



**State of South Carolina**  
**Request for Proposals**

Solicitation: 7202021-BANKING  
 Date Issued: 07/20/2021  
 Procurement Officer: Petrina F. Marsh, CPPB  
 Phone: 803.737.2808  
 E-Mail Address: [Petrina.Marsh@scslot.com](mailto:Petrina.Marsh@scslot.com)  
 Mailing Address: SC Education Lottery  
 ATTN: Petrina F. Marsh  
 PO Box 11949  
 Columbia, SC 29211-1949

DESCRIPTION: **Banking Services**  
 USING GOVERNMENTAL UNIT: **South Carolina Education Lottery**

SUBMIT YOUR ELECTRONIC OFFER TO: [Petrina.Marsh@scslot.com](mailto:Petrina.Marsh@scslot.com)

SUBMIT YOUR SEALED OFFER IN THE FORM OF A PHYSICAL HARD COPY TO ONE OF THE FOLLOWING ADDRESSES:

PHYSICAL ADDRESS:  
 SC Education Lottery  
 Attn: Petrina F. Marsh, CPPB  
 1333 Main Street, Suite 400  
 Columbia, SC 29201

MAILING ADDRESS:  
 SC Education Lottery  
 ATTN: Petrina F. Marsh, CPPB  
 PO Box 11949  
 Columbia, SC 29211-1949

SUBMIT OFFER BY (Opening Date/Time): **08/23/2021 11AM ET** (See "Deadline for Submission of Offer" provision)  
 QUESTIONS MUST BE RECEIVED BY: **08/03/2021 11AM ET** (See "Questions From Offerors" provision)  
 NUMBER OF COPIES TO BE SUBMITTED: SEE PAGE 3

AWARD &  
 AMENDMENTS

SCEL intends to post Award on September 28, 2021. The award, this solicitation, any amendments, and any related notices will be posted at the following web address: <https://www.sceducationlottery.com/Lottery/Procurement>

You must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, you agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of ninety (90) calendar days after the Opening Date.

NAME OF OFFEROR (Full legal name of business submitting the offer)		OFFEROR'S TYPE OF ENTITY: (Check one)  <input type="checkbox"/> Sole Proprietorship  <input type="checkbox"/> Partnership  <input type="checkbox"/> Corporate entity (not tax-exempt) Tax-exempt corporate entity  <input type="checkbox"/> Government entity (federal/state/local)  <input type="checkbox"/> Other (See "Signing Your Offer" provision.)
AUTHORIZED SIGNATURE (Person signing must be authorized to submit binding offer to enter contract on behalf of Offeror named above.)		
TITLE (Business title of person signing above)		
PRINTED NAME (Printed name of person signing above)	DATE SIGNED	

Instructions regarding Offeror's name: Any award issued will be issued to, and the contract will be formed with, the entity identified as the offeror above. An offer may be submitted by only one legal entity. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, *i.e.*, a separate corporation, partnership, sole proprietorship, etc.

STATE OF INCORPORATION  
 (If offeror is a corporation, identify the state of Incorporation.)

TAXPAYER IDENTIFICATION NO.  
 (See "Taxpayer Identification Number" provision)

**COVER PAGE**

**PAGE TWO**

(Return Page Two with Your Offer)

HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)	NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)  _____ Area Code - Number - Extension  _____ Facsimile E-mail Address
PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)   _____ Payment Address same as Home Office Address _____ Payment Address same as Notice Address (check only one)	ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)

<b>ACKNOWLEDGMENT OF AMENDMENTS</b> Offeror acknowledges receipt of amendments by indicating amendment number and its date of issue. (See							
Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

<b>PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): Preferences do not apply to Request for Proposals per SC Consolidated Procurement Code Section 11-35-1524, e (5)</b>
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<b>PREFERENCES - ADDRESS AND PHONE OF IN-STATE OFFICE: PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): Preferences do not apply to Request for Proposals per SC Consolidated Procurement Code Section 11-35-1524, e (5)</b>
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PAGE TWO (SEP 2009)

End of PAGE TWO

## **IMPORTANT INFORMATION FOR ALL OFFERORS**

Offerors must carefully **READ and FOLLOW INSTRUCTIONS BELOW** when responding to this solicitation.

### **BIDDING INSTRUCTIONS**

1. Offerors desiring to respond to this solicitation must submit their sealed offer to the address(es) listed on the Cover Page.
2. Each response must contain separate attachments of the Offeror's Technical Proposal AND Cost Proposal. Each proposal must be clearly identified and labeled accordingly. Offerors may be required to submit additional documents upon SCEL's request. Multiple attachments containing additional documents MUST be clearly labeled.
3. Offerors encountering problems should contact the Procurement Officer as soon as possible for immediate assistance.

### **NUMBER OF COPIES**

Offerors must submit the following number of copies to either the physical/or mailing addresses listed on the Cover Page.

1. **ONE (1) Original Hardcopy of Each Technical AND Price Proposal marked "Original";**
2. **FIVE (5) Hardcopies of Each Technical AND Price Proposal marked "Copy";**
3. **FIVE (5) Electronic Media Copies (via USB) of Each Technical AND Price Proposal marked "E-Copy"; OR ONE (1) Electronic Copy (via email) of Each Technical AND PRICE PROPOSAL marked "E-Copy" via the email address listed on the Cover Page; and**
4. **One (1) Redacted Copy of the Technical Proposal via electronic media (USB) marked "redacted".**

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**PART I. SCOPE OF SOLICITATION**

**1.1 ACQUIRE SERVICES (MODIFIED)**

The purpose of this solicitation is to acquire comprehensive banking services from qualified, full-service, FDIC financial institutions for the South Carolina Education Lottery (“SCEL” or “Lottery”) in accordance with the requirements stated herein.

**1.2 MAXIMUM CONTRACT PERIOD – ESTIMATED (MODIFIED)**

The Maximum Contract Performance Period is 12/01/2021 through 11/30/2026. Dates provided are estimates only. The initial contract period is three (3) years with a two-year optional renewal period for a **maximum contract term not to exceed five (5) years**. Any resulting contract will begin on the date specified in the notice of award. See clause entitled "Term of Contract - Effective Date/Initial Contract Period".

**1.3 PURPOSE**

The South Carolina Education Lottery is issuing this Request for Proposals (“RFP”) to solicit quality proposals from state or federally chartered banks capable of providing comprehensive banking services as requested in this RFP. The financial institution must be authorized to do business in the State of South Carolina and maintain a physical location in Columbia with a branch network throughout the State. The public’s trust relative to the operations of the South Carolina Education Lottery is essential. SCEL must maintain control over all functions and be assured they are performed to provide the greatest long-term benefit to the State in a manner consistent with the integrity of SCEL.

Offerors should fully acquaint themselves with the Lottery’s banking service needs when submitting the information required in response to this RFP. SCEL intends to execute one contract for the services contemplated in this solicitation. This RFP shall result in a contract founded in mutual trust, respect and concern for the integrity, security and quality of SCEL. The intent of this RFP is to encourage the greatest flexibility, creativity, and participation in the response process by allowing Offerors to propose a viable approach and implement a solution that best meets the needs of the State as outlined herein. The Contractor shall apply industry best practices in a first-class manner and fully satisfy the requirements specified herein as directed by SCEL. All responses to this RFP and the resulting Award(s) will be subject to the requirements of, and must comply with, the South Carolina Education Lottery Act (Act 59 of 2001, as amended), regardless of whether or not those requirements are specifically addressed in this RFP or in an Offeror’s response.

**1.4 SCHEDULE OF KEY EVENTS**

All dates subject to change.

1. Request for Proposal Issued	July 20, 2021
2. Deadline for Offerors to submit Questions (11:00 AM ET)	August 3, 2021
3. State’s Written Responses to Questions (tentative)	August 6, 2021
4. Submission and Opening of Proposals (11:00 AM ET)	August 23, 2021
5. Intent to Award Posting Date (tentative)	September 28, 2021
6. Award Final (tentative)	October 8, 2021
7. Start Date for Conversion Activity	Oct. 8 – Nov. 30, 2021
8. Contract Performance Start Date for Account Activity	December 1, 2021

## **PART II. INSTRUCTIONS TO OFFERORS – A. GENERAL INSTRUCTIONS**

### **2.0 DEFINITIONS, CAPITALIZATION, AND HEADINGS (MODIFIED)**

CLAUSE HEADINGS USED IN THIS SOLICITATION ARE FOR CONVENIENCE ONLY AND SHALL NOT BE USED TO CONSTRUE MEANING OR INTENT. EVEN IF NOT CAPITALIZED, THE FOLLOWING DEFINITIONS ARE APPLICABLE TO ALL PARTS OF THE SOLICITATION, UNLESS EXPRESSLY PROVIDED OTHERWISE.

AMENDMENT means a document issued to supplement the original solicitation document.

AUTHORITY means the State Fiscal Accountability Authority or its successor in interest.

BUSINESS means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity. [11-35-310(3)]

CHANGE ORDER means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any Contract accomplished by mutual agreement of the parties to the Contract. [11-35-310(4)]

CONTRACT See Section 7.4 entitled Contract Documents & Order of Precedence.

CONTRACT MODIFICATION means a written order signed by the procurement officer, directing the Contractor to make changes that the clause of the Contract titled "Changes," if included herein, authorizes the Procurement Officer to order without the consent of the Contractor. [11-35-310(9)]

CONTRACTOR means the Offeror receiving an award as a result of this solicitation.

COVER PAGE means the top page of the original solicitation on which the solicitation is identified by number. Offerors are cautioned that Amendments may modify information provided on the Cover Page.

LOTTERY, unless the context clearly conveys a different meaning, means lottery, "lotteries", "lottery game", or "lottery games" as defined in S.C. Code Ann. § 59-150-20(7), as the same may be amended from time to time.

OFFER means the bid or Proposal submitted in response to this solicitation. The terms Bid and Proposal are used interchangeably with the term Offer.

OFFEROR means the single legal entity submitting the Offer. The term Bidder is used interchangeably with the term Offeror. See bidding provisions entitled Signing Your Offer and Bid/Proposal As Offer To Contract.

PAGE TWO means the second page of the original solicitation, which is labeled Page Two.

PROCUREMENT OFFICER means the person, or his successor, identified as such on either the Cover Page, an amendment, or an award notice.

YOU and YOUR means Offeror.

SOLICITATION means this document, including all its parts, attachments, and any Amendments.

STATE means the Using Governmental Unit(s) identified on the Cover Page.

SUBCONTRACTOR means any person you contract with to perform or provide any part of the work.

US or WE means the using governmental unit.

USING GOVERNMENTAL UNIT means the South Carolina Education Lottery.

WORK means all labor, materials, equipment, services, or property of any type, provided or to be provided by the Contractor to fulfill the Contractor's obligations under the Contract.

### **2.1 AMENDMENTS TO SOLICITATION (JAN 2004)**

(a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offerors should monitor the following website for the issuance of Amendments: <https://www.sceducationlottery.com/Lottery/Procurement>. (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged. [02- 2A005-1]

### **2.2 AUTHORIZED AGENT (FEB 2015)**



All authority regarding this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement or the resulting contract. [02-2A007-1]

### **2.3 AWARD NOTIFICATION (MODIFIED)**

Notice regarding any award, cancellation of award, or extension of award will be posted at the location and on the date specified on the Cover Page or, if applicable, any notice of extension of award. Should the contract resulting from this Solicitation have a total or potential value of one hundred thousand dollars, such notice will be sent electronically to all Offerors responding to the Solicitation and any award will not be effective until the calendar day (including weekends and holidays) immediately following the seventh business day after such notice is given.

### **2.4 BID/PROPOSAL AS OFFER TO CONTRACT (JAN 2004)**

By submitting Your Bid or Proposal, You are offering to enter into a contract with the Using Governmental Unit(s). Without further action by either party, a binding contract shall result upon final award. Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror on the Cover Page. An Offer may be submitted by only one legal entity; "joint bids" are not allowed. [02-2A015- 1]

### **2.5 BID ACCEPTANCE PERIOD (JAN 2004)**

In order to withdraw Your Offer after the minimum period specified on the Cover Page, You must notify the Procurement Officer in writing. [02-2A020-1]

### **2.6 BID IN ENGLISH AND DOLLARS (JAN 2004)**

Offers submitted in response to this solicitation shall be in the English language and in US dollars. [02- 2A025-1]

### **2.7 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (MAY 2008)**

**GIVING FALSE, MISLEADING, OR INCOMPLETE INFORMATION ON THIS CERTIFICATION MAY RENDER YOU SUBJECT TO PROSECUTION UNDER SECTION 16-9-10 OF THE SOUTH CAROLINA CODE OF LAWS AND OTHER APPLICABLE LAWS.**

(1) By submitting an offer, the offeror certifies that (1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor relating to-

- (i) Those prices;
- (ii) The intention to submit an offer; or
- (iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory-

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; or

(2) Has been authorized, in writing, to act as agent for the offeror's principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification [As used in this subdivision (b)(2), the term "principals" means the person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal];

- (3) As an authorized agent, does certify that the principals referenced in subdivision (b)(2)(i) of this certification have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; and
- (4) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification.
- (c) If the offeror deletes or modifies paragraph (a)(2) of this certification, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure. [02-2A032-1]

## **2.8 CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (JAN 2004)**

By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that-

(1) Offeror and/or any of its Principals-

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency;

(B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (1)(B) of this provision.

(2) Offeror has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any public (Federal, state, or local) entity.

(A) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

(3) Offeror shall provide immediate written notice to the Procurement Officer if, at any time prior to contract award, Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(4) If Offeror is unable to certify the representations stated in paragraphs (a)(1), Offer must submit a written explanation regarding its inability to make the certification. The certification will be considered in connection with a review of the Offeror's responsibility. Failure of the Offeror to furnish additional information as requested by the Procurement Officer may render the Offeror nonresponsible.

(5) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(6) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly or in bad faith rendered an erroneous certification, in addition to other remedies available to the State, the Procurement Officer may terminate the contract resulting from this solicitation for default. [02-2A035-1]

## **2.9 CODE OF LAWS AVAILABLE (JAN 2006)**

The South Carolina Code of Laws, including the Consolidated Procurement Code, is available at <http://www.scstatehouse.gov/code/statmast.php>

The South Carolina Regulations are available at <http://www.scstatehouse.gov/coderegs/statmast.php>

[02-2A040-2]

## **2.10 DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE (FEB 2015)**

You warrant and represent that your offer identifies and explains any unfair competitive advantage you may have in competing for the proposed contract and any actual or potential conflicts of interest that may arise from your participation in this competition or your receipt of an award. The two underlying principles are (a) preventing the existence of conflicting roles that might bias a contractor's judgment, and (b) preventing an unfair competitive advantage. If you have an unfair competitive advantage or a conflict of interest, the state may withhold award. Before withholding award on these grounds, an offeror will be notified of the concerns and provided a reasonable opportunity to respond. Efforts to avoid or mitigate such concerns, including restrictions on future activities, may be considered. Without limiting the foregoing, you represent that your offer identifies any services that relate to either this solicitation or the work and that has already been performed by you, a proposed subcontractor, or an affiliated business of either. [02-2A047-2]

#### **2.11 DEADLINE FOR SUBMISSION OF OFFER (JAN 2004)**

Any offer received after the Procurement Officer of the governmental body or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or the governmental bodies mail room which services that purchasing office prior to the bid opening. [R.19-445.2070(G)][02-2A050-1]

#### **2.12 DRUG FREE WORK PLACE CERTIFICATION (JAN 2004)**

By submitting an Offer, Contractor certifies that, if awarded a contract, Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended. [02-2A065-1]

#### **2.13 DUTY TO INSPECT AND INQUIRE AND RELATED CERTIFICATIONS (MODIFIED)**

(a) Offeror, by submitting a Proposal, represents and certifies that he/she has read and understands the Solicitation and that his/her Proposal is made in compliance with the Solicitation requirements. Offerors are expected to examine the Solicitation thoroughly, conduct appropriate pre-submission reviews of the circumstances, conditions, and requirements and should submit a question requesting an explanation of any ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation in accordance with **Questions from Offerors** in Section 2.19. Failure to do so will be at the Offeror's risk. Offeror assumes responsibility for any assumption it makes concerning the Solicitation that Offeror does not bring to the State's attention pursuant to **Questions from Offerors** in Section 2.19. Information supplied by SCEL concerning its current operation is not binding on the State in any way and Offeror's reliance upon any such information is at its own risk and is without recourse. (b) By submission of a Proposal, Offeror also certifies that the Proposal has been reviewed by the appropriate individuals within the Offeror's organization, and, if an award is made to that Offeror, can and will be provided on time and for the cost proposed, subject to any negotiations that may affect the amount of cost. (c) Any and all requested changes, modifications, etc. to **Terms and Conditions** in Part VII of this solicitation must be addressed during the Question and Answer Period. Taking exception to the terms and conditions in Part VII and not making it clear in Your the Proposal will comply with the terms and conditions as written in the submitted Proposal, may render Your Proposal not "reasonably susceptible of being selected for award" and it could still be rejected in the Procurement Officer's sole judgment. Follow-up questions are allowed and encouraged. (d) Appendices (Additional information to Offerors relating to SCEL's operations) are intended as background and does not constitute specific requirements for this solicitation.

#### **2.14 ETHICS CERTIFICATE (MODIFIED)**

By submitting an offer, the Offeror certifies that the Offeror has and will comply with, and has not, and will not, induce a person to violate title 8, chapter 13 of the South Carolina code of laws, as amended (Ethics Act). The following statutes require special attention: § 8-13-700, regarding use of official position for financial gain; § 8-13-705, regarding gifts to influence action of public official; § 8-13-720, regarding offering money for advice or assistance of public official; § 8-13-755 and § 8-13-760, regarding restrictions on employment by former public official; § 8-13-775, prohibiting public official with economic interests from acting on contracts; § 8-13-

790, regarding recovery of kickbacks; § 8-13-1150, regarding statements to be filed by consultants; and § 8-13-1342, regarding restrictions on contributions by contractor to candidate who participated in awarding of contract. Additionally, by submitting an Offer, the Offeror certifies that the Offeror has and will comply with, and has not, and will not, violate or induce a person to violate S.C. Code Ann. § 59-150-130(E). The State may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If the Contractor participates, directly or indirectly, in the evaluation or award of public contracts, including without limitation, change orders or task orders regarding a public contract, then the Contractor shall, file such a statement, and upon filing that statement, provide that statement to the procurement officer as required by § 8-13-1150.

#### **2.15 OMIT TAXES FROM PRICE (JAN 2004)**

Do not include any sales or use taxes in Your price that the State may be required to pay. [02-2A080-1]

#### **2.16 OPEN TRADE REPRESENTATION (JUN 2015)**

By submitting an Offer, Offeror represents that Offeror is not currently engaged in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300. [02-2A083-1]

#### **2.17 PROHIBITED COMMUNICATIONS AND DONATIONS (FEB 2015)**

Violation of these restrictions may result in disqualification of your offer, suspension or debarment, and may constitute a violation of law.

During the period between publication of the solicitation and final award, ***you must not communicate, directly or indirectly, with the Using Governmental Unit or its employees, agents or officials regarding any aspect of this procurement activity***, unless otherwise approved in writing by the Procurement Officer. All communications must be solely with the Procurement Officer. [R. 19-445.2010]

You are advised to familiarize yourself with Regulation 19-445.2165, which restricts donations to a governmental entity with whom you have or seek to have a contract. ***You represent that your offer discloses any gifts made, directly or through an intermediary, by you or your named subcontractors to or for the benefit of the Using Governmental Unit during the period beginning eighteen months prior to the Opening Date.*** [R. 19-445.2165][02-2A087-1]

#### **2.18 PROTESTS (MAY 2019)**

If you are aggrieved in connection with the solicitation or award of the contract, you may be entitled to protest, but only as provided in Section 11-35-4210. To protest a solicitation, you must submit a protest within fifteen days of the date the applicable solicitation document is issued. To protest an award, you must (i) submit notice of your intent to protest within seven business days of the date the award notice is posted, and (ii) submit your actual protest within fifteen days of the date the award notice is posted. Days are calculated as provided in Section 11-35-310(13). Both protests and notices of intent to protest must be in writing and must be received by the appropriate Chief Procurement Officer within the time provided. See clause entitled "Protest-CPO". The grounds of the protest and the relief requested must be set forth with enough particularity to give notice of the issues to be decided. [02-2A085-2]

#### **2.19 PUBLIC OPENING (JAN 2004)**

Offers will be publicly opened at the date / time and at the location identified on the Cover Page, or last Amendment, whichever is applicable. [02-2A090-1]

#### **2.20 QUESTIONS FROM OFFERORS (MODIFIED)**

(a) Any prospective Offeror desiring an explanation or interpretation of the Solicitation, its requirements, specifications, etc, must make the request in writing (see **Duty to Inspect and Inquire and Related**

**Certifications**, Section 2.13). Email is the preferred method for submitting questions to the Procurement Officer. Questions must be submitted in writing and should be sent in an easily copied format such as MS Word. Oral explanations or instructions will not be binding. Any information given a prospective Offeror concerning the Solicitation will be furnished promptly to all other prospective Offerors as an Amendment to the Solicitation, if that information is necessary for submitting offers or if the lack of it would be prejudicial to other prospective Offerors. When responding to any questions, via an Amendment, **the identity of the entity asking the question may be included in the response to the question.**

The State seeks to permit the maximum practicable competition. Offerors are urged to advise the Procurement Officer as soon as possible regarding any aspect of this procurement, including any aspect of the Solicitation, which unnecessarily or inappropriately limits full and open competition. Offerors should not wait until the deadline for questions listed in the Schedule of Key Events.

**Submit all questions to** SCEL Procurement Manager, Petrina Marsh, via e-mail at [Petrina.Marsh@sclot.com](mailto:Petrina.Marsh@sclot.com), no later than 11:00 AM (EST) on 08/03/2021. Subject line: Solicitation #7202021-Banking

#### **2.21 REJECTION/CANCELLATION (JAN 2004)**

This solicitation does not commit the State of South Carolina to award a contract, to pay any cost incurred in the preparation of an offer, or to procure or contract for the articles of goods or services. The State may cancel this solicitation in whole or in part. The State may reject any or all offers in whole or in part. [Section 11-35-1710 & R.19-445.2065] [02-2A100-1]

#### **2.22 RESPONSIVENESS (MODIFIED)**

(a) Responsiveness. Any Offer which fails to conform to the material requirements of the Solicitation may be rejected as nonresponsive. Offers which impose conditions that modify material requirements of the Solicitation may be rejected. If a fixed price is required, an Offer will be rejected if the total possible cost to the State cannot be determined. Any deficiency resulting from a minor informality may be cured or waived at the sole discretion of the Procurement Officer. [R.19-445.2070 and Section 11-35-1520(13)]

(b) Any sales or marketing literature or brochures submitted shall become part of the Contract documents to the extent they do not alter the Terms and Conditions.

#### **2.23 SIGNING YOUR OFFER (JAN 2004)**

Every Offer must be signed by an individual with actual authority to bind the Offeror. (a) If the Offeror is an individual, the Offer must be signed by that individual. If the Offeror is an individual doing business as a firm, the Offer must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm. (b) If the Offeror is a partnership, the Offer must be submitted in the partnership name, followed by the words by its Partner, and signed by a general partner. (c) If the Offeror is a corporation, the Offer must be submitted in the corporate name, followed by the signature and title of the person authorized to sign. (d) An Offer may be submitted by a joint venturer involving any combination of individuals, partnerships, or corporations. If the Offeror is a joint venture, the Offer must be submitted in the name of the Joint Venture and signed by every participant in the joint venture in the manner prescribed in paragraphs (a) through (c) above for each type of participant. (e) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (d) above, the Offer must state that it has been signed by an Agent. Upon request, Offeror must provide proof of the agent's authorization to bind the principal. [02-2A115-1]

#### **2.24 DISCLOSURE OF YOUR BID / PROPOSAL and SUBMITTING CONFIDENTIAL DATA (FEB 2021)**

(a) According to Section 11-35-410, any person submitting a document in response or with regard to any solicitation or other request must "comply with instructions provided in the solicitation for marking information exempt from public disclosure. Information not marked as required by the applicable instructions may be disclosed to the public." **IF YOU IDENTIFY YOUR ENTIRE RESPONSE AS EXEMPT FROM PUBLIC DISCLOSURE, OR IF YOU DO NOT SUBMIT A REDACTED COPY AS REQUIRED, THE STATE MAY, IN ITS SOLE**

**DISCRETION, DETERMINE YOUR BID OR PROPOSAL NONRESPONSIVE AND INELIGIBLE FOR AWARD.** (b) By submitting a response to this solicitation or request, Offeror (1) agrees to the public disclosure of every page, or portion thereof, of every document regarding this solicitation or request that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page, or portion thereof, was redacted and conspicuously marked "Trade Secret" or "Confidential" or "Protected", (2) agrees that any information not redacted and marked, as required by these bidding instructions, as a "Trade Secret" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. (c) If your offer includes any information that you claim is exempt from public disclosure, you must submit one complete copy of your offer from which you have removed or concealed such information (the redacted copy). Except for the information removed or concealed, the redacted copy must be identical to your original offer. (d) Do not mark your entire response (bid, proposal, quote, etc.) as confidential, trade secret, or protected. If only portions of a page are subject to some protection, do not redact the entire page. The redacted copy must reflect the same pagination as the original and show the empty space from which information was redacted. The Procurement Officer must be able to view, search, copy and print the redacted copy without a password. If your response, or any part thereof, is improperly marked as confidential or trade secret or protected, the State may, in its sole discretion, determine it nonresponsive. (e) On the redacted copy, you must identify the basis of your claim by marking each redaction as follows: You must separately mark with the word "CONFIDENTIAL" every page, or portion thereof, that you redacted and claim as exempt from public disclosure because it is either (1) a trade secret as defined in Section 30-4-40(a)(1) of the Freedom of Information Act, or (2) privileged and confidential, as that phrase is used in Section 11-35-410. You must separately mark with the words "TRADE SECRET" every page, or portion thereof, that you redacted and claim as exempt from public disclosure as a trade secret pursuant to Section 39-8-20 of the Trade Secrets Act. You must separately mark with the word "PROTECTED" every page, or portion thereof, that you redacted and claim as exempt from public disclosure pursuant to Section 11-35- 1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. (f) In determining whether to release documents, the State will detrimentally rely on your redaction and marking of documents, as required by these bidding instructions, as being either "Confidential" or "Trade Secret" or "Protected". By submitting a response, you agree to defend, indemnify and hold harmless the State of South Carolina, its agencies, officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from withholding information by the State of South Carolina or any of its agencies, that you have redacted or marked as "Confidential" or "Trade Secret" or "Protected". (All references to S.C. Code of Laws.) [02-2A125-3]

## **2.25 SUBMITTING A PAPER OFFER OR MODIFICATION (MAR 2015)**

Unless specifically instructed otherwise in the solicitation, you should submit your offer or modification in accordance with the clause titled "ON-LINE BIDDING INSTRUCTIONS." Paper offers are discouraged. If you must submit a paper offer or modification the following instructions apply. (a) All prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by the person signing the bid. Do not modify the solicitation document itself (including bid schedule). (b) (1) All copies of the offer or modification, and any other documents required to be submitted with the offer shall be enclosed in a sealed, opaque envelope or package. (2) Submit your offer or modification to the address on the Cover Page. (3) The envelope or package must show the time and date specified for opening, the solicitation number, and the name and address of the bidder. If the offer or modification is sent by mail or special delivery service (UPS, Federal Express, etc.), the outermost envelope or wrapper must be labeled "OFFER ENCLOSED" on the face thereof. (c) If you are responding to more than one solicitation, submit each offer in a separate envelope or package. (d) Submit the number of copies indicated on the Cover Page. (e) Facsimile or e-mail

offers, modifications, or withdrawals, will not be considered unless authorized by the Solicitation. [02-2A130-2]

**2.26 TAX CREDIT FOR SUBCONTRACTING WITH DISADVANTAGED SMALL BUSINESSES (JAN 2008)**

Pursuant to Section 12-6-3350, a taxpayer having a contract with this State who subcontracts with a socially and economically disadvantaged small business is eligible for an income tax credit equal to four percent of the payments to that subcontractor for work pursuant to the contract. The subcontractor must be certified as a socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it. The credit is limited to a maximum of fifty thousand dollars annually. A taxpayer is eligible to claim the credit for ten consecutive taxable years beginning with the taxable year in which the first payment is made to the subcontractor that qualifies for the credit. After the above ten consecutive taxable years, the taxpayer is no longer eligible for the credit. A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor. The credit may be claimed on Form TC-2, "Minority Business Credit." A copy of the subcontractor's certificate from the Governor's Office of Small and Minority Business (OSMBA) is to be attached to the contractor's income tax return. Questions regarding the tax credit and how to file are to be referred to: SC Department of Revenue, Research and Review, Phone: (803) 898-5786, Fax: (803) 898-5888. Questions regarding subcontractor certification are to be referred to: Governor's Office of Small and Minority Business Assistance, Phone: (803) 734-0657, Fax: (803) 734-2498. [02-2A135-1]

**2.27 WITHDRAWAL OR CORRECTION OF OFFER (JAN 2004)**

Offers may be withdrawn by written notice received at any time before the exact time set for opening. A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for opening, the identity of the person requesting withdrawal is established and the person signs a receipt for the bid. The withdrawal and correction of Offers is governed by S.C. Code Section 11-35-1520 and Regulation 19-445.2085. [02-2a150-1]

## **PART II. INSTRUCTIONS TO OFFERORS – B. SPECIAL INSTRUCTIONS**

### **2.28 CONTENTS OF OFFER (RFP) (FEB 2015)**

(a) Offers should be complete and carefully worded and should convey all of the information requested.

(b) Offers should be prepared simply and economically, providing a straightforward, concise description of offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.

(c) The contents of your offer must be divided into two parts, the technical proposal and the business proposal. Each part should be bound in a single volume.

(d) If your offer includes any comment over and above the specific information requested in the solicitation, you are to include this information as a separate appendix to your offer. Offers which include either modifications to any of the solicitation's contractual requirements or an offeror's standard terms and conditions may be deemed non-responsive and not considered for award.

[02-2B040-2]

### **2.29 ELECTRONIC COPIES - REQUIRED MEDIA AND FORMAT (MODIFIED)**

In addition to your original offer, you must submit an electronic copy or copies on compact disk (CD), DVD, or USB drive. Submit the number of copies indicated on page 3. Each copy should be on separate media. Your business and technical proposals must be on separate media. Every disk or USB drive must be labeled with the solicitation number and the offeror's name, and specify whether its contents address technical proposal or business proposal. If multiple-disk sets are provided, each disk in the set must be appropriately identified as to its relationship to the set, e.g., 1 of 2. The electronic copy must be identical to the original offer. File format shall be compatible with Microsoft Office (version 2003 or later), or Adobe Acrobat or equivalent Portable Document Format (.pdf) viewer. The Procurement Officer must be able to view, search, copy and print electronic documents without a password.

### **2.30 OPENING PROPOSALS – INFORMATION NOT DIVULGED (FEB 2015)**

In competitive sealed proposals, neither the number nor identity of offerors nor prices will be divulged at opening. [§ 11-35-1530 & R. 19-445.2095 (C)(1)] [02-2B110-2]

### **2.31 PROTEST - CPO - MMO ADDRESS (MODIFIED)**

Any protest must be addressed to the Chief Procurement Officer, Materials Management Office, and submitted in writing (a) by email to [protest-mmo@mmo.state.sc.us](mailto:protest-mmo@mmo.state.sc.us), OR (b) by post or delivery to 1201 Main Street, Suite 600, Columbia, SC 29201.



## **PART III. SCOPE OF WORK**

### **3.0 OVERVIEW OF SCEL TREASURY OPERATIONS**

The State of South Carolina (the "State") established the South Carolina Education Lottery Commission ("SCEL" or "Commission") as an instrumentality of the State with the enactment of Act 59 of 2001 ("Lottery Act"). SCEL commenced operations in 2002 with a sole financial objective to transfer net proceeds to the State of South Carolina. The Commission receives no appropriations from the State and operates as an enterprise entity while ensuring the integrity of the lottery operations, games, and activities. Activities are financed and operated in a manner similar to private business enterprises, whereas the sale of lottery game tickets finances the costs of providing lottery games to the public on a continuing basis.

The games of the South Carolina Education Lottery are designed for entertainment for players 18 years of age or older. The Lottery's mission is to provide, with integrity, entertainment options to adults to support education in South Carolina. To achieve the mission, SCEL is committed to protecting the Lottery's integrity by conducting games in a secure manner. The South Carolina Education Lottery offers two types of games, "Instant Games" and "Terminal Games". Instant Games generally involve "scratching off" certain areas on the ticket to determine if the ticket contains a prize (usually cash). Instant Game tickets are currently sold at \$1, \$2, \$3, \$5, and \$10 price points. Terminal Games, also commonly referred to as "Draw Games," including games such as Powerball and Pick 3, involve the player's selection of a sequence of numbers which, if matched to periodic drawings (typically daily or several times weekly), resulting in the winning of prizes (usually cash).

Tickets are available at SCEL's statewide retailer network of approximately 3,900 licensed locations ("Retailers") such as gas stations, grocery stores and convenience stores. Tickets must be purchased with cash, and lottery winnings up to and including \$500 can be redeemed at any authorized lottery retailer. Retailers may payout prizes in cash, store check, money order, or a combination of those three. If a retailer does not have cash on hand to pay a winner, then the retailer may payout prizes with a check or a money order, but are prohibited from charging the player for the money order. Claims in excess of \$500 must be redeemed at the Claims Center. Winnings of \$100,000 or less may be redeemed by mail and winning tickets in excess of \$100,000 must be brought in person to the Claims Center for redemption. The Claims Center is centrally located at 1309 Assembly Street in Columbia, SC and open from 8:30 a.m. until 5 p.m., Monday through Friday (except for holidays). Prize checks are issued and presented to winning players in the form of a paper check (with the exception of very large jackpot winners whose prize winnings are in excess of \$5 million). Claims are processed continuously each business day. SCEL estimates that there may be five (5) ten-minute periods during each business day when there are no claims checks issued; however, on most days, there are no ten-minute periods when a new check is not issued. On average, the Claims Center processes 3,400 claims per month with an average of 46 to 51 transmissions per day. The average amount paid for each claim is approximately \$3,700; however, claim amounts vary significantly ranging from \$1.00 to \$2 million, and could be up to \$5 million.

### **3.1 SCOPE OF SERVICES**

The Contractor shall provide comprehensive banking services while administering SCEL's seven (7) separate bank accounts in accordance with the requirements stated herein.

#### **A. BANKING AND TREASURY-RELATED SERVICES**

1. General demand deposit account services, used to transfer funds from six (6) of SCEL's various sub-accounts to the Lottery's Primary Account;

2. Specialized account services for the controlled disbursement and positive pay file accounts, which facilitate daily cash management;
3. Depository and paper disbursement services;
4. Electronic funds transfer services for retailers and others as directed by SCEL;
5. Information reporting services that enable SCEL to monitor account balances and identify transactions;
6. Investment Services for which all available funds are centralized into a single account for overnight interest earning purposes.
7. Other account services, including but not limited to, providing SCEL with account and data security, a dedicated customer account management team, information reporting, a transition plan; and any additional services which may not be specifically identified herein, so long as the requested services are of a similar nature to the services described in this Scope of Work.

**B. SCEL ACCOUNT ADMINISTRATION**

The Contractor shall administer services for the seven (7) accounts described below. Note the figures provided herein are for historical reference only and do not guarantee any future balances. See also Exhibits A and B - Average Daily Account Balances (Low Volume and High Volume).

**1. Primary Account**

SCEL maintains a cash reserve in the Primary Account to pay for prizes and other operating expenses from the six (6) sub-accounts below, designated as other "Specific Purpose" Zero Balance Accounts (ZBA). Typically, the cash reserve is used to accept deposited funds from the ZBAs and approximates to \$6 million. For the fiscal year ending June 30, 2021 (FY 21), the Monthly Average Positive Collected Balance in this account ranged from \$24.6 million to \$50.5 million. The simple average of the Monthly Average Positive Collected Balances in this account is approximately \$37.2 million. In FY21, SCEL processed 2,571 Automated Clearing House (ACH) payments through this account with an aggregate of \$738.3 million.

The Primary Account is also used to process other "debit" transactions including ACH transactions for accounts payable and transfer SCEL's available cash to the State Treasurer's Office ("Transfers"). Two types of Transfers are made from SCEL's Primary Account to the State each month. The first transfer, made on the 1<sup>st</sup> business day of each month, is for Unclaimed Prizes that have accumulated over a specified period of time. These monthly transfers ranged from \$1.1 million to \$3.8 million. During FY21, SCEL transferred an aggregate of \$32.1 million to the State for Unclaimed Prizes. The second transfer is when SCEL remits its net proceeds, ("Regular Transfers") to the State Treasurer's Office on the Thursday prior to and closest to the 15<sup>th</sup> day of each month. SCEL must maintain a cash reserve to finance operations until receipt of the next sweep the following Wednesday. If SCEL incurs prizes payouts that exceed this reserve, the financial institution shall waive any overdraft fees, or similar charges, resulting from such an occurrence. Regular Transfers ranged from \$38 million to \$61 million each month. During the most recent fiscal year, SCEL transferred an aggregate of \$575.5 million Regular Transfers to the State.

**2. Concentration Account**

This account is a zero-balance account (ZBA) used to receive proceeds from Retailers. Retailers are required to retain a specific deposit account at the financial institution of their choice in which amounts due to SCEL are deposited. SCEL's weekly billing cycle is weekly from Sunday to Saturday and Retailers are notified each Monday of the amount that they owe SCEL from the previous week's sales. They are required to have those funds available in their banking accounts each Tuesday before 2 p.m. SCEL's gaming system vendor then sends a sweep file to the Bank each Monday. The Bank makes one attempt to sweep the accounts electronically via ACH between 12:01 a.m. and 12 midnight each

Wednesday (or Thursday if a recognized holiday) and deposits the funds into the Concentration Account. The Bank will then transfer the deposited funds from the Concentration Account into the Primary Account. In some cases, SCEL may owe the Retailer if the Retailer has cashed more tickets than they have sold. Retailer accounts are credited on Wednesdays for any such amounts. Occasionally, funds related to sales proceeds are paid by the Retailer and deposited daily into SCEL's Concentration Account. An example of this is when Retailers must deposit funds to clear an insufficient funds (NSF) transaction. If the retailer did not deposit sufficient funds in time for the weekly ACH sweep, then the retailer must deposit or wire the funds directly into this account. NSFs are minimal and generally range from zero (0) to five (5) transactions each week.

SCEL's current Bank sweeps approximately 2,500 Retailer accounts in total (Corporate Retailers commonly use one account for multiple locations). For the most recent fiscal year, the average weekly sweep was \$16.5 million. In aggregate, SCEL has swept \$857.3 million into the Concentration Account in FY21.

**3. Prize Account**

This is a controlled disbursement ZBA that SCEL uses to pay prizes which are processed through the Claims Center. The Prize Account includes Lottery prizes and prize withholdings for Federal, State and local taxes. All claim transactions up to \$5 million are paid from this account in the form of paper checks. The Prize Account positive pay file is updated at least every ten (10) minutes. SCEL processed 42,779 claims with an aggregate amount of \$153.8 million in FY21. During this same period, the Claims Center voided and reissued 360 checks totaling approximately \$1.1 million.

**4. Administrative Account**

This is a low-volume ZBA through which all SCEL's accounts payable paper checks are processed. Accounts payable transactions are generally paid via ACH and processed through the Primary Account. Checks written on this account are subject to a "Positive Pay" file which is updated every thirty (30) minutes. SCEL runs most checks in "batches" with an average of one transmission per day. Transmissions occur when new checks are issued on the accounts. The frequency of transmissions vary significantly between this account and the Prize Account. During the most recent fiscal year, SCEL processed 498 payments with an aggregate amount of \$1.5 million.

**5. Payroll Account**

This is a ZBA which funds SCEL's semi-monthly payroll. Individual payroll checks do not clear against this account; rather, the aggregate amount of payroll is automatically transferred to this account and then swept into the account of SCEL's payroll processor (ADP) through which individual payroll checks clear. SCEL's annual payroll is approximately \$8.8 million.

**6. License Fee Account**

This is a ZBA used to process license and other fees received from Retailers. Transaction amounts are small (totaling \$210 or less) and typically include the \$75 Retailer Application fee described in the Fidelity Bond Account below. License fees are usually submitted by the Retailer in the form of a check and deposited by SCEL via a scanner supplied by the Bank. During the most recent fiscal year, SCEL processed 566 receipts with an aggregate amount of \$119 thousand.

**7. Fidelity Bond Account**

Monies deposited into this fund are collected from potential Retailers, and accumulated from a one-time non-refundable fee of \$75.00, a requirement for each Retail location that submits a lottery license

application. This account is used to cover any losses SCEL may experience as a result of a Retailer's failure to remain compliant with SCEL's Licensing Agreement and State licensing regulations.

This account is **not** a ZBA, although transactions associated with this account are subject to a "Positive Pay" file. The bond fees are initially deposited into the License Fee Account described above and then transferred to the Primary Account daily. At the end of the month the total of all bond fees are transferred from the Primary Account to the Fidelity Bond Account. SCEL may invest these funds pursuant to state investment practices, and all earnings attributable to the investments accrue to the fund. Debit transactions to this account are minimal – only fifty (50) checks have been issued through this account during the most recent fiscal year. SCEL deposited an aggregate amount of \$42,500 during this same period. The balance in this account approximates to \$250,000.00.

### **3.2 GENERAL ACCOUNT SERVICES**

The Contractor shall provide fully automated banking services while administering SCEL's seven (7) accounts described above. Accurate records of banking activity must be maintained for each account. SCEL must have the ability to obtain account information online or through other electronic means without the necessity of preparing and submitting paper documentation. General account services shall include:

#### **A. DEPOSITORY SERVICES**

SCEL must have the ability to make cash and check deposits and accept ACH and Electronic Funds Transfer ("EFT") payments. Such deposit services shall include the following:

1. Provide the ability for SCEL to make cash and check deposits, and wire transfers. Standard deposit tickets must be provided by the Bank.
2. Provide the ability for SCEL to process check deposits remotely from office locations;
3. Provide and maintain at least two (2) remote check scanners to SCEL at all times with no additional charge. SCEL prefers multi-feed scanners – only used to deposit checks into the Primary, Concentration, and License Fee Accounts.
4. Process returned items. SCEL requires that a check be presented for payment only once. Items returned are to be presented immediately to SCEL via direct electronic transmission for collection processing.

#### **B. PAPER DISBURSEMENT SERVICES**

SCEL must be provided services for check issuance and cashing. Services include the following:

1. Statewide check cashing for all Lottery prize claimants at any branch location. Prize checks presented to any of the Offeror's branches must be honored immediately free of charge to the customer. SCEL will not purchase check stock through the Bank, but will purchase check stock from a printing vendor and provide starting check numbers by account during the conversion period;
2. Accept one or more check issuance files sent electronically to the bank. Provide SCEL with confirmation electronically for each check issuance file received by the bank, including the status of the file received;
3. Provide an online ability to stop payment and the ability to void, cancel, and/or delete check issues;
4. Provide controlled disbursement services for Prize Account, and any others upon SCEL's request;
5. Provide SCEL with the ability to view images of cleared disbursement checks (front and back) on both a current and historical basis. Images should be available for a minimum of 180 days online, with images older than 180 days available upon request for up to three years;

6. Provide overdraft services representing the estimated maximum number of checks that can clear on a single day;
7. Provide paper disbursement reconciliation services related to the paper disbursement of SCEL funds. Such reconciliation services shall include, but may not be limited to, the following:
  - a. Positive pay services, including verification of payee name, for Prize and Administrative Accounts. SCEL will provide the positive pay file format during the conversion period;
  - b. Full account reconciliation for Prize and Administrative Accounts and partial reconciliation for Fidelity Bond Account. This service must include balance reporting of outstanding checks, checks paid, stop payments, and other process item(s) as may be relevant.

**C. ELECTRONIC FUNDS TRANSFER SERVICES**

Provide SCEL the ability to process EFT's using ACH transfers and Wires. Services shall include:

1. Provide the ability to process incoming and outgoing Wires via a secure online web-based system, or other state-of-the-art secure system, in accordance with current Federal and State banking regulations;
2. Send and receive secure ACH transactions and Wire payments, including federal and state tax payments;
3. Provide the ability to set up one-time wires, as well as the creation of repetitive templates;
4. Provide the ability to process outgoing pre-note or payment files of ACH transactions in standard ACH CTX format. Provide confirmation within one (1) hour to SCEL that the file has been received by the bank, including the status of the files received;
5. Provide the ability to execute ACH payments within one (1) hour of receipt of issuance;
6. Provide SCEL with detailed, identifying information for all ACH payments received; All accounts shall be subject to ACH fraud prevention services.
7. Provide SCEL with detailed, identifying information for all returned ACH payments, including all relevant NACHA codes via both online and electronic file formats;
8. Provide SCEL with the ability to obtain account balances and issue electronic funds transfer payments to preauthorized third parties at the discretion of SCEL;
9. Provide ACH debit block services for accounts as requested by SCEL and provide SCEL with the ability to authorize exceptions; and
10. Provide for secure, same day electronic transfers between SCEL accounts.

**3.3 SPECIALIZED ACCOUNT SERVICES**

The Contractor shall provide specialized account services for SCEL's Prize and Administrative Accounts and others in addition to the general account services described in Section 3.2. SCEL must have the ability to access account information online or through other electronic means without the necessity of preparing and submitting paper documentation.

1. Controlled disbursement – Prize Account
2. Zero-balance accounts (ZBA) – Concentration, Prize, Administrative, Payroll, and License Fee Accounts
3. Positive pay feature – Prize, Administrative, and Fidelity Bond Accounts. If a prize check cannot be matched to a positive pay file upon presentation, the branch teller must contact SCEL immediately to verify the check and still cash the check without turning the player away or requiring the player to open an account.

4. Capability to receive information from SCEL relating to amounts billed to Retailers on a weekly basis and sweep the Retailers' accounts every Wednesday. Returned items must be available to SCEL at least by the opening of business on the Friday morning following the weekly sweep.

### **3.4 CASH MANAGEMENT AND INVESTMENT SERVICES**

The Contractor must provide the ability to invest available funds on an overnight basis. Banking activities are conducted through the Primary Account in which all funds are deposited. The Bank must transfer the funds from the Primary Account to the sub-accounts as required. At the close of each business day, all collected balances in the Commission's Primary Account shall earn interest at a rate not less than the Federal Funds Rate. The earnings credit shall be calculated gross of reserve requirements and will be computed in accordance with the agreed upon negotiated rate. This service may be offered in one of two ways:

1. First, the financial institution may apply a rate indexed to the Average Federal Funds Rate (as published in the *Wall Street Journal*) to the available balance of the accounts without reducing such amount by reserve requirements to determine an earnings credit. The earnings credit would then be applied to the monthly cost of the account and any excess would be credited as a "hard dollar credit" to the account as an excess earnings credit each month.
2. Alternatively, available funds may be automatically invested on an overnight basis in repurchase agreements which are collateralized by obligations of the U.S. Government or one of its agencies. If repurchase agreements are used, the Contractor must provide SCEL with daily information which adequately describes the transactions and their financial attributes. SCEL recognizes that if this method is used then it may be necessary to open another account through which such activities are conducted.

Irrespective of the manner in which SCEL receives the benefit of its available funds, the Contractor must possess collateral sufficient to cover deposits in excess of those insured by the FDIC and affirm that such method complies with S.C. Code Ann. §11-13-60. The Contractor shall provide SCEL with a collateral report at least once a month, which confirms the collateral held, and the financial attributes of such collateral.

### **3.5 ORGANIZATION SIZE, STRUCTURE, AND LOCATION OF SERVICES**

The Contractor must have a Primary Branch that is physically located in downtown Columbia with an extensive branch network in the midlands, upstate, and coastal regions of South Carolina convenient to SCEL and its customers. Convenience to SCEL's main office is necessary for staff to make cash deposits in person due to currency periodically received by Retailers. Moreover, convenience of the Primary Branch to the Claims Center is of utmost importance to service SCEL's prize winners that travel from different parts of the state to claim winning tickets.

The Primary Branch must have adequate banking staff and parking available. Although the Claims Center averages 46 to 51 claims per day, there are certain instances when the average daily number increases to 150 claims per day. Typically, larger than normal claims' volumes occur when a Pick 4 draw results in a sequence of numbers that pays \$5,000 for each winning ticket and there is an unusually large number of winning tickets. SCEL recognizes that in these instances the level of claims checks presented at the Primary Branch may strain the cash resources of the Primary Branch. If this event were to occur, then the Primary Branch must communicate with SCEL as to their ability to continue to cash unusually large volumes of checks. This will allow Claims Center personnel to direct winning players to other branches conveniently located to the Primary Branch or suggest other branch locations convenient to the residence of the winning player. This is critically important for those winners who have traveled long distances to claim a winning ticket. The Contractor must be capable

of cashing prize checks in various claim amounts ranging from \$1.00 to \$5 million without delay and at no charge to the prize winner.

### **3.6 DEDICATED CUSTOMER ACCOUNT MANAGEMENT SERVICES**

Provide SCEL direct access to a dedicated customer account management team for issues related to all SCEL accounts, banking activity, transactions, and system administration. Services shall include, but may not be limited to, the following:

1. Designate a Senior Client Officer with overall responsibility for managing the Commission's banking services and administering the Commission's accounts.
2. Direct contact information for the Senior Client Officer must be provided to SCEL including telephone numbers and email addresses and the operations area of the bank in which the banking services and accounts are located.
3. The Senior Client Officer will identify specific individuals for particular areas and serve as an escalation point of contact for matters that cannot be resolved by the individual contacts, and will also be available for direct contact as the Commission deems necessary;
4. Individual contacts must be available to provide support and problem resolution between the hours of 8:30 a.m. (Eastern Time) to 5:00 pm (Eastern Time) Monday through Friday, and the name, telephone number and email addresses for these individuals must be provided to SCEL;
5. The Contractor must periodically provide an updated list of the names, email addresses, and telephone numbers of the backup personnel in the appropriate department(s) whom the Commission can contact if the Senior Client Officer is unavailable.

### **3.7 OTHER RELATED SERVICES**

The Contractor shall also provide SCEL with the additional services listed below and any other related services which may not be specifically identified herein, so long as the requested services are of a similar nature to the services described in this Scope of Work.

#### **A. ACCOUNT AND DATA SECURITY SERVICES**

Provide account and data security services for all accounts established by SCEL, and for all systems, programs, and technologies used to support, process, and secure SCEL accounts and data. Such account and data security services shall include, but may not be limited to, the following:

1. Provide account security services to prevent unauthorized opening, activity, modification, or closing of Commission accounts, including establishment of control procedures by the Contractor;
2. Provide security administration controls and procedures for the Commission, including, but not limited to, documentation and flowcharting of controls and procedures relating to account and data security;
3. Provide data transmission and storage security services compliant with all current Federal and State Banking regulations, including, but not limited to, the Gramm-Leach-Bliley Act, the Sarbanes-Oxley Act, the Cybersecurity Information Security Act, the USA Patriot Act, and data privacy and data residency laws;
4. Provide ability for the Commission to grant and revoke permission of its employees for accessing account and report information online including any approved third parties authorized to debit SCEL accounts electronically per SCEL's internal approval policies. The system shall require unique passwords for SCEL administrator(s). Any change to an administrator's account settings must be made by one individual and approved by a different individual. Dual custody is a necessary internal control. This rule applies to all banking functions involving the disbursement of cash as well as user profiles.
5. The Contractor must have a detailed disaster recovery plan that includes off-site recovery facilities and recovery procedures.

#### **B. INFORMATION REPORTING SERVICES**

Provide reporting services for all SCEL accounts, banking activity, transactions, and system administration. Reporting services shall include monthly and historical account analysis statements; prior day balance reporting and transaction detail; same-day, real-time transaction detail and balance reporting.

1. SCEL requires access to daily reports of balances and transaction information and detailed monthly account analysis statements for each individual account with a consolidated statement showing charges for all account services; The analysis must detail all activity levels, rates, quantities, and charges for the accounts covered by this Contract. The account analysis must be presented in hardcopy report format as well as in an online, downloadable Excel format.
2. Cut-off dates for monthly statements shall be the end of the month. The financial institution shall provide electronically transmitted bank statements within twenty (20) working days. The financial institution must provide SCEL the ability to retrieve daily reports with previous and same-day account information.
3. Provide online reporting, in template or ad-hoc form, on a real-time basis, as requested by SCEL, for all services provided, including reporting activity and balances of any account, account group, or all accounts opened or maintained for the Commission.
4. Provide online, or ad-hoc, real time reporting for account activity and modification by users, system administrators, and personnel of the Commission and Contractor.
5. All reports generated must be downloadable, at a minimum, in spreadsheet and PDF formats.

#### **C. INNOVATIONS**

As the Commission's needs change and banking industry services evolve during the course of the contract, SCEL and the Contractor may negotiate in good faith any mutually beneficial Change Order suggested by either party. The scope of a potential change order is to be interpreted liberally, including all services the Contractor may provide or those authorized in the Education Lottery Act. The State reserves the right to negotiate services that are not available at the time of this solicitation, but may become available at a later date and are within the scope of the contract.

#### **D. TRANSITION PLAN SERVICES**

1. Provide a detailed plan for transition of existing accounts, funds, and processes that identifies the responsibilities of the Contractor, SCEL, and any other designated parties. The plan should also include, as an exhibit to the plan, a flowchart of the transition through completion with detail sufficiently identifying the key tasks and action items to be completed by all parties.
2. Provide schedules outlining the timeframe for executing the transition plan. This should include a schedule contained with expected completion dates of major components, tasks, and action items of the transition plan; and any schedule reasonably requested by SCEL before or during the transition.
3. Provide status reports of transition progress, and identify the next steps of the plan, any uncompleted or delayed tasks and action items, and any anticipated change to the overall schedule and/or expected transition date;
4. Provide a comprehensive contact list of Contractor contacts assigned to the transition, including location, title, phone number(s), email address, and areas of responsibility relating to the transition plan; and
5. Schedule meetings, conference calls, and any other activities that need participation from SCEL, the Contractor, and any other designated parties before and/or during the transition;
6. SCEL expects the Contractor's transition plan services will be fully supported during the Contract's beginning and ending conversion periods with the previous and any subsequent Contractor.

### **3.8 DELIVERY/PERFORMANCE LOCATION - SPECIFIED (JAN 2006)**



After award, all deliveries shall be made and all services provided to the following address, unless otherwise specified:

**SC Education Lottery Commission**  
**1333 Main Street, Suite 400**  
**Columbia, SC 29201**

[03-3030-1]

## **PART IV. INFORMATION FOR OFFERORS TO SUBMIT**

### **4.0 INFORMATION FOR OFFERORS TO SUBMIT - EVALUATION (JAN 2006)**

In addition to information requested elsewhere in this solicitation, Offerors should submit the following information for purposes of evaluation. [04-4005-1]

#### **GENERAL INSTRUCTIONS**

This PART specifies the format for responses, provides a guide for an Offeror to ensure all required information is provided. All proposals must be complete and convey all of the information requested by SCEL. Proposals must provide a straightforward, concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Offerors are encouraged to include any additional information and any other recommendations or options they consider would be of benefit to SCEL. To be considered for award, all proposals must include, at a minimum, the following information. Offerors must restate each of the items listed below and provide their response immediately thereafter. **All information must be presented in the listed order:**

### **4.1 CONTENTS OF TECHNICAL PROPOSAL**

Offeror shall provide a detailed, comprehensive description of the solution being offered. Offeror shall address all items identified in the Scope of Work; responding to each requirement in the same order that it is listed in the Scope of Work. The Technical proposal shall be tabbed for easy access to each section; and arranged in the following order:

#### **A. COVER LETTER**

Offerors must provide a cover letter which includes a summary of the Offeror's ability to perform the services described herein and a statement that the Offeror is willing to perform the services and enter into a contract with the South Carolina Education Lottery. The cover letter must be signed by a person having the authority to commit the Offeror to a contract. The cover letter must include the representative's name, title, address, telephone number, e-mail address and any other appropriate means for contact of the representative.

#### **B. APPROACH AND UNDERSTANDING OF SCOPE OF WORK**

Provide a statement describing the Scope of Work as you understand it, and how your solution provides the best overall solution to successfully perform the work in Part III. Offerors must submit a fully detailed description of the proposed approach that meets or exceeds the minimum requirements and affirm that the banking services available to SCEL for the management of accounts and transactions are fully automated as set forth in the Scope of Work and Sections 3.1 through 3.3 and Section 3.7.

#### **C. ORGANIZATION SIZE, STRUCTURE, AND LOCATION OF SERVICES**

Offerors must include all pertinent information to substantiate their qualifications and capabilities to perform the services described in the Scope of Work and Sections 3.5 and 3.6, including:

1. Location and hours of operation of the Offeror's primary servicing facility and branch network facilities available to the Commission for conducting business in Columbia;
2. A description of the Offeror's primary servicing facility and branch network facilities which will offer convenience to SCEL's players for the purpose of cashing prize checks. The description must include:
  - a. the proximity of the Offeror's primary servicing branch to SCEL's Claims Center and Main Office in Columbia; and the number of customer-designated parking spots convenient for SCEL and its customers;
  - b. the number of branch locations in each market in South Carolina served by the Offeror;

- c. the number of employees and the professional level for each of those employees in the primary servicing facility and each branch location; and
- d. Offerors must explain how they will address the ability to cash unusually large volumes of checks due to an unusually large number of winning tickets and make cash resources available for such instances described in Section 3.5.

**D. CUSTOMER ACCOUNT MANAGEMENT CONTACTS**

Offerors must describe their proposed method of management of the contractual agreement contemplated in this RFP. The description must include the position(s) that will serve as point(s) of contact for the Commission and the location of individuals occupying this position(s). Offeror must identify a single point of contact, which will serve as the Senior Client Officer, and focal point for all Commission activities. The following information must be provided for all personnel:

1. Name, title, address, phone number, and email address of the Senior Client Officer serving as the primary contact person(s) assigned to this account and please provide any experience relevant to servicing lottery corporations or quasi-governmental or governmental entities.
2. Describe your institution's policy on changing the primary contact person on an account.
3. Name the individuals who will work with SCEL on a day-to-day basis, including: biographical information, proposed role, number of years of experience in this field, number of years with the institution and the level of decision making authority these individuals have to handle emergency needs of the Commission as they arise.
4. Describe the chain of command for problem resolutions.

**D. CASH MANAGEMENT AND INVESTMENT SERVICES**

Offerors must describe in detail the financial institution's proposed method of servicing the Commission's banking operations as set forth in the Scope of Work and Section 3.4.

1. Describe in detail, including all appropriate technology, the financial institution's proposed method of servicing the Commission's banking operations and cash management system.
2. Collateral – Offerors must include how collateral will be held to secure all funds and address the method by which collateral is established to cover deposits in excess of those insured by the FDIC and affirm that such method complies with S.C. Code Ann. §11-13-60.
3. Include the nature of investments, liquidity, and risk factors. Address how excess funds are invested on a daily or weekly basis.
4. Specify the minimum amount necessary to enter into the investment agreement and the incremental amounts above the minimum. In addition, specify the calculation used to arrive at the daily or weekly investment level.
5. The description must also include the manner in which SCEL would receive credit for its available funds and the interest rate that would be applied to the balance of available funds. The interest rate must be indexed to the Average Federal Funds Rate (as published in the *Wall Street Journal*). The Offeror may make a recommendation on the manner in which SCEL would receive the most benefit from its available funds and must affirm that the Offeror will work in good faith with SCEL to maximize its benefit on its available funds as circumstances and the interest rate environment change over the term of the agreement.

**E. ADMINISTRATIVE COSTS FOR SCEL ACCOUNTS**

Offerors must address their method of determining administrative costs, if any, to be charged for servicing the Commission's accounts described in Section 3.1(B). The method of charging/collecting, required minimum non-invested balances, if any, and other pertinent data concerning any proposed administrative fee must be included in the proposal. The Commission's preference is to have all available balances invested on a daily basis and to have administrative costs debited directly to the operating account each month. If no administrative costs are proposed, or if a minimum non-invested

balance is not to be established, so state in the proposal. Do not address any fee amounts in this portion of the proposal; fee amounts must only be addressed in the Price Proposal as required in Section 4.2.

**F. ADDITIONAL INFORMATION**

Offerors shall submit any additional information for consideration such as any new or specialized services, staff available or other pertinent information that will enhance the Commission’s utilization of the banking services described. The Offeror should provide any additional information that your financial institution believes to be pertinent, but not specifically requested elsewhere in the RFP.

**4.2 CONTENTS OF PRICE PROPOSAL**

Notwithstanding any other instructions herein, you shall submit the following price information as a separate document:

**COST SCHEDULE WORKSHEET**

Offerors must **complete and return the “Cost Schedule Worksheet”** (in Section VIII - Attachment 8.2) and include any additional documentation to support pricing in response to this section. Please list any other fees, including any one-time or set-up charges, research fees and minimum fees. Since the Cost Schedule Worksheet sets forth the Offeror’s Price Proposal, failure to provide the Cost Schedule Worksheet **cannot be considered a minor informality**, and could result in your offer being deemed non-responsive.

**EXHIBIT MATERIALS**

Exhibits A and B are two (2) Account Analysis Statements to facilitate the completion of the Cost Schedule Worksheet (in Section VIII - Attachment 8.2). Exhibit A is an Account Analysis Statement for a High Volume Month (See Section VIII – Exhibit A). Exhibit B is an Account Analysis Statement for a Low Volume Month (See Section VIII – Exhibit B). Each Statement provides details of the services SCEL requires and currently receives from its Bank.

Exhibit C is an example of a completed Cost Schedule Worksheet (See Section VIII – Exhibit C). Please note that the sample cost and interest rate information (in Exhibit C) are for ILLUSTRATIVE PURPOSES ONLY and **do not** reflect what SCEL’s current bank actually charges SCEL for its services.

**PRICE PROPOSAL INSTRUCTIONS**

**The Price Proposal** MUST INCLUDE the Cost Schedule Worksheet and any relevant supporting price information submitted in response to this RFP) and MUST BE submitted **SEPARATELY** from that of the Technical Proposal. Offerors may modify the Cost Schedule Worksheet (Attachment 8.2) as necessary, to describe the fees that it will charge **based on the volume of transactions in the high volume Account Analysis Statement (Exhibit A)**. If the Offeror describes the individual services differently, then the Offeror must include the volume of transactions for such services from the high volume Account Analysis Statement included herein (Exhibit A) so that a level cost comparison can be made between the Offerors.

#### 4.3 INFORMATION FOR ALL OFFERORS TO SUBMIT – GENERAL (MODIFIED)

Offeror shall submit a signed Cover Page and Page Two. Offeror must submit a signed Cover Page and Page Two. Offeror should submit all other information and documents requested in this PART and in PARTS II.B. Special Instructions; III. Scope of Work; V - Qualifications; and any other information deemed pertinent should be submitted.

#### 4.4 IDENTIFYING INFORMATION AND INFORMATION REQUIRED BY THE LOTTERY ACT

**As required by S.C. Code § 59-150-130(A), Offerors must submit the following information (if the Offeror believes that a particular item is inapplicable, please state so). If a subcontractor performs work that results in at least 20% of the cost of this contract, then the Offeror shall disclose the information required below as if the subcontractor were the Offeror. Note:** Information presented in response to Section 4.4 will not be evaluated nor scored by the Evaluation Panel. It will be used to determine full compliance with Lottery Act requirements and is necessary to perform any background investigations. Additional information may be required to complete the investigation and, if necessary, will be requested at the appropriate time. By submitting a proposal, the Offeror agrees to provide the requested information in a timely manner as outlined below.

- a) Offeror's name and address and, as applicable, names and addresses of the following, if the Offeror is:
  - i. a corporation, the officers and directors and each stockholder in the corporation, except that in the case of owners of equity securities of a publicly traded corporation, the names and addresses of only those known to the corporation to own **(at a minimum)** beneficially five percent or more of the securities must be disclosed;
  - ii. a trust, the trustee, and all persons entitled to receive income or benefits from the trust;
  - iii. an association, the members, officers, and directors; and
  - iv. a partnership or joint venture, all of the general partners, limited partners, or joint ventures;
- b) The states and jurisdictions in which the lottery vendor does business and the nature of the business for each such state or jurisdiction;
- c) The states and jurisdictions in which the lottery vendor has contracts to supply gaming goods or services including, but not limited to, lottery goods and services, and the nature of the goods or services involved for each state or jurisdiction;
- d) The states and jurisdictions in which the lottery vendor has applied for, sought renewal of, received, been denied, or had revoked, or has issuance pending of, a lottery or gaming license of any kind or had fines or penalties assessed to his license, Contract, or operation and the disposition of each in each state or jurisdiction. If a lottery or gaming license or Contract has been revoked or has not been renewed or a lottery or gaming license or application has been denied or is pending and has remained pending for more than six months, all of the facts and circumstances underlying the failure to receive a license must be disclosed;
- e) Details of a finding or any plea, conviction, or adjudication of guilt in a state or federal court of the lottery vendor for a felony or other criminal offense other than a traffic violation;
- f) Details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including bonded indebtedness, or pending litigation of the lottery vendor; A statement that the Offeror understands that a lottery vendor ["Lottery vendor" means a person who provides or proposes to provide goods or services to the South Carolina Lottery Commission pursuant to a procurement contract, but does not include an employee of the commission, a lottery retailer, or a state agency or instrumentality of the State. The term includes a corporation whose shares are traded publicly and which is the parent company of the contracting party in a procurement contract.] shall not contribute, for a period of twelve months before entering into the procurement process, except that during the first twelve months the period must be from the date of enactment, and during the term of the contract, to or make independent expenditures relative to the campaign of a candidate for the General Assembly or a statewide constitutional office; to any political party, as defined in Section 8-13-1300(26); or to a committee, as defined in Section 8-13-1300(6). **These prohibitions and**

**restrictions described do not apply to a lottery vendor that is a federally-chartered or insured financial institution that provides only usual and customary banking services as a lottery vendor, but do apply to the vendor's employees and their immediate family members who are involved on a day-to-day basis in providing the goods or services that are the subject of the contract with the commission.**

- g) A statement that the Offeror understands that a lottery vendor must not enter into a contract for the purpose of influencing a political decision in connection with the operation of the lottery, and a lottery vendor must not employ, contract with, or otherwise authorize a lobbyist, as defined in Section 2-17-10(13), to engage in lobbying, as defined in Section 2-17-10(12), on behalf of the lottery vendor for the purpose of influencing a political decision in connection with the operation of the lottery.

#### **4.5 MINORITY PARTICIPATION (DEC 2015)**

Is the bidder a South Carolina Certified Minority Business?  Yes  No

Is the bidder a Minority Business certified by another governmental entity?  Yes  No If so, please list the certifying governmental entity: \_\_\_\_\_

Will any of the work under this contract be performed by a SC certified Minority Business as a subcontractor?  Yes  No

If so, what percentage of the total value of the contract will be performed by a SC certified Minority Business as a subcontractor? \_\_\_\_\_

Will any of the work under this contract be performed by a minority business certified by another governmental entity as a subcontractor?  Yes  No

If so, what percentage of the total value of the contract will be performed by a minority business certified by another governmental entity as a subcontractor? \_\_\_\_

If a certified Minority Business is participating in this contract, please indicate all categories for which the Business is certified:

- Traditional minority
- Traditional minority, but female  Women (Caucasian females)
- Hispanic minorities
- DOT referral (Traditional minority)  DOT referral (Caucasian female)
- Temporary certification
- SBA 8 (a) certification referral
- Other minorities (Native American, Asian, etc.)

(If more than one minority contractor will be utilized in the performance of this contract, please provide the information above for each minority business.) The Department of Administration, Division of Small and Minority Business Contracting and Certification, publishes a list of certified minority firms. The Minority Business Directory is available at the following URL:

<http://osmba.sc.gov/directory.html> [04-4015-3]

## **PART V. QUALIFICATIONS**

### **5.0 QUALIFICATIONS OF OFFEROR (MODIFIED)**

- (a) To be eligible for award, you must have the capability in all respects to perform fully the contract requirements and the integrity and reliability which will assure good faith performance. We may also consider a documented commitment from a satisfactory source that will provide you with a capability. We may consider information from any source at any time prior to award. We may elect to consider (i) key personnel, any predecessor business, and any key personnel of any predecessor business, including any facts arising prior to the date a business was established, and/or (ii) any subcontractor you identify.
- (b) You must promptly furnish satisfactory evidence of responsibility upon request. Unreasonable failure to supply requested information is grounds for rejection.
- (c) Corporate subsidiaries are cautioned that the financial capability of an affiliated or parent company may be considered in determining financial capability.

### **5.1 QUALIFICATIONS - SPECIAL STANDARDS OF RESPONSIBILITY (MODIFIED)**

This section establishes special standards of responsibility. Any bidder submitting a Proposal in response to this RFP must meet the minimum qualifications listed below. Information demonstrating the qualifications defined below must be incorporated into the bidder's response to **Part 4, Proposal Response**. **UNLESS YOU POSSESS THE FOLLOWING MANDATORY MINIMUM QUALIFICATIONS, DO NOT SUBMIT AN OFFER:**

- (a) Offeror must be a state or federally chartered commercial bank and must be Federal Deposit Insurance Corporation ("FDIC") insured;
- (b) Offeror must be able to act as both an Originating Depository Financial Institution and a Receiving Depository Financial Institution, able to both initiate and receive ACH entries;
- (c) Offeror's bank branches must cash checks drawn on the Lottery prize payment checking account free of charge to the customer, including customers who do not have an account with the bidder's bank;
- (d) Offeror must have a minimum of five years of experience in government banking.

### **5.2 QUALIFICATIONS - REQUIRED INFORMATION (MODIFIED)**

You must submit the following information or documentation for you and for any subcontractor (at any tier level) that you identify pursuant to Section 5.3. Err on the side of inclusion. You represent that the information provided is complete.

- (a) The Dun and Brad Street number of the financial institution.
- (b) The general history and experience of the business in providing work of similar size and scope.
- (c) A detailed, narrative statement listing the three most recent, comparable contracts (including contact information) which have been performed. For each contract, describe how the supplies or services provided are similar to those requested by this solicitation, and how they differ.
- (d) A list of every South Carolina public body for which supplies or services have been provided at any time during the past three years, if any.
- (e) List of failed projects, suspensions, debarments, and significant litigation.

### **5.3 SUBCONTRACTOR – IDENTIFICATION (MODIFIED)**

If you intend to subcontract, at any tier level, with another business for any portion of the work and that portion either (1) exceeds 20% of your cost, (2) involves access to any "government information," as defined in Section 7.26, " if included, or (3) otherwise involves services critical to your performance of the work (err on the side of inclusion), your offer must identify that business and the work which they are to perform. Identify potential subcontractors by providing the business name, address, phone, taxpayer identification number, and point of contact. In determining your responsibility, the state may contact and evaluate your proposed subcontractors.

## **PART VI. AWARD CRITERIA**

### **6.1 AWARD CRITERIA - PROPOSALS (JAN 2006)**

Award will be made to the highest ranked, responsive and responsible offeror whose offer is determined to be the most advantageous to the State. [06-6030-1]

### **6.2 AWARD TO ONE OFFEROR (JAN 2006)**

Award will be made to one Offeror. [06-6040-1]

### **6.3 DISCUSSIONS AND NEGOTIATIONS - OPTIONAL (FEB 2015)**

Submit your best terms from both a price and a technical standpoint. Your proposal may be evaluated and your offer accepted without any discussions, negotiations, or prior notice. Ordinarily, nonresponsive proposals will be rejected outright without prior notice. Nevertheless, the State may elect to conduct discussions, including the possibility of limited proposal revisions, but only for those proposals reasonably susceptible of being selected for award. [11-35-1530(6); R.19-445.2095(I)] If improper revisions are submitted during discussions, the State may elect to consider only your unrevised initial proposal, provided your initial offer is responsive. The State may also elect to conduct negotiations, beginning with the highest ranked offeror, or seek best and final offers, as provided in Section 11-35-1530(8). Negotiations may involve both price and matters affecting the scope of the contract, so long as changes are within the general scope of the request for proposals. If negotiations are conducted, the State may elect to disregard the negotiations and accept your original proposal. [06-6058-1]

### **6.4 EVALUATION FACTORS - PROPOSALS (MODIFIED)**

An evaluation will be conducted identifying the financial institutions deemed fully qualified and best suited among those submitting proposals on the basis of the requirements set forth in this RFP and submission of requirements outlined in Part 4 and the criteria listed below. Evaluation Factors are stated in the relative order of importance. Each Panel Member will assign points subjectively in response to the information submitted below. Once the evaluation is complete, all responsive offers will be ranked from most advantageous to least advantageous in accordance with the Offerors overall ability to fulfill the requirements of this RFP.

#### **A. Technical Evaluation – 800 Points**

- 1) Offeror's ability to provide and execute the comprehensive banking services and administration of accounts to satisfy the needs and operational requirements of SCEL [Section 4.1 (B)(G)]: 400 points.
- 2) Organization Size, Structure, Location, and Experience of the financial institution and individuals assigned to the account; [Section 4.1 (C)(D)]: 300 points.
- 3) Evaluation of the potential earnings of the proposed cash management/investment system [Section 4.1 (E)] and methodology for determining administrative fees [Section 4.1 (F)]: 100 points.

#### **B. Pricing Evaluation – 200 Points**

Evaluation of total monthly and annual costs for the proposed banking services and Interest Rate submitted in response to the Price Proposal [Section 4.2]: 200 potential points.



## **PART VII. TERMS AND CONDITIONS - A. GENERAL**

### **7.0 ASSIGNMENT, NOVATION, AND CHANGE OF NAME, IDENTITY, OR STRUCTURE (FEB 2015)**

(a) Contractor shall not assign this contract, or its rights, obligations, or any other interest arising from this contract, or delegate any of its performance obligations, without the express written consent of the responsible procurement officer. The foregoing restriction does not apply to a transfer that occurs by operation of law (e.g., bankruptcy; corporate reorganizations and consolidations, but not including partial asset sales). Notwithstanding the foregoing, contractor may assign monies receivable under the contract provided that the state shall have no obligation to make payment to an assignee until thirty days after contractor (not the assignee) has provided the responsible procurement officer with (i) proof of the assignment, (ii) the identity (by contract number) of the specific state contract to which the assignment applies, and (iii) the name of the assignee and the exact address or account information to which assigned payments should be made. (b) If contractor amends, modifies, or otherwise changes its name, its identity (including its trade name), or its corporate, partnership or other structure, or its FEIN, contractor shall provide the procurement officer prompt written notice of such change. (c) Any name change, transfer, assignment, or novation is subject to the conditions and approval required by Regulation 19-445.2180, which does not restrict transfers by operation of law. [07-7A004-2]

### **7.1 BANKRUPTCY - GENERAL (FEB 2015)**

(a) Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to the Using Governmental Unit. This notification shall be furnished within two (2) days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all State contracts against which final payment has not been made. This obligation remains in effect until final payment under this Contract. (b) Termination. This contract is voidable and subject to immediate termination by the State upon the contractor's insolvency, including the filing of proceedings in bankruptcy. [07-7A005-2]

### **7.2 CHOICE-OF-LAW (JAN 2006)**

The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation. [07-7A010-1]

### **7.3 CONTRACT DOCUMENTS & ORDER OF PRECEDENCE (MODIFIED)**

(a) Any contract resulting from this solicitation shall consist of the following documents: (1) a Record of Negotiations, if any, executed by you and the Procurement Officer, (2) the solicitation, as amended, (3) discussions [11- 35-1530(6)] of an offer, if applicable, (4) your offer, (5) any statement reflecting the state's final acceptance (a/k/a "award"), and (6) purchase orders. These documents shall be read to be consistent and complimentary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above.

(b) The terms and conditions of documents (1) through (5) above shall apply notwithstanding any additional or different terms and conditions in any other document, including without limitation, (i) a purchase order or other instrument submitted by the State, (ii) any invoice or other document submitted by Contractor, or (iii) any privacy policy, terms of use, or end user agreement. Except as otherwise allowed herein, the terms and conditions of all such documents shall be void and of no effect. No contract, license, or other agreement containing contractual terms and conditions will be signed by any Using Governmental Unit. Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect. [07-7A015-2]

### **7.4 CONTRACT INTERPRETATION**

(a) In the event there are any disagreements between the parties with regards to the application of this Contract or the requirements of SCEL arising from any interpretation of the Request for Proposal, this Contract, or any other matter that is subject to resolution as provided in S.C. Code Ann. § 11-35-4230, Contractor agrees to defer to the reasonable interpretations of SCEL as from time to time may be made by SCEL (See Section 3.0). This provision applies to all matters including those arising from disputes concerning whether Contractor is required to provide some service or item including scope of work issues and whether particular items or services were included in the scope of work agreed to by the parties in this Contract or otherwise. In summary, if both parties have a reasonable interpretation regarding application of the Contract, Contractor agrees to defer to SCEL's interpretation.

(b) The above requirements shall apply to any Change Orders, Contract modifications, or other deviations to this Contract. Failure to receive the prior written and express approval of SCEL prior to implementing any changes to the requirements provided for hereunder, for which requests for extra or additional compensation are thereafter submitted by the Contractor to SCEL, shall impose no liability for payment upon SCEL and may be rejected by SCEL without recourse.

#### **7.5 DISCOUNT FOR PROMPT PAYMENT (JAN 2006)**

(a) Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a discount for prompt payment in conjunction with the offer, offerors awarded contracts may include discounts for prompt payment on individual invoices.

(b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided the state annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day. [07-7A020-1]

#### **7.6 DISPUTES (JAN 2006)**

(1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement or Contract shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by the Government regarding the Agreement or Contract is not a waiver of either the Government's sovereign immunity or the Government's immunity under the Eleventh Amendment of the United States' Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by the solicitation.

(2) Service of Process. Contractor consents that any papers, notices, or process necessary or proper for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner that is permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail. [07-7A025-1]

**7.7 EFT INFORMATION (MODIFIED)** The Contractor must furnish SCEL information necessary for making a payment by electronic funds transfer (EFT). The Contractor is responsible for the currency, accuracy, and completeness of the EFT information. Updating EFT information may not be used to accomplish an

assignment of the right to payment, does not alter the terms and conditions of this contract, and is not a substitute for a properly executed contractual document.

**7.8 EQUAL OPPORTUNITY (JAN 2006)**

Contractor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference. [07-7A030-1]

**7.9 FALSE CLAIMS (JAN 2006)**

According to the S.C. Code of Laws § 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime. [07-7A035-1]

**7.10 FIXED PRICING REQUIRED (JAN 2006)**

Any pricing provided by contractor shall include all costs for performing the work associated with that price. Except as otherwise provided in this solicitation, contractor's price shall be fixed for the duration of this contract, including option terms. This clause does not prohibit contractor from offering lower pricing after award. [077A040-1]

**7.11 NO INDEMNITY OR DEFENSE (FEB 2015)**

Any term or condition is void to the extent it requires the State to indemnify, defend, or pay attorney's fees to anyone for any reason. [07-7A045-2]

**7.12 NOTICE (JAN 2006)**

(A) After award, any notices shall be in writing and shall be deemed duly given (1) upon actual delivery, if delivery is by hand, (2) upon receipt by the transmitting party of automated confirmation or answer back from the recipient's device if delivery is by telex, telegram, facsimile, or electronic mail, or (3) upon deposit into the United States mail, if postage is prepaid, a return receipt is requested, and either registered or certified mail is used. (B) Notice to contractor shall be to the address identified as the Notice Address on Page Two. Notice to the state shall be to the Procurement Officer's address on the Cover Page. Either party may designate a different address for notice by giving notice in accordance with this paragraph. [07- 7A050-1]

**7.13 OPEN TRADE (JUN 2015)**

During the contract term, including any renewals or extensions, Contractor will not engage in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300. [07-7A053-1]

**7.14 PUBLICITY (JAN 2006)**

Contractor shall not publish any comments or quotes by state employees, or include the state in either news releases or a published list of customers, without the prior written approval of the procurement officer. [07-7A060-1]

**7.15 PURCHASE ORDERS (JAN 2006)**

Contractor shall not perform any work prior to the receipt of a purchase order from the using governmental unit. The using governmental unit shall order any supplies or services to be furnished under this contract by issuing a purchase order. Purchase orders may be used to elect any options available under this contract, e.g., quantity, item, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order. [07-7A065-1]

**7.16 SURVIVAL OF OBLIGATIONS (JAN 2006)**

The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses: Indemnification - Third Party Claims, Intellectual Property Indemnification, and any provisions regarding warranty or audit. [07-7A075-1]

**7.17 TAXES (JAN 2006)**

Any tax the contractor may be required to collect or pay upon the sale, use or delivery of the products shall be paid by the State, and such sums shall be due and payable to the contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by the State. It shall be solely the State's obligation, after payment to contractor, to challenge the applicability of any tax by negotiation with, or action against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to contractor by the taxing authority. In the event that the contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by the State to contractor, contractor shall be liable to the State for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on Contractor's net income or assets shall be the sole responsibility of the contractor. [07-7A080-1]

**7.18 THIRD PARTY BENEFICIARY (JAN 2006)**

This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third party beneficiary or otherwise. [07-7A090-1]

**7.19 WAIVER (JAN 2006)**

The State does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to strictly or promptly insist upon any term of the Contract. Only the Procurement Officer has actual authority to waive any of the State's rights under this Contract. Any waiver must be in writing. [07-7A095-1]

## **PART VII. TERMS AND CONDITIONS -- B. SPECIAL**

### **7.20 CHANGES (MODIFIED)**

(1) Contract Modification. By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following: drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for the [State] in accordance therewith; method of shipment or packing; place of delivery; description of services to be performed; time of performance (i.e., hours of the day, days of the week, etc.); or, place of performance of the services. Subparagraphs (a) to (c) apply only if supplies are furnished under this contract. Subparagraphs (d) to (f) apply only if services are performed under this contract. Adjustments of Price or Time for Performance. If any such change increases or decreases the contractor's cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made in the contract price, the delivery schedule, or both, and the contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined in accordance with the Price Adjustment Clause of this contract. Failure of the parties to agree to an adjustment shall not excuse the contractor from proceeding with the contract as changed, provided that the State promptly and duly make such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the contractor shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion. Time Period for Claim. Within 30 days after receipt of a written contract modification under Paragraph (1) of this clause, unless such period is extended by the Procurement Officer in writing, the contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the contractor's claim unless the State is prejudiced by the delay in notification. Claim Barred After Final Payment. No claim by the contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract. [07-7B025-1]

### **7.21 COMPLIANCE WITH LAWS (JAN 2006)**

During the term of the contract, contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs. [07-7B035-1]

### **7.22 CONTRACTOR PERSONNEL (JAN 2006)**

The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. [07-7B060-1]

### **7.23 CONTRACTOR'S OBLIGATION - GENERAL (JAN 2006)**

The contractor shall provide and pay for all materials, tools, equipment, labor and professional and non-professional services, and shall perform all other acts and supply all other things necessary, to fully and properly perform and complete the work. The contractor must act as the prime contractor and assume full responsibility for any subcontractor's performance. The contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements. [07-7B065-1]

### **7.24 DEFAULT (JAN 2006)**

(a) (1) The State may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this contract in whole or in part if the Contractor fails to:

- (i) Deliver the supplies or to perform the services within the time specified in this contract or any extension;
- (ii) Make progress, so as to endanger performance of this contract (but see paragraph (a)(2) of this clause); or
- (iii) Perform any of the other material provisions of this contract (but see paragraph (a)(2) of this clause).

(2) The State's right to terminate this contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the Contractor does not cure such failure within 10 days (or more if authorized in writing by the

Procurement Officer) after receipt of the notice from the Procurement Officer specifying the failure.

(b) If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Procurement Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

(c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Contractor.

(d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule.

(e) If this contract is terminated for default, the State may require the Contractor to transfer title and deliver to the State, as directed by the Procurement Officer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Procurement Officer, the Contractor shall also protect and preserve property in its possession in which the State has an interest.

(f) The State shall pay contract price for completed supplies delivered and accepted. The Contractor and Procurement Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under the Disputes clause. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.

(g) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the State, be the same as if the termination had been issued for the convenience of the State. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of the State, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the contractor's rights under the Disputes clause.

(h) The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or under this contract. [07-7B075-1]

## **7.25 ILLEGAL IMMIGRATION (NOV 2008)**

An overview is available at <http://www.procurement.sc.gov> By signing your offer, you certify that you will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agree to provide to the State upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable to you and your subcontractors or sub-subcontractors; or (b) that you and your subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." You agree to include in any contracts with your subcontractors language requiring your subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub- subcontractors language requiring the sub-

subcontractors to comply with the applicable requirements of Title 8, Chapter 14. [07-7B097-1]

#### **7.26 INFORMATION SECURITY - DEFINITIONS (FEB 2015)**

The following definitions are used in those clauses that cross reference this clause.

**Compromise** means disclosure of information to unauthorized persons, or a violation of the security policy of a system in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object may have occurred. Without limitation, the term “compromise” includes copying the data through covert network channels, or copying the data to unauthorized media, or disclosure of information in violation of any obligation imposed by this contract.

**Data** means a subset of information in an electronic format that allows it to be retrieved or transmitted.

**Government information** means information (i) provided to Contractor by, or generated by Contractor for, the using governmental unit, or (ii) acquired or accessed by Contractor as a result of performing the Work. Without limiting the foregoing, government information includes any information that Contractor acquires or accesses by software or web-based services, which includes, without limitation, any metadata or location data. Government information excludes unrestricted information. **Information** means any communication or representation of knowledge such as facts, statistics, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.

**Information system** means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

**Public information** means any specific information, regardless of form or format, that the State has actively and intentionally disclosed, disseminated, or made available to the public. Information is not public information solely because it may be subject to inspection pursuant to an unfulfilled public records request.

**Software** means any computer program accessed or used by the Using Governmental Unit or a third party pursuant to or as a result of this contract.

**Third party** means any person or entity other than the Using Governmental Unit, the Contractor, or any subcontractors at any tier.

**Unrestricted information** means (1) public information acquired other than through performance of the work, (2) information acquired by Contractor prior to contract formation, (3) information incidental to your contract administration, such as financial, administrative, cost or pricing, or management information, and (4) any ideas, concepts, know-how, methodologies, processes, technologies, techniques which Contractor develops or learns in connection with Contractor’s performance of the work.

**Web-based service** means a service accessed over the Internet and acquired, accessed, or used by the using governmental unit or a third party pursuant to or as a result of this contract, including without limitation, cloud services, software-as-a-service, and hosted computer services.

[07-7B104-1]

#### **7.27 INFORMATION SECURITY – LOCATION OF DATA (FEB 2015)**

Notwithstanding any other provisions, contractor is prohibited from processing, storing, transmitting, or accessing government information, as defined in the clause titled Information Security - Definitions, outside the continental United States. For clarity, this obligation is a material requirement of this contract and applies to subcontractors at any tier. [07-7B106-1]

#### **7.28 INFORMATION USE AND DISCLOSURE (FEB 2015)**

Except to the extent necessary for performance of the work, citizens should not be required to share information with those engaged by the government in order to access services provided by the government and such information should be used by those engaged by the government only to the extent necessary to perform the work acquired; accordingly, this clause addresses basic requirements for the Contractor’s use and disclosure of government information, which expressly includes, but is not limited to, information provided by or obtained from the citizens. Anonymizing information does not resolve the foregoing concern. This clause should be broadly interpreted to effectuate this intent. Every obligation in this clause is material. Absent

express reference to this clause, this clause supersedes any other clause to the extent of any inconsistency unless and to the extent the other clause provides greater protection for government information.

(a) *Definitions.* The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions.

(b) *Legal mandates.* Contractor shall be permitted to use, disclose, or retain government information to the limited extent necessary to comply with any requirement imposed on Contractor by law. If it is necessary for Contractor to use, disclose, or retain government information in order to comply with a law, Contractor shall provide using governmental unit with written notice, including a description of the circumstances and applicable law, in advance of such use, disclosure or retention except to the extent expressly prohibited by law.

(c) *Flow down.* Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement the requirements of this clause on, any other person or entity that contractor authorizes to take action related to government information.

(d) *Collecting Information.* Contractor must gather and maintain government information only to the minimum extent necessary to accomplish the work.

*Rights, Disclosure and Use.* Except as otherwise expressly provided in this solicitation, Contractor agrees NOT to either (1) use or disclose government information, or (2) retain government information after termination or expiration of this contract. Contractor acquires no rights in any government information except the limited rights to use, disclose and retain the government information in accordance with the terms of this solicitation. To the extent reasonably necessary to perform the work, Contractor may: (i) use (including access, process, transmit, and store) and maintain the government information itself; and (ii) disclose government information to persons having a need-to-know (e.g., subcontractors). Before disclosing government information to a subcontractor or third party, Contractor shall give the using governmental unit detailed written notice of both the reason for disclosure and the identity and location of the recipient. The notice shall be provided no later than fifteen (15) business days in advance of the disclosure.

(f) *Return.* Notwithstanding the using governmental unit's failure to perform or the pendency of a dispute, Contractor agrees to promptly deliver to the using governmental unit (or destroy, at the using governmental unit's option) all government information in its possession as and upon written request of using governmental unit (provided that, if the contract has not expired or been terminated, Contractor shall be excused from the performance of any work reasonably dependent on Contractor's further access to such government information).

(g) *Privacy Policy & Applicable Laws.* Without limiting any other legal or contractual obligations imposed by this contract or the law, Contractor shall (a) comply with its own privacy policies and written privacy statements relevant to the work, and (b) comply with (1) all laws applicable to Contractor regarding government information, and (2) all laws and standards identified in the clause, if included, entitled Information Use and Disclosure – Standards.

*Actions Following Disclosure.* Immediately upon discovery of a compromise or improper use of government information, Contractor shall take such action as may be necessary to preserve forensic evidence and eliminate the cause of the compromise or improper use. As soon as practicable, but no later than twenty-four hours after discovery, Contractor shall notify using governmental unit of the compromise or improper use, including a description of the circumstances of the use or compromise. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide the using governmental unit all information necessary to enable the using governmental unit to fully understand the nature and extent of the compromise or improper use. With regard to any compromise or improper use of government information, Contractor shall: (1) provide any notification to third parties legally required to be provided such notice by Contractor, and if not (e.g., if legally required of the using governmental unit), Contractor shall reimburse using governmental unit for the cost of providing such notifications; (2) pay all costs and expenses for at least two years of identity theft monitoring services (including without limitation, credit monitoring) and identity theft restoration services for any such affected individuals receiving notice where such services are appropriate given the circumstances of the incident and the nature of the information compromised; (3) undertake any other measures that are customary and reasonable for an entity to take when



experiencing a similar disclosure, (4) pay any related fines or penalties imposed on the using governmental unit, and (5) reimburse the Using Governmental Unit all costs reasonably incurred for communications and public relations services involved in responding to the compromise or improper use. Notwithstanding any other provision, contractor's obligations pursuant to this item (h) are without limitation.

(i) *Survival & Remedy.* All the obligations imposed by this paragraph are material. The obligations of this section shall survive termination or expiration of the contract. Without limiting any rights the using governmental unit may have, and notwithstanding any other term of this contract, Contractor agrees that using governmental unit may have no adequate remedy at law for a breach of Contractor's obligations under this clause and therefore the using governmental unit shall be entitled to pursue equitable remedies in the event of a breach of this clause. [07- 7B108-1]

### **7.29 INFORMATION USE AND DISCLOSURE – STANDARDS (FEB 2015)**

To the extent applicable:

- (a) Breach of security of state agency data; notification; rights and remedies of injured parties; penalties; notification of Consumer Protection Division, S.C. Code Ann. Section 1-11-490.
- (b) South Carolina Financial Identity Fraud and Identity Theft Protection Act (FIFITPA), 2008 Act 190, as amended. Solely for purposes of Section 39-1-90 of the South Carolina Code of Laws, as amended, Contractor is deemed to be the owner of government information, as defined herein, and Contractor agrees that the Using Governmental Unit is not a licensee.
- (c) The South Carolina Family Privacy Protection Act of 2002, S.C. Code Ann. Sections 30-2-10, et seq.
- (d) Personal Identifying Information Privacy Protection, S.C. Code Ann. Sections 30- 2-310 et seq.

Data Breach Notification, 2014 Act No. 286, Section 117.117, as revised in any future annual appropriations act. [07-7B110-1]

### **7.30 PRICE ADJUSTMENTS (MODIFIED)**

(1) Method of Adjustment. Any adjustment in the contract price made pursuant to a clause in this contract shall be consistent with this Contract and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Contractor (including profit, if otherwise allowed):

- (a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
- (b) by unit prices specified in the Contract or subsequently agreed upon;
- (c) by the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon;
- (d) in such other manner as the parties may mutually agree; or,
- (e) in the absence of agreement by the parties, through a unilateral initial written determination by the Procurement Officer of the costs attributable to the event or situation covered by the clause, including profit if otherwise allowed, all as computed by the Procurement Officer in accordance with generally accepted accounting principles, subject to the provisions of Title 11, Chapter 35, Article 17 of the S.C. Code of Laws.

(2) Submission of Price or Cost Data. Upon request of the Procurement Officer, the contractor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable, consistent with the provisions of Section 11-35-1830.

**This is a firm fixed price term contract. It is the intent of the SCEL to maintain the bid price for the initial term (3 years) plus the optional two (2) year renewal term. Offerors are encouraged to provide pricing accordingly. The price adjustment clause is included so the SCEL may consider a price increase in highly unusual market conditions. In the absence of highly unusual market conditions, the State intends to hold the original award prices flat throughout the maximum five (5) year life of the resulting contract.**

### **7.31 PRICING DATA - AUDIT - INSPECTION (JAN 2006)**

[Clause Included Pursuant to Section 11-35-1830, - 2210, & -2220] (a) Cost or Pricing Data. Upon Procurement

Officer's request, you shall submit cost or pricing data, as defined by 48 C.F.R. Section 2.101 (2004), prior to either (1) any award to contractor pursuant to 11-35-1530 or 11-35-1560, if the total contract price exceeds \$500,000, or (2) execution of a change order or contract modification with contractor which exceeds \$100,000. Your price, including profit or fee, shall be adjusted to exclude any significant sums by which the state finds that such price was increased because you furnished cost or pricing data that was inaccurate, incomplete, or not current as of the date agreed upon between parties. (b) Records Retention. You shall maintain your records for three years from the date of final payment, or longer if requested by the chief Procurement Officer. The state may audit your records at reasonable times and places. As used in this subparagraph (b), the term "records" means any books or records that relate to cost or pricing data submitted pursuant to this clause. In addition to the obligation stated in this subparagraph (b), you shall retain all records and allow any audits provided for by 11-35-2220(2). (c) Inspection. At reasonable times, the state may inspect any part of your place of business which is related to performance of the work. (d) Instructions Certification. When you submit data pursuant to subparagraph (a), you shall (1) do so in accordance with the instructions appearing in Table 15-2 of 48 C.F.R. Section 15.408 (2004) (adapted as necessary for the state context), and (2) submit a Certificate of Current Cost or Pricing Data, as prescribed by 48 CFR Section 15.406-2(a) (adapted as necessary for the state context). (e) Subcontracts. You shall include the above text of this clause in all of your subcontracts. (f) Nothing in this clause limits any other rights of the state. [07-7B185-1]

### **7.32 RELATIONSHIP OF THE PARTIES (JAN 2006)**

Neither party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party. [07-7B205-1]

### **7.33 TERM OF CONTRACT - EFFECTIVE DATE / INITIAL CONTRACT PERIOD (JAN 2006)**

The effective date of this contract is the first day of the Maximum Contract Period as specified on the final statement of award. The initial term of this agreement is 3 years, 0 months, 0 days from the effective date performance begins. Regardless, this contract expires no later than the last date stated on the final statement of award. [07-7B240-1]

### **7.34 TERM OF CONTRACT – OPTION TO RENEW FEB 2021)**

At the end of the initial term, and at the end of each renewal term, this contract shall automatically renew for a period of 2 year(s), 0 month(s), and 0 day(s), unless contractor receives notice that the state elects not to renew the contract at least thirty (30) days prior to the date of renewal. Regardless, this contract expires no later than the last date stated on the final statement of award. [07-7B245-3]

### **7.35 TERMINATION FOR CONVENIENCE (JAN 2006)**

(1) Termination. The Procurement Officer may terminate this contract in whole or in part, for the convenience of the State. The Procurement Officer shall give written notice of the termination to the contractor specifying the part of the contract terminated and when termination becomes effective.

(2) Contractor's Obligations. The contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the contractor will stop work to the extent specified. The contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the contractor to assign the contractor's right, title, and interest under terminated orders or subcontracts to the State. The contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Supplies. The Procurement Officer may require the contractor to transfer title and deliver to the State in the manner and to the extent directed by the Procurement Officer: (a) any completed supplies; and (b) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings,

information, and contract rights (hereinafter called "manufacturing material") as the contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. The contractor shall, upon direction of the Procurement Officer, protect and preserve property in the possession of the contractor in which the State has an interest. If the Procurement Officer does not exercise this right, the contractor shall use best efforts to sell such supplies and manufacturing materials in a accordance with the standards of Uniform Commercial Code Section 2-706. Utilization of this Section in no way implies that the State has breached the contract by exercise of the Termination for Convenience Clause.

(4) Compensation. (a) The contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data required by Section 11-35-1830 bearing on such claim. If the contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the contractor, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) The Procurement Officer and the contractor may agree to a settlement and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by the State, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this clause, and the contract price of the work not terminated;

(c) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this Subparagraph:

(i) contract prices for supplies or services accepted under the contract;

(ii) costs reasonably incurred in performing the terminated portion of the work less amounts paid or to be paid for accepted supplies or services;

(iii) reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this clause. These costs must not include costs paid in accordance with Subparagraph (c)(ii) of this paragraph;

(iv) any other reasonable costs that have resulted from the termination. The total sum to be paid the contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Contractor must demonstrate any costs claimed, agreed to, or established under Subparagraphs (b) and (c) of this Paragraph using its standard record keeping system, provided such system is consistent with any applicable Generally Accepted Accounting Principles.

(5) Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not (i) affect the State's right to require the termination of a subcontract, or (ii) increase the obligation of the State beyond what it would have been if the subcontract had contained an appropriate clause.[07-7B265-1]

**PART VIII. ATTACHMENTS TO SOLICITATION**

ATTACHMENTS LIST [09-9002-1]

The following documents are attached to this solicitation:

**Attachment 8.1 – IMPORTANT TAX NOTICE - NONRESIDENTS ONLY**

**Attachment 8.2 – COST SCHEDULE WORKSHEET – To Facilitate Completion of Price Proposal in Section 4.2**

- **Exhibit A** – Account Analysis Statement – High Volume Month
- **Exhibit B** – Account Analysis Statement – Low Volume Month
- **Exhibit C** – Cost Schedule Worksheet EXAMPLE for ILLUSTRATIVE PURPOSES ONLY

## **ATTACHMENT 8.1**

### **IMPORTANT TAX NOTICE - NONRESIDENTS ONLY**

Withholding Requirements for Payments to Nonresidents: Section 12-8-550 of the South Carolina Code of Laws requires persons hiring or contracting with a nonresident conducting a business or performing personal services of a temporary nature within South Carolina to withhold 2% of each payment made to the nonresident. The withholding requirement does not apply to (1) payments on purchase orders for tangible personal property when the payments are not accompanied by services to be performed in South Carolina, (2) nonresidents who are not conducting business in South Carolina, (3) nonresidents for contracts that do not exceed \$10,000 in a calendar year, or (4) payments to a nonresident who (a) registers with either the S.C. Department of Revenue or the S.C. Secretary of State and (b) submits a Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to the person letting the Contract.

The withholding requirement applies to every governmental entity that uses a Contract ("Using Entity"). Nonresidents should submit a separate copy of the Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to every Using Entity that makes payment to the nonresident pursuant to this solicitation. Once submitted, an affidavit is valid for all contracts between the nonresident and the Using Entity, unless the Using Entity receives notice from the Department of Revenue that the exemption from withholding has been revoked.

Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of \$1,200.00 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation and 5% if the payment is made to a corporation. Contact the Department of Revenue for any applicable exceptions.

For information about other withholding requirements (e.g., employee withholding), contact the Withholding Section at the South Carolina Department of Revenue at 803-898-5383 or visit the Department's website at <https://dor.sc.gov>

This notice is for informational purposes only. This agency does not administer and has no authority over tax issues. All registration questions should be directed to the License and Registration Section at 803- 898-5872 or to the South Carolina Department of Revenue, Registration Unit, Columbia, S.C. 29214-0140. All withholding questions should be directed to the Withholding Section at 803-896-1420.

**ATTACHMENT 8.2**

**COST SCHEDULE WORKSHEET**  
TO FACILITATE COMPLETION OF PRICE PROPOSAL IN SECTION 4.2

DESCRIPTION OF SERVICE	VOLUME	COST		
		Monthly Fee (B)*	Per Transaction	Monthly Costs
<b>1. BALANCE AND COMPENSATION INFORMATION</b> Description of Service DAILY USE OF UNCOLL FUNDS-CUST LVL RECOUPMENT MONTHLY IB RECOUPMENT MONTHLY IB				
		Category Total	\$	-
<b>2. GENERAL ACCOUNT SERVICES</b> Description of Service ACCT MAINTENANCE ZERO BALANCE MASTER ACCOUNT MAINT ZERO BALANCE MONTHLY BASE DEBITS POSTED CONT DISB CREDITS POSTED DESKTOP DEPOSIT-DEPOSIT CREDITED CEO E-STMT SUBSCRIPTION - ACCOUNT				
		Category Total	\$	-
<b>3. DEPOSITORY SERVICES</b> Description of Service Branch Deposit Post Verify				
		Category Total	\$	-
<b>4. PAPER DISBURSEMENT SERVICES</b> Description of Service Controlled Disb Checks paid Check cashed for nonacct holder				
		Category Total	\$	-
<b>5. PAPER DISBURSEMENT RECONCILIATION SERVICES</b> Description of Service CEO check issues- item Outgoing transmission - per item				
		Category Total	\$	-
<b>6. GENERAL ACH SERVICES</b> Description of Service ACH CEO Subscription - Account Electronic credits posted ACH CEO Return Subscription				
		Category Total	\$	-
<b>7. EDI PAYMENT SERVICES</b> Description of Service				
		Category Total	\$	0
<b>8. WIRE AND OTHER FUNDS TRANSFER SERVICE</b> Description of Service WIRE DETAIL RPT SUBSCRIPTION - ACCT WIRE DETAIL RPT SUBSCRIPTION - ITEM WIRE IN - DOMESTIC WIRE BOOK TRANSFER - CEO				
		Category Total	\$	
<b>9. INFORMATION REPORTING SERVICES</b> Description of Service Desktop Deposit CEO Search CEO Daily Reporting Items Loaded CEO Alerts Service - Email				
		Category Total	\$	
<b>TOTAL MONTHLY COSTS</b>			\$	

**10** Interest rate that will be applied to determine earnings on available cash balances.  
The interest rate must be indexed to the Federal Funds Rate as published by the *Wall Street Journal*.

**Fed Funds Index**

- \*(A)** The monthly volume from the highest volume Account Analysis Statement (Exhibit A) must be used.
- \*(B)** If the fee is charged on a basis other than per transaction or monthly fee, the basis on which the fee is charged must be disclosed and a calculation made as to what the fee would be on a monthly basis such that the fee may be shown as a monthly fee under the Monthly Fee caption.

**Exhibit A - Account Analysis Statement - High Volume Month**



CLIENT ANALYSIS STATEMENT

RELATIONSHIP SUMMARY

DISC 0000 000000 0000  
AUGUST 2020

WELLS FARGO BANK, N.A.  
PO BOX 63020  
SAN FRANCISCO, CA 94163

Officer:  
Phone No.:

TAYLOR, WILLIAM  
843-937-4573

SC EDUCATION LOTTERY  
ATTN CHIEF FINANCIAL OFFICER  
PO BOX 11949  
COLUMBIA, SC 29211-1949

**ANALYSIS SUMMARY**

Average Positive Collected Balance.....	\$	35,508,912.09
Investable Balance Available for Services.....	=	35,508,912.09
Earnings Allowance.....@ %.....	\$	
Net Earnings Allowance.....	=	
Current Month Analyzed Charges.....	-	
Current Month Position.....	=	
Total Amount Due.....	\$	

Number of days this cycle: 31  
 Investable balance required to offset \$1.00 of analyzed charges: \$  
 Balance required to offset all current month analyzed charges: \$  
 (Note: Balance required can vary monthly based on the month's volume, services, earnings credit rate and pricing.)  
 Interest rate on excess balances:  
 Interest paid on excess balances: \$

**BALANCE SUMMARY**

Account Number	Account Name	Average Ledger	Average Collected	Average Daily Negative Coll	Negative Coll Use of Fund Rate	Service Charge
412-4025982	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00 %	
412-4025990	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00 %	
412-4026006	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00 %	
412-4026014	SOUTH CAROLINA STATE LOTTERY	0.00	0.00	0.00	0.00 %	
412-4026022	SOUTH CAROLINA EDUCATION LOTTERY	266,087.60	266,087.60	0.00	0.00 %	
* 412-4026030	SOUTH CAROLINA EDUCATION LOTTERY	35,244,008.07	35,242,824.49	0.00	0.00 %	
454-3773428	SC EDUCATION LOTTERY	0.00	0.00	0.00	0.00 %	
960-0157386	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00 %	

\* Indicates billing account

CLIENT ANALYSIS STATEMENT



SERVICE DETAIL

Svc Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
14M18	00 0230	RECOUPMENT MONTHLY IB		35,510.10	
		BALANCE & COMPENSATION INFORMATION			
14110	01 0101	CONT DISB CREDITS POSTED		21.00	
16007	01 0101	DESKTOP DEPOSIT-DEPOSIT CREDITED		5.00	
34146	01 0307	CEO E-STMT SUBSCRIPTION - ACCOUNT		3.00	
34147	01 0307	CEO E-STMT SUBSCRIPTION - ITEM		3,070.00	
DS510	01 0020	ZERO BALANCE MASTER ACCOUNT MAINT		1.00	
22051	01 0000	ACCT MAINT ENANCE		7.00	
DS001	01 0021	ZERO BALANCE MONTHLY BASE		5.00	
CK021	01 0100	DEBITS POSTED		184.00	
		GENERAL ACCOUNT SERVICES			
08064	10 0015	CASH DEP/1 VERIFY IN CASH VAULT T3		8,324.00	
22723	10 001A	BRANCH DEPOSIT POST VERIFY		15.00	
002	10 0225	DEPOSITED CHECK		4.00	
701	10 0220	DESKTOP DEPOSIT-DEPOSITED ITEM ONUS		27.00	
706	10 0224	DESKTOP DEPOSIT-DEPOSITED ITEM		28.00	
CK199	10 001A	POST VERIFY CASH DEP IN WF BRANCH		24,625.00	
CK064	10 0416	CEO RETURN ITEM SERVICE MONTHLY BASE		3.00	
		DEPOSITORY SERVICES			
34336	15 0724	POSITIVE PAY EXCEPTION - CEO IMAGE		2.00	
MD091	15 0240	PYMT AUTH MAX CHECK MTHLY BASE		4.00	
12812	15 1352	CEO IMAGE VIEW < 90 DAYS - ITEM		2.00	
12816	15 1352	DESKTOP DEPOSIT IMAGES RETRIEVED		55.00	
12907	15 0030	POSITIVE PAY MONTHLY BASE		3.00	
12908	15 0310	POS PAY CHECKS WITH NO ISSUE RECORD		1.00	
14327	15 0129	CONT DISB PERFECT PRESENT CHK RTN		2.00	
22020	15 1350	WELLSIMAGE PAID CHECK MONTHLY BASE		2.00	
22225	15 0240	CHECK CASHING THRESHOLD MO BASE		4.00	
22235	15 0240	OTC DEBIT BLOCK MONTHLY BASE		4.00	
22245	15 0240	CHECKS PAY TO INDM/BLOCK MO BASE		4.00	
14070	15 0000	CONT DISB ACCT MAINT W/CKSTR		1.00	
14080	15 0030	CONT DISB PERFECT PRESENT BASE		1.00	
14225	15 0110	CONT DISB CHECKS PAID		2,996.00	
14804	15 0310	CONT DISB PERFECT PRESENT EXCEP		2.00	
34210	15 0700	CEO CONT DISB SUBSCRIPTION BASE		1.00	
22015	15 1353	WELLSIMAGE PAID CHECK PER CD		2.00	
22019	15 1353	WELLSIMAGE PAID CHECK DELUXE ITEM		3,459.00	
22202	15 0100	DDA CHECKS PAID		40.00	
DS191	15 0122	PAYEE VALIDATION STANDARD ITEM		3,036.00	
22810	15 0500	WF CHK CASHED FOR NONACCT HOLDER		950.00	
21622	15 0220	CONT DISB CASHED CHECK FLOOR FEE		4,115.00	
DS256	15 1399	WELLSIMAGE PAID CHECK PER ITEM		3,459.00	
22030	15 0412	STOP PAYMENT - AUTO RENEWAL		3.00	
		PAPER DISBURSEMENT SERVICES			
12060	20 0010	ARP MONTHLY BASE - FULL		3.00	
12061	20 0020	ARP MONTHLY BASE - PARTIAL		1.00	
12377	20 0201	ARP FULL RECON ITEM		3,308.00	
12430	20 0301	ARP OUTPUT - TRANSMISSION		22.00	
12604	20 0306	ARP OPTIONAL REPORTS		25.00	
12609	20 0310	ARP PAPER STATEMENT/REPORT DELIVERY		3.00	
12684	20 0310	ARP PAPER STMT/REPORT MONTHLY BASE		3.00	
12687	20 9999	ARP AGED ISSUE RECORDS ON FILE ITEM		2,360.00	
12694	20 0100	OUTGOING TRANSMISSION - PER ITEM		3,120.00	
34350	20 0306	CEO ARP STMT & RPTS MONTHLY BASE		3.00	
DS322	20 0120	ARP PARTIAL RECONCILIATION - ITEM		2.00	
		PAPER DISBURSEMENT RECON SERVICES			
34330	25 0703	ACH CEO SUBSCRIPTION - ACCOUNT		9.00	
CK018	25 0201	ELECTRONIC CREDITS POSTED		53.00	
34340	25 0400	ACH CEO RETURN SUBSCRIPTION-ACCOUNT		4.00	
34342	25 0400	ACH CEO RETURN SUBSCRIPTION - ITEM		45.00	
ES280	25 0000	ACH MONTHLY BASE		3.00	
ES211	25 0102	ACH ONE DAY ITEM		80.00	
ES210	25 0102	ACH TWO DAY ITEM		9,706.00	
ES216	25 0102	ACH SAME DAY		24.00	
ES254	25 0501	ACH ORIGINATION/REJECT DATA- FILE		4.00	
ES344	25 0202	ACH RECEIVED ITEM		142.00	
06502	25 0302	ACH RETURN ITEM-ELECTRONIC		21.00	
06505	25 0302	ACH RETURN ADMIN-ELECTRONIC		2.00	
ES803	25 0500	ACH PAYMENTS ONLINE BATCH RELEASE		2.00	
ES801	25 0501	ACH TRANSMISSION CHARGE		56.00	





CLIENT ANALYSIS STATEMENT

ES237	25 0710	ACH FAX SERVICE	1.00
ACH1D	25 0102	ACH PAYMENTS ONE DAY ITEM	3.00
ACH2D	25 0102	ACH PAYMENTS TWO DAY ITEM	3.00
34377	25 0000	ACH PAYMENTS BASE FEE	1.00
ES342	25 0720	ACH CUSTOMER REPORTS	1.00
34333	25 1050	ACH CEO FRAUD FILTER REVBWMO BASE	7.00
34334	25 1050	ACH CEO FRAUD FILTER STOP MTHLYBASE	1.00
34335	25 1053	ACH CEO FRAUD FILTER REVBW - ITBM	1.00
ES363	25 0302	ACH NOC - TRANSMISSION ADVCE	7.00
		GENERAL ACH SERVICES	
ES030	35 0300	WMRE IN - DOMESTIC	3.00
ES141	35 0120	WMRE BOOK TRANSFER - CEO	1.00
		WMRE & OTHER FUNDS TRANSFER SERVICE	
15003	40 0231	DESKTOP DEPOSIT REPORT PER ITEM	55.00
15017	40 0003	DESKTOP DEPOSIT MONTHLY BASE	3.00
34207	40 0274	CEO WMREXFR DETAIL US ACCT ITBM	19.00
27707	40 0340	CEO SEARCH	7.00
34100	40 0052	CEO PREV DAY REPORTING MAINTENANCE	8.00
34115	40 0272	CEO PREV DAY REPORTING ITEMS LOADED	3,298.00
34120	40 0055	CEO INTRADAY REPORTING MAINTENANCE	8.00
34121	40 0274	CEO INTRADAY REPORTING ITEMS RPTD	400.00
34123	40 0222	CEO EVENT MESSAGING SERVICE - EMAIL	411.00
34205	40 0003	CEO WMREXFR DETAIL US ACCT MO BASE	2.00
34252	40 0800	INFO REPORTING HISTORY STORAGE 90	8,076.00
34253	40 0800	INFO REPORTING HISTORY STORAGE 120	231.00
34260	40 0054	CEO DEPOSIT DETAIL MAINTENANCE	2.00
34410	40 0051	ARP DATA QUERY REPORT MTHLY BASE	4.00
34420	40 0051	ARP STMTS & RPTS (CSV/EXCEL) BASE	3.00
34421	40 0272	ARP STMTS & RPTS (CSV/EXCEL) / ITBM	9,545.00
		INFORMATION SERVICES	

Total Analyzed Charges  
 Total Fee Based Charges  
 Total Service Charges

TREND ANALYSIS

<u>Month</u>	<u>Average Ledger Balance</u>	<u>Average Positive Collected Balance</u>	<u>Investable Balance Available for Services</u>	<u>Earnings Credit Rate</u>	<u>Earnings Allowance</u>	<u>Fee Based Charges</u>	<u>Analyzed Charges</u>	<u>Monthly Position</u>
MAR 2020	23,277,881	23,272,537	23,272,537					
APR 2020	26,437,726	26,432,375	26,432,375					
MAY 2020	35,262,098	35,259,882	35,259,882					
JUN 2020	31,278,922	31,276,599	31,276,599					
JUL 2020	35,044,514	35,043,707	35,043,707					
AUG 2020	35,510,096	35,508,912	35,508,912					
AVG	31,135,206	31,132,334	31,132,334					

Note: Customer must examine this statement and report to Bank any claim for credit or refund within 60 days after Bank makes the statement available. If Bank does not receive notice of error or discrepancy within this time frame, items on the statement will be deemed to be correct.

**Exhibit B - Account Analysis Statement - Low Volume Month**



**CLIENT ANALYSIS STATEMENT**

RELATIONSHIP SUMMARY

062 000 000000 0000  
JUNE 2021

WELLS FARGO BANK, N.A.  
PO BOX 63020  
SAN FRANCISCO, CA 94163

Officer:  
Phone No.:

TAYLOR, WILLIAM  
843-937-4573

SC EDUCATION LOTTERY  
ATTN CHIEF FINANCIAL OFFICER  
PO BOX 11949  
COLUMBIA, SC 29211-1949

**ANALYSIS SUMMARY**

Average Positive Collected Balance.....	\$	24,784,537.00
Investable Balance Available for Services.....	=	24,784,537.00
Earnings Allowance.....@.....	\$	
Net Earnings Allowance.....	=	
Current Month Analyzed Charges.....	-	
Current Month Position.....	=	
Net Shortfall Due.....	\$	
Total Amount Due.....	\$	

Number of days this cycle: 30  
 Investable balance required to offset \$1.00 of analyzed charges: \$  
 Balance required to offset all current month analyzed charges: \$  
 (Note: Balance required can vary monthly based on the month's volume, services, earnings credit rate and pricing.)

TOTAL AMT DUE WILL BE DEBITED TO ACCT 412-4026030 ON JUL 12, 2021.

**BALANCE SUMMARY**

<u>Account Number</u>	<u>Account Name</u>	<u>Average Ledger</u>	<u>Average Collected</u>	<u>Average Daily Negative Coll</u>	<u>Negative Coll Use of Fund Rate</u>	<u>Service Charge</u>
412-4025982	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00%	
412-4025980	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00%	
412-4026006	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00%	
412-4026014	SOUTH CAROLINA STATE LOTTERY	0.00	0.00	0.00	0.00%	
412-4026022	SOUTH CAROLINA EDUCATION LOTTERY	295,702.75	295,702.75	0.00	0.00%	
* 412-4026030	SOUTH CAROLINA EDUCATION LOTTERY	24,459,738.94	24,468,190.11			
454-3773428	SC EDUCATION LOTTERY	0.00	0.00	0.00	0.00%	
960-0157386	SOUTH CAROLINA EDUCATION LOTTERY	0.00	0.00	0.00	0.00%	

\* indicates billing account

CLIENT ANALYSIS STATEMENT



SERVICE DETAIL

Svc Code	AFP Code	Service Description	Unit Price	Volume	Service Charges
ODDLY	00 0210	DAILY USE OF UNCOLL FUNDS-CUST LVL		159.61	
IAMB	00 0230	RECOUPMENT MONTHLY IB		24,755.44	
		BALANCE & COMPENSATION INFORMATION			
14110	01 0101	CONT DISB CREDITS POSTED		22.00	
15007	01 0101	DESKTOP DEPOSIT-DEPOSIT CREDITED		10.00	
34146	01 0307	CEO E-STMT SUBSCRIPTION-ACCOUNT		3.00	
34147	01 0307	CEO E-STMT SUBSCRIPTION-ITEM		4,516.00	
DS510	01 0020	ZERO BALANCE MASTER ACCOUNT MAINT		1.00	
22051	01 0000	ACCT MAINTENANCE		7.00	
DS001	01 0021	ZERO BALANCE MONTHLY BASE		5.00	
CK021	01 0100	DEBITS POSTED		239.00	
		GENERAL ACCOUNT SERVICES			
22723	10 001A	BRANCH DEPOSIT POST VERIFY		9.00	
002	10 0225	DEPOSITED CHECK		5.00	
706	10 0224	DESKTOP DEPOSIT-DEPOSITED ITEM		68.00	
CK199	10 001A	POST VERIFY CASH DEPOSITED		13,822.00	
CK197	10 0040	CASH ORDER FEE IN AWF BRANCH		1.00	
CK131	10 0040	ROLLED COIN FURNISHED BY WF BRANCH		50.00	
CK064	10 0416	CEO RETURN ITEM SERVICE MONTHLY BASE		3.00	
		DEPOSITORY SERVICES			
34336	15 0724	POSITIVE PAY EXCEPTION - CEO IMAGE		4.00	
MD091	15 0240	PYMT AUTH MAX CHECK MTHLY BASE		4.00	
12812	15 1362	CEO IMAGE VIEW < 90 DAYS - ITEM		5.00	
12815	15 1362	CEO IMAGE VIEW > 90 DAYS - ITEM		1.00	
12816	15 1362	DESKTOP DEPOSIT IMAGES RETRIEVED		68.00	
12907	15 0030	POSITIVE PAY MONTHLY BASE		3.00	
12908	15 0310	POS PAY CHECKS WITH NO ISSUE RECORD		4.00	
14327	15 0129	CONT DISB PERFECT PRESENT CHK RTN		1.00	
22020	15 1360	WELLSIMAGE PAID CHECK MONTHLY BASE		2.00	
22225	15 0240	CHECK CASHING THRESHOLD MO BASE		4.00	
22235	15 0240	OTC DEBIT BLOCK MONTHLY BASE		4.00	
22245	15 0240	CHECKS PAY TO INDV BLOCK MO BASE		4.00	
14070	15 0000	CONT DISB ACCT MAINT WCK STR		1.00	
14080	15 0030	CONT DISB PERFECT PRESENT BASE		1.00	
14225	15 0110	CONT DISB CHECKS PAID		4,443.00	
14804	15 0310	CONT DISB PERFECT PRESENT EXCEP		4.00	
34210	15 0700	CEO CONT DISB SUBSCRIPTION BASE		1.00	
22015	15 1363	WELLSIMAGE PAID CHECK PER CD		2.00	
22019	15 1363	WELLSIMAGE PAID CHECK DELUXE ITEM		4,304.00	
22202	15 0100	DDA CHECKS PAID		39.00	
24250	15 0340	OVERDRAFT CHARGE-PAID ITEM		1.00	
DS191	15 0122	PAYEE VALIDATION STANDARD ITEM		4,480.00	
CK101	15 0511	CASHIER'S CHECK		4.00	
22810	15 0500	WF CHK CASHED FOR NONACCT HOLDER		1,259.00	
21622	15 0220	CONT DISB CASHED CHECK FLOAT FEE		6,168.00	
DS255	15 1399	WELLSIMAGE PAID CHECK PER ITEM		4,204.00	
		PAPER DISBURSEMENT SERVICES			
34337	20 0201	CEO CHECK ISSUES-ITEM		2,467.00	
12060	20 0010	ARP MONTHLY BASE - FULL		3.00	
12061	20 0020	ARP MONTHLY BASE - PARTIAL		1.00	
12377	20 0201	ARP FULL RECON-ITEM		4,432.00	
12379	20 0201	ARP PART POSITIVE PAY ISSUE-ITEM		5.00	
12430	20 0301	ARP OUTPUT - TRANSMISSION		23.00	
12604	20 0306	ARP OPTIONAL REPORTS		26.00	
12609	20 0310	ARP PAPER STATEMENT/REPORT DELIVERY		3.00	
12684	20 0310	ARP PAPER STMT/RPT MONTHLY BASE		3.00	
12687	20 9999	ARP AGED ISSUE RECORDS ON FILE-ITEM		3,021.00	
12694	20 0100	OUTGOING TRANSMISSION - PER ITEM		4,568.00	
34350	20 0306	CEO ARP STMT & RPTS MONTHLY BASE		3.00	
DS322	20 0120	ARP PARTIAL RECONCILIATION - ITEM		6.00	
		PAPER DISBURSEMENT RECON SERVICES			
34330	25 0703	ACH CEO SUBSCRIPTION-ACCOUNT		9.00	
CK018	25 0201	ELECTRONIC CREDITS POSTED		63.00	
34340	25 0400	ACH CEO RETURN SUBSCRIPTION-ACCOUNT		4.00	
34342	25 0400	ACH CEO RETURN SUBSCRIPTION-ITEM		12.00	
ES280	25 0000	ACH MONTHLY BASE		3.00	
ES211	25 0102	ACH FUTURE DATED ITEM		12,801.00	
ES216	25 0102	ACH SAME DAY		26.00	
ES254	25 0501	ACH ORIGINATION/REJECT DATA-FILE		5.00	
ES344	25 0202	ACH RECEIVED ITEM		190.00	

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SCEDLOTTE0005 JUNE 2021 Member FDIC

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CLIENT ANALYSIS STATEMENT

06502	25 0302	ACH RETURN ITEM-ELECTRONIC	8.00
E5803	25 0500	ACH PAYMENTS ONLINE BATCH RELEASE	2.00
E5801	25 0501	ACH TRANSMISSION CHARGE	69.00
ACH1D	25 0102	ACH PAYMENTS FUTURE DATED ITEM	6.00
34377	25 0000	ACH PAYMENTS BASE FEE	1.00
34333	25 1050	ACH CEO FRAUD FILTER REVIEW/MO BASE	7.00
34334	25 1050	ACH CEO FRAUD FILTER STOP MTHLYBASE	1.00
		GENERAL ACH SERVICES	
E5030	35 0300	WMRE IN TO USA ACCT-USA DOMESTIC	2.00
ES141	35 0120	WMRE BOOK TRANSFER CEO/API	2.00
		WMRE & OTHER FUNDS TRANSFER SERVICE	
15003	40 0231	DESKTOP DEPOSIT REPORT PER ITEM	68.00
15017	40 0003	DESKTOP DEPOSIT MONTHLY BASE	3.00
27707	40 0340	CEO SEARCH	787.00
34100	40 0052	CEO PREV DAY REPORTING SUBSCRIPTION	8.00
34115	40 0271	CEO PREV DAY REPORTING ITEMS LOADED	4,822.00
34120	40 0055	CEO INTRADAY REPORTING SUBSCRIPTION	8.00
34121	40 0274	CEO INTRADAY REPORTING ITEMS RPTD	750.00
34123	40 0222	CEO ALERTS SERVICE - EMAIL	407.00
34205	40 0003	WMRE TRANSFER REPORT BASE CEO	2.00
34212	40 0340	WMRE INQUIRY DETAIL PER ITEM-CEO	1.00
34260	40 0054	CEO DEPOSIT DETAIL RPT SUBSCRIPTION	2.00
34410	40 0051	ARP DATA QUERY REPORT MTHLY BASE	4.00
34411	40 0272	ARP DATA QUERY RPT/RETRIEVED ITEM	20,468.00
34420	40 0051	ARP STMTS & RPTS (CSWEXCEL) BASE	3.00
34421	40 0272	ARP STMTS & RPTS (CSWEXCEL)/ ITEM	22,564.00
		INFORMATION SERVICES	

Total Analyzed Charges  
 Total Fee Based Charges  
 Total Service Charges

TREND ANALYSIS

<u>Month</u>	<u>Average Ledger Balance</u>	<u>Average Positive Collected Balance</u>	<u>Investable Balance Available for Services</u>	<u>Earnings Credit Rate</u>	<u>Earnings Allowance</u>	<u>Fee Based Charges</u>	<u>Analyzed Charges</u>	<u>Monthly Position</u>
JAN 2021	32,024,057	32,020,574	32,020,574					
FEB 2021	25,937,826	25,935,872	25,935,872					
MAR 2021	25,108,932	25,103,147	25,103,147					
APR 2021	34,168,416	34,164,979	34,164,979					
MAY 2021	27,278,208	27,276,460	27,276,460					
JUN 2021	24,755,442	24,784,538	24,784,538					
AVG	28,212,147	28,214,227	28,214,227					

Note: Customer must examine this statement and report to Bank any claim for credit or refund within 60 days after Bank makes the statement available. If Bank does not receive notice of error or discrepancy within this time frame, items on the statement will be deemed to be correct.

Exhibit C

**COST SCHEDULE WORKSHEET - EXAMPLE FOR ILLUSTRATIVE PURPOSES ONLY**  
 TO FACILITATE COMPLETION OF ACTUAL COST SCHEDULE WORKSHEET - ATTACHMENT 8.2

DESCRIPTION OF SERVICE	VOLUME		COST	
	Monthly Volume (A)*	Monthly Fee (B)*	Per Transaction	Monthly Costs
<b>1. BALANCE AND COMPENSATION INFORMATION</b>				
Description of Service				
DAILY USE OF UNCOLL FUNDS-CUST LVL	159.61		1.00	159.61
RECOUPMENT MONTHLY IB	295.70		0.00	0.00
RECOUPMENT MONTHLY IB	24459.74		0.00	0.00
		Category Total	\$	159.61
<b>2. GENERAL ACCOUNT SERVICES</b>				
Description of Service	7.00		10.00	70.00
ACCT MAINTENANCE	1.00		20.00	20.00
ZERO BALANCE MASTER ACCOUNT MAINT	1.00		20.00	20.00
ZERO BALANCE MONTHLY BASE	7.00		5.00	35.00
DEBITS POSTED	239.00		0.04	9.56
CONT DISB CREDITS POSTED	32.00		1.00	32.00
DESKTOP DEPOSIT-DEPOSIT CREDITED	1.00		10.00	10.00
CEO E-STMT SUBSCRIPTION - ACCOUNT	4519.00		30.00	30.00
		Category Total	\$	156.56
<b>3. DEPOSITORY SERVICES</b>				
Description of Service				
Branch Deposit Post Verify	9.00		20.00	180.00
		Category Total	\$	180.00
<b>4. PAPER DISBURSEMENT SERVICES</b>				
Description of Service				
Controlled Disb Checks paid	4443.00		0.05	222.15
Check cashed for nonacct holder	1359.00		0.00	0.00
		Category Total	\$	222.15
<b>5. PAPER DISBURSEMENT RECONCILIATION SERVICES</b>				
Description of Service				
CEO check issues- item	2457.00		0.0030	7.37
Outgoing transmission - per item	3021.00		0.0010	3.02
		Category Total	\$	10.39
<b>6. GENERAL ACH SERVICES</b>				
Description of Service	9.00		3.00	27.00
ACH CEO Subscription - Account	63.00		4.00	252.00
Electronic credits posted	4.00		5.00	20.00
ACH CEO Return Subscription	12.00		6.00	72.00
		Category Total	\$	92.00
<b>7. EDI PAYMENT SERVICES</b>				
Description of Service				
		Category Total	\$	0
<b>8. WIRE AND OTHER FUNDS TRANSFER SERVICE</b>				
Description of Service				
WIRE DETAIL RPT SUBSCRIPTION - ACCT	2.00	12.00		24.00
WIRE DETAIL RPT SUBSCRIPTION - ITEM	13.00		0.12	1.56
WIRE IN - DOMESTIC	2.00		4.00	8.00
WIRE BOOK TRANSFER - CEO	1.00		2.50	2.50
		Category Total	\$	36.06
<b>9. INFORMATION SERVICES</b>				
Description of Service				
Desktop Deposit	68		1	68.00
CEO Search	787		0.08	62.96
CEO Daily Reporting Items Loaded	4622		0.006	27.73
CEO Alerts Service - Email	407		0.01	4.07
		Category Total	\$	162.76
<b>TOTAL MONTHLY COSTS</b>			<b>\$</b>	<b>1,019.53</b>

10 Interest rate that will be applied to determine earnings on available cash balances.  
 The interest rate must be indexed to the Federal Funds Rate as published by the *Wall Street Journal*.

**Fed Funds Index**

0.25%

\*(A) The monthly volume from the highest volume Account Analysis Statement (Exhibit A) must be used.

\*(B) If the fee is charged on a basis other than per transaction or monthly fee, the basis on which the fee is charged must be disclosed and a calculation made as to what the fee would be on a monthly basis such that the fee may be shown as a monthly fee under the Monthly Fee caption.

**NOTE** - The sample cost and interest rate information in this Cost Schedule Worksheet Example (Exhibit C) are for illustrative purposes only and do not reflect what SCEL's current bank actually charges SCEL for its services.