name of the service; how the volume estimate is calculated; the estimated annual volume; how the unit is priced; the unit bid price; calculate the estimated annual transaction fees; and comments supporting the need for the additional service category.
7. For the Investment Services Fees, enter in the Bid Investment Fee for the Initial Contract Period as an annual percent of the market value of the investment portfolio into the gray shaded cell and this will be multiplied by the amount provided in the Investment Funds - Average Annual Amount to calculate the Estimated Annual Investment Fees for the Initial Contract Period. If the Offer is proposing to charge a different form of investment service fees, provide specific details including supporting calculations showing the estimated annual fee.
8. For the Earnings on Overnight Repurchase Agreements, enter in a Bid Spread (plus or minus) to the 13-Week U.S. Treasury Bill Discount Rate into the gray shaded cell for the Initial Contract Period. The Bid Spread will be added to or subtracted from an annual rate of 0.048 percent to determine an Estimated Bid Earnings Rate on the Overnight Repurchase Agreements. This estimated rate will be multiplied by \$17,090,892 to calculate the Estimated Annual Earnings on Overnight Repurchase Agreements for the Initial Contract Period. If the Offeror is proposing to apply a different form of earnings on Overnight Repurchase Agreements, specific details, including supporting calculations, must be provided to estimate the annual earnings. In addition, if the Offeror is proposing to use a different index other than the 13-Week U.S. Treasury Bill Discount Rate, provide specific details including the name of the index, source of the index, an annual average for the index for the period of May 2013 through April 2014 and any other appropriate information regarding the index.
9. For the Earnings on Investment Funds, enter in a Bid Spread (plus or minus) to your Proposed Index into the gray shaded cell for the Initial Contract Period. The Bid Spread will be added to or subtracted from the 52-week average of your Proposed Index Rate to determine an Estimated Bid Earnings Rate on Investment Funds. The estimated rate will be multiplied by \$63,725,935 (the average amount of funds for the Local Fund) to calculate the Estimated Annual Earnings on Investment Funds for the Initial Contract Period. If the Offeror is proposing to apply a different form of earnings on Investment Funds for the Local Funds, specific details, including supporting calculations, must be provided to estimate the annual earnings. In addition, if the Offeror is proposing to use a different index other than the 13-Week U.S. Treasury Bill Discount Rate, provide specific details including the name of the index, source of the index, an annual average for the index for the period of May 2013 through April 2014 and any other appropriate information regarding the index.

# Missouri Department of Transportation

## Banking Services RFP - Pricing Table Instructions

### Instructions to Offeror

10. The overall Estimated Annual Net Earnings / (Fees) of the Proposed Banking Services Bid for the Initial Contract Period will be determined by adding the Total Estimated Annual Transaction Fees for the Initial Contract Period, the Estimated Annual Investment Fees for the Initial Contract Period and the Estimated Annual Earnings on Overnight Repurchase Agreements for the Initial Contract Period or Estimated Annual Earnings on Investment Funds for the Initial Contract Period together for the Pricing Table (Pages 1 to 4).
11. The bids in the Pricing Table entered for the Initial Contract Period will be fixed for the period of October 1, 2014 through September 30, 2017. If the Offeror wants to change its bid for the first renewal period (October 1, 2017 through September 30, 2018) and/or for the second renewal period (October 1, 2018 through September 30, 2019), the Offeror must reflect this in the Pricing Table by entering the bid changes into the appropriate gray shaded cell for the appropriate renewal period. If the Offeror does not want to change its bid for the renewal periods, the spreadsheet will automatically reflect this.
12. For evaluation purposes, the estimated annual volumes of the transactions and the average annual amounts of investments and overnight repurchase agreements will be used to calculate the Estimated Annual Net Earnings / (Fees) of Proposed Banking Services Bid for the Initial Contract Period. However, actual fees and earnings will be based upon actual volumes of the transactions and the actual amounts of investments and overnight repurchase agreements the bank invests on behalf of the MHTC.
13. Modifications to the Pricing Table, except for items associated with Instructions # 7, # 8 and #9 should not be made without prior approval from MoDOT staff.

# Missouri Department of Transportation

## Banking Services RFP - U.S. T-Bill Rate

Auction Date	13-Week Discount Rate	Auction Date	13-Week Discount Rate
5/6/2013	0.040%	11/4/2013	0.050%
5/13/2013	0.045%	11/12/2013	0.075%
5/20/2013	0.045%	11/18/2013	0.080%
5/28/2013	0.045%	11/25/2013	0.080%
6/3/2013	0.045%	12/3/2013	0.075%
6/10/2013	0.045%	12/9/2013	0.070%
6/17/2013	0.045%	12/16/2013	0.065%
6/24/2013	0.060%	12/23/2013	0.070%
7/1/2013	0.050%	12/30/2013	0.065%
7/8/2013	0.045%	1/6/2014	0.055%
7/15/2013	0.040%	1/13/2014	0.035%
7/22/2013	0.035%	1/21/2014	0.035%
7/29/2013	0.030%	1/27/2014	0.055%
8/5/2013	0.040%	2/3/2014	0.040%
8/12/2013	0.055%	2/10/2014	0.095%
8/19/2013	0.050%	2/18/2014	0.050%
8/26/2013	0.040%	2/24/2014	0.045%
9/3/2013	0.030%	3/3/2014	0.050%
9/9/2013	0.020%	3/10/2014	0.050%
9/16/2013	0.010%	3/17/2014	0.050%
9/23/2013	0.020%	3/24/2014	0.050%
9/30/2013	0.010%	3/31/2014	0.045%
10/7/2013	0.035%	4/7/2014	0.030%
10/15/2013	0.130%	4/14/2014	0.035%
10/21/2013	0.035%	4/21/2014	0.030%
10/28/2013	0.045%	4/28/2014	0.020%
<b>Average Weekly Rate</b>			<b>0.048%</b>

Source: "Auction Announcements and Results" at [www.treasurydirect.gov](http://www.treasurydirect.gov)