

WEST VIRGINIA STATE TREASURER'S OFFICE



REQUEST FOR QUOTATIONS NO. BT1170000011

for

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
INTEREST BEARING DEPOSIT ACCOUNT

SCHEDULE OF EVENTS

| <u>Event:</u> | <u>Date:</u> | <u>Time:</u> |
|--|---------------|---------------|
| RFQ Release Date: | June 13, 2017 | |
| Deadline for Vendor Questions: | June 19, 2017 | 10:00 a.m. ET |
| Release of Addendum: (STO Response to Vendor Questions) | June 23, 2017 | |
| Bid Opening Date and Time: | June 29, 2017 | 1:00 p.m. ET |

Any bid not received by the date and time specified in the RFQ will be disqualified.

A copy of the RFQ (including all attachments) and all addenda to the RFQ will be placed on the West Virginia Board of Treasury Investments website <http://www.wvbt.org/Information/RFPS> and the West Virginia State Treasurer's Office website <http://www.wvsto.com/RFP-RFQ>. Addenda may also be emailed to any Vendor to whom the STO has sent a copy of the RFQ. It is the Vendor's responsibility to check the site to make sure to respond to any addenda.

CONTACT PERSON: For purposes of this RFQ, all inquiries and submissions must be sent to:

Wilma Harrison, Purchasing Agent
West Virginia State Treasurer's Office
Building 1, Room E-145
1900 Kanawha Boulevard, East
Charleston, WV 25305
E mail: wvbtipurchasing@wvbt.org
Telephone: (304) 341.0745
FAX: (304) 558.4097

The Purchasing Agent is the **sole** contact in West Virginia State Government after release of the RFQ, unless otherwise specified by STO Legal Counsel. **Vendors shall not make direct or**

indirect contact with personnel of the BTI or STO during the course of the procurement process (from RFQ release until award of contract/purchase order) to discuss or request information about any aspect of the procurement including the RFQ. Violation of this clause will result in proposal/bid disqualification.

I. GENERAL INFORMATION

1.1 RFQ Objective

The West Virginia State Treasurer’s Office (STO or Treasurer) has issued this Request for Quotations (RFQ) to seek quotations from financial institutions to provide an interest bearing deposit account to the West Virginia Board of Treasury Investments (BTI) for the deposit of approximately \$18.8 million in accordance with the specifications, terms and conditions of the RFQ.

This procurement is exempt from the requirements of the West Virginia Purchasing Division pursuant to *W. Va. Code §12-3A-3 and §12-6C-7*.

This Request for Quotations (“RFQ”) provides information on the Services, establishes the specifications and the requirements for submitting bids, and provides information on the evaluation process. Entities offering to provide or being solicited to provide the Services contemplated in this RFQ will be referred to as “Vendor,” “Bidder” or “Financial Institution.”

1.2 Term

The initial term will be for one (1) year with the option of renewing upon the mutual written agreement of the parties for up to four (4) additional one (1) year periods, or until such time as the Chairman awards a purchase order pursuant to an RFQ.

1.3 RFQ Contents

The RFQ provides information on the Services, the current operating environment, specifications for the Services, Vendor instructions, general terms and conditions, special terms and conditions, evaluation and Vendor protests. Specifically, the RFQ contains the following parts and attachments:

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|--|
| Attachment 1: WVSTO RFQ INFORMATION (Vendor Instructions, Evaluation and Protests) |
| Attachment 2: WVSTO RFP/RFQ GENERAL TERMS & CONDITIONS |
| Attachment 3: WVSTO RFQ SPECIAL TERMS AND CONDITIONS |
| Attachment 4: WVSTO RFQ TECHNICAL BID FORM |
| Attachment 5: WVSTO RFQ COST BID FORM |
| Attachment 6: WVSTO WV-96 (Agreement Addendum) |
| Attachment 7: PURCHASING AFFIDAVIT |
| Attachment 8: STO COLLATERAL POLICY AND PROCEDURES |
| Attachment 9: W.VA. CODE § 12-1-1 ET SEQ. STATE DEPOSITORIES |
| Attachment 10: WV BTI INVESTMENT POLICY (for the Reserve Pool) |

1.4 Contact Person

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

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

1.5 OVERVIEW

The West Virginia Board of Treasury Investments ("BTI") is seeking quotes from financial institutions interested in providing an interest bearing account to the BTI for the deposit of approximately \$18.8 million in an account entitled "Reserve Pool" (See Attachment 10 for Investment Policy). The purpose of these funds is to provide support for the net asset value of the West Virginia Money Market Pool ("MMP") and West Virginia Government Money Market Pool ("GMMP") in the event these pools were to experience declines in market value sufficient to reduce the per share net asset value below 0.9985. The BTI monitors the net asset values of both the MMP and GMMP on a daily basis. Since creation of the Reserve Pool in November 2008, the MMP and GMMP have never experienced a decline requiring use of the Reserve Pool Funds. The Reserve Pool is currently maintained in a fixed-rate interest bearing demand deposit account at 53 basis points. There are no regular deposits or withdrawals to this account. The last deposit occurred in March 2014 and the last withdrawal occurred in June 2015. These transactions were one time occurrences due to unexpected securities lending settlement and distribution. Deposits and withdrawals to the Reserve Pool are not expected in the foreseeable future.

II. VENDOR INSTRUCTIONS

2.1 Basic Information

Basic information and requirements pertaining to submitting bids, evaluation and protests are contained in the attachment entitled *RFQ INFORMATION*. Information specific to the RFQ is contained in this Section II.

2.2 Submission Date and Time

Bids shall be submitted no later than the date and time specified in the RFQ. Any bid not received by the Bid Opening Date and Time specified in the RFQ will be disqualified.

2.3 Bid Submission Format

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

| | |
|-------------------|--------------------------|
| Purchasing Agent: | Wilma Harrison |
| RFQ: | BTI 170000011 |
| Bid Opening: | June 29, 2017 1:00 PM ET |

2.4 Bid Delivery Responsibility

Vendor is solely responsible for getting its bid delivered in a readable format by the Bid Opening Date and Time.

2.5 Contract Terms and Conditions:

2.5.1 Special Terms: Part 3 of this RFQ details the mandatory requirements that must be met in order for the STO to award a contract under this RFQ. All mandatory requirements must be included in the final contract. Attachment 3, WVSTO RFQ Special Terms & Conditions, lists any special terms and conditions applicable to this RFQ. These terms, if any, are in addition to the terms included on the Mandatory Forms required by the State of West Virginia and/or the STO

2.5.2 Mandatory Forms: The final agreement between the parties must include the provisions of the Mandatory Forms required by the State of West Virginia and/or the STO, namely the General Terms & Conditions, the Agreement Addendum (WV-96), and the Purchasing Affidavit.

2.5.3 Additional Terms: The above-noted forms used by the STO include general contract terms and conditions and are not specific to any particular industry. The STO will consider and negotiate any additional terms and conditions that the Vendor wishes to propose, including those generally used in the industry, provided that such terms are not contrary to any of the Mandatory Forms noted above or to State law. Any proposed terms, including any special account agreements, authorizations, etc., must be submitted with the Bid. The STO will not consider any additional terms that are tendered by the Vendor after an award of the contract.

III. TECHNICAL CRITERIA & SPECIFICATIONS

3.1 MANDATORY REQUIREMENTS

Services offered must comply with mandatory specifications. Specifications using the words "shall," "must," "requires" and "will" are mandatory. Only bids meeting mandatory requirements will be evaluated. Mandatory requirements must be included in the resulting contract.

The mandatory specifications requested in this RFQ require an affirmative response from the Vendor.

Bids from Vendors failing to meet all mandatory requirements will be disqualified. Decisions regarding compliance with the intent of any mandatory requirement shall be at the sole discretion of the STO.

The Vendor shall meet the following requirements and provide the Services described:

3.2 Organizational Requirements

- 3.2.1. Vendor must be properly registered to do business in and with the State of West Virginia.
- 3.2.2. Vendor must be properly registered with the West Virginia Purchasing Division as a vendor (if fees are charged).
- 3.2.3. Vendor must be a financial institution that is designated or will become an approved State depository prior to the Contract award as provided by W.Va. Code §12-1-3.
- 3.2.4. Vendor must hold and maintain professional liability, errors and omissions and general liability insurance policies in an amount not less than One Million Dollars (\$1,000,000). Such coverage shall remain in effect during the entire term of this contract/purchase order unless otherwise advised in writing by the STO Purchasing Agent. Vendor must provide a copy of its insurance certificates to the STO prior to the execution of any subsequent contract/purchase order.

3.3 Scope of Services

- 3.3.1. Vendor must provide an interest bearing account to the BTI for the deposit of approximately \$18.8 million in an account entitled "Reserve Pool."
- 3.3.2. Vendor must pay interest on deposits using a variable rate equal to the 1-month U.S. Dollar London Interbank Offered Rate (USD LIBOR) plus the Spread as bid by the Vendor. The variable rate shall reset on the first calendar day of every month using the 1-month USD LIBOR as published in the Wall Street Journal one business day prior to the first calendar day of the month.
- 3.3.3. Vendor must collateralize account balances in excess of FDIC insurance limits in accordance with the STO's Collateral Policy and Procedures (See Attachment 8).
- 3.3.4. Vendor must provide monthly statements in electronic form that list, at a minimum, beginning balance, activity during the month, and ending balance. Although not mandatory, the BTI would desire to have the ability to have online access for reporting of account balances and activity.
- 3.3.5. Vendor must deposit earnings in the account on a monthly basis.
- 3.3.6. Vendor must invoice the BTI monthly, in arrears, for service charges, if any.
- 3.3.7. Vendor must provide the BTI the ability to deposit or withdrawal funds on an as needed basis. **The last deposit into the account was on March 13, 2014 and the last withdrawal from the account was on June 30, 2015. The BTI is not planning to make any deposits or withdrawals for the foreseeable future.**

IV. QUOTATION FORMAT & EVALUATION

4.1 Vendor's Quotation Format:

The quotation must be no more than fifteen (15) pages. Responses should follow and correspond to the numeric format provided in this Request for Quotations.

4.2 Order of Quotation:

The quotation shall be assembled in the following order:

Section I - Technical Bid: The Technical Bid must include the *Technical Bid Form (Attachment 4)* as a cover sheet. The Technical Bid section shall affirm the Vendor's ability for accomplishing the work outlined in Part 3. Any plans and/or approaches should be described in sufficient detail to permit the STO to determine if the Vendor meets all of the mandatory requirements with a minimum of possible misinterpretations. Furthermore, the bidder should demonstrate and describe the effort, skills and understanding of the project necessary to satisfactorily complete the assigned task.

Section II - Miscellaneous Section: This section shall include any additional terms and conditions proposed by the Vendor; any standard contracts, forms or agreements; and any other information or material requested by the STO or that the Vendor deems relevant to the evaluation of the Bid. Marketing information should not be included in any materials submitted with the Bid

Section III – Cost Bid: This section shall include the *Cost Bid Form, Attachment 5*. The *Cost Bid Form* must be signed by a person authorized to bind the Vendor.

4.3 Cost Bid Form:

All earnings, fees, charges and costs associated with providing the Services, including any recurring costs, must be stated on the *Cost Bid Form*, included as *Attachment 5* to the RFQ. All earnings, fees, charges and costs quoted must be firm for the initial term of the Agreement. If the Vendor proposes Services not listed on the *Cost Bid Form*, include such Services in on the lines marked "Other Fees" and describe the Services in detail.

The successful Vendor will be compensated in arrears in the amount the Vendor proposes on the *Cost Bid Form* (after acceptance of the Services, etc.).

NOTE: Nothing in the RFQ may be construed to limit the STO from negotiating for a change in the Services or fees during the term of the purchase order issued pursuant to the RFQ.

4.4 Submission Deadline:

All bids must be submitted prior to the date and time stated the Schedule of Events, as the opening date. All bids will be date and time stamped to verify the official time and date of receipt. Vendors mailing bids should allow sufficient time for mail delivery to ensure timely arrival. The STO cannot waive or excuse late receipt of a bid which is delayed and late for any reason. Any quotation received after the scheduled bid opening date and time will be immediately disqualified in accordance with State law. The STO is not responsible for the delivery of quotations, regardless of the delivery method. Vendor is responsible for getting its original quotation and the courtesy copies delivered by the date and time required.

4.5 Bid Evaluation:

The basic information pertaining to evaluations is contained in the attachment entitled *WVSTO Request for Quotations Information (Attachment 1)*. Vendors must meet all of the Mandatory Requirements of this RFQ in order to become a qualified Vendor. The Evaluation Committee of the STO will review each Bid and determine which Vendors have met all Mandatory Requirements. The Evaluation Committee will then review the Cost Bids to determine the highest Net Annual Earnings. The RFQ award will be based on the highest Net Annual Earnings that meets all mandatory specifications and is in the best interests of the BTI.

4.6 Reservation of Rights:

Nothing in the RFQ may be construed to limit the STO from negotiating for a change in the Services or fees during the term of the contract and purchase order issued pursuant to the RFQ.

4.7 Purchase Order/Contract:

In the event an award is made pursuant to the RFQ, the Purchasing Agent will issue a Notice of Intent to Award. Once the protest period has expired, the STO and the Vendor will begin negotiations of a formal agreement. Generally, in an RFQ process (highest Net Annual Earnings meeting specifications), negotiations are not required and Vendor bid language should not be conditioned to assume that any negotiations will take place. The STO will issue a purchase order that contains the agreement signed by the parties and attachments thereto, the RFQ and the Vendor's bid. The purchase order constitutes the contract to which the parties are bound. A signed contract or agreement is not binding on the STO until the STO issues a purchase order and puts the purchase order and contract in the United States Mail or sends the purchase order and contract to the Vendor via e-mail or fax.

General contractual provisions are included in Attachment 2, entitled *WVSTO RFP/RFQ General Terms & Conditions*. Amendments to the *General Terms & Conditions* and additional terms and conditions, if any, are included in the attachment entitled *WVSTO RFQ Special Terms & Conditions*, Attachment 3.