



**New Hampshire  
Employment  
Security**

[www.nhes.nh.gov](http://www.nhes.nh.gov)

*"We're working to keep New Hampshire working"*

ADMINISTRATIVE OFFICE

45 SOUTH FRUIT STREET  
CONCORD, NH 03301-4857



GEORGE N. COPADIS, COMMISSIONER

RICHARD J. LAVERS, DEPUTY COMMISSIONER

June 9, 2016

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, NH 03301

REQUESTED ACTION

To authorize New Hampshire Employment Security (NHES) to amend our current agreement with Citizens Bank (VC 165622), Manchester, NH for unemployment compensation trust fund banking services commencing July 1, 2016 through December 31, 2017 at no additional cost. The original competitively bid agreement was approved by Governor and Council action as item #31 on August 10, 2011.

EXPLANATION

Governor and Council action as item #31 on August 10, 2011 approved the original agreement for unemployment compensation trust fund banking services for a period of five (5) years ending June 30, 2016. Upon issuing a Request for Proposal for banking services in April 2016, NHES became aware of lower cost alternatives to its business model of paying unemployment benefits. NHES is requesting approval to amend the current agreement to provide an additional eighteen (18) months of banking services at no additional cost while lower cost options and payment alternatives are pursued. Attached is the original approved Governor and Council request for unemployment compensation banking services.

Respectfully submitted,

George N. Copadis  
Commissioner

GNC/jdr  
Attachments

**STATE OF NEW HAMPSHIRE  
NEW HAMPSHIRE EMPLOYMENT SECURITY  
STATE/FEDERAL UNEMPLOYMENT COMPENSATION FUND BANKING SERVICES  
2011-01  
CONTRACT AMENDMENT A**

WHEREAS, pursuant to an Agreement approved by Governor and Council on July 28, 2011, Item #31, hereinafter referred to as "Agreement," RBS Citizens, N.A. d/b/a Citizens Bank, hereinafter referred to as "Vendor," agreed to supply certain services in connection with the State and Federal unemployment compensation trust fund banking needs of New Hampshire Employment Security ("NHES"), based upon terms and conditions specified in the Agreement, and in consideration of payment of certain fees by NHES;

WHEREAS, pursuant to Section 18 of the Agreement, the Agreement may be modified or amended only by a written instrument executed by the parties thereto, and approved by Governor and Executive Council;

WHEREAS on April 13, 2016, NHES published an RFP seeking to obtain the services of a banking institution authorized to do business in New Hampshire for the purpose of enabling NHES to continue to manage State and Federal funds used in the operation of the Unemployment Compensation Program, and to provide for convenient service to unemployed individuals ("claimants") served by the agency;

WHEREAS, on May 3, 2016, NHES received four (4) proposals for the provision of banking services that offered varying cost schedules and also provided various alternatives for addressing the customer service needs of NHES' constituents, including employers and claimants;

WHEREAS, through the RFP responses, NHES became aware of lower cost alternatives to its business model of paying unemployment benefits, currently based on a combination of Electronic Fund Transfers ("EFTs") and paper checks sent to claimants who are receiving benefits. In addition, NHES became aware of alternatives for receiving payments of employer taxes and claimant overpayments through a credit card alternative to EFTs and check payments.

WHEREAS, in order to allow time to issue a Request for Information and a follow up Request for Proposal, which will provide more detailed information to all Vendors who wish to propose alternative services in conjunction with more traditional banking services, NHES has decided to extend its current Agreement with the existing Vendor.

WHEREAS, NHES is proposing a **no cost extension** as funds remain in the existing, approved contract and Citizens Bank has agreed to an eighteen (18) month extension of the current Agreement on the same terms and conditions, without an increase in fees;

**NOW THEREFORE**, in consideration of the foregoing, and the covenants and conditions contained in the Agreement and as set forth herein, the parties agree as follows:

Initial all pages  
Vendor Initials

The General Provisions of the Amended Agreement, including but not limited to the P-37 Contract Form, Statement of Work, and Contract Term, are hereby amended as follows:

1. Amend Section 1.7 of the P-37 Contract form to reflect a new completion date of December 31, 2017 as further described in Tables 1 and 2.
2. All other terms and provisions of the Agreement to remain the same.

**Table 1**


Contract #2011-01 Statement of Work	AMENDED TEXT
Contract Term Exhibit C	<p><b>Currently reads:</b> <b>Term &amp; Extension</b> The agreement will be for a term beginning on Governor and Council approval and terminate on June 30, 2016.</p> <p><b>Replace with:</b> The agreement shall begin on the Effective Date and extend through December 31, 2017.</p>

**Table 2 Contract 2011-01 – UNEMPLOYMENT COMPENSATION FUND BANKING SERVICES**

Contract and Amendment Number	AMENDMENT TYPE	END DATE	CONTRACT AMOUNT
2011-01	Original State/Federal Unemployment Compensation Fund Banking Services	June 30, 2016	<b>\$1,137,500.00</b>
2011-01A	First Amendment to Unemployment Compensation Fund Banking Services	December 31, 2017	<b>\$1,137,500.00</b>
	<b>CONTRACT TOTAL</b>		<b>\$1,137,500.00</b>

Let the intent of the amended completion date and expectations be full realized as stated and carry full weight and force throughout the Amended Agreement even if not specified due to human error.

Except as provided herein, all other provisions of the Amended Agreement will remain in full force and effect. This modification will take effect upon the date of approval by Governor and Council.

Initial all pages  
Vendor Initials 

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year written below:

Kim Little  
Kim Little, CTP, Senior Vice President  
Citizens Bank

Date: 6/2/2016

Corporate Signature Notarized

STATE OF NEW HAMPSHIRE  
COUNTY OF Hillsborough

On this the 2nd day of JUNE, 2016, before me, Kim Little, the undersigned Officer, personally appeared and acknowledged her/himself to be a Senior Vice President of Citizens Bank, a corporation, and that he/she, as such Senior Vice President, being authorized to do so, executed the foregoing instrument in furtherance of the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Lyn M. Gelin  
Notary/Justice of the Peace

**LYN M. GELINAS, Notary Public**  
**My Commission Expires June 4, 2019**

My Commission Expires:

(Seal)

State of New Hampshire  
George N. Copadis  
George N. Copadis, Commissioner  
State of New Hampshire  
Department of Employment Security

Date: 6/2/16

Approved by the Attorney General (Form, Substance and Execution)

[Signature]  
State of New Hampshire, Department of Justice

Date: 6/7/16

Initial all pages  
Vendor Initials [Signature]



Office of the Comptroller of the Currency

Washington, DC 20219

**CERTIFICATE OF CORPORATE EXISTENCE**

I, Thomas J. Curry, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "Citizens Bank, National Association," Providence, Rhode Island (Charter No. 24571), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this certificate.

IN TESTIMONY WHEREOF, today,  
October 29, 2015, I have hereunto  
subscribed my name and caused my seal  
of office to be affixed to these presents at  
the U.S. Department of the Treasury, in  
the City of Washington, District of  
Columbia.

Comptroller of the Currency




CITIZENS BANK, NATIONAL ASSOCIATION

ASSISTANT SECRETARY'S CERTIFICATE

I, Gary A. Ashjian, in my capacity as Assistant Corporate Secretary of Citizens Bank, National Association, a national banking association (the "Bank"), do hereby certify as follows:

1. That I am the duly elected and qualified Assistant Corporate Secretary of the Bank and that, as such, I am authorized to execute and deliver this certificate on behalf of the Bank.
2. That attached hereto as Exhibit A is a true and complete copy of the Bank's Certificate of Corporate Existence issued by the Office of the Comptroller of the Currency ("OCC") dated as of October 29, 2015, which has not been rescinded or revoked and remains in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the Bank as of this 26<sup>th</sup> day of May 2016.

  
\_\_\_\_\_  
Gary A. Ashjian  
Assistant Corporate Secretary  
Citizens Bank, National Association

[SEAL]

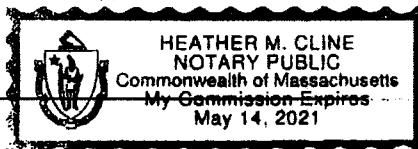
COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK

On this 26<sup>th</sup> day of May 2016, before me, the undersigned notary public, personally appeared Gary A. Ashjian, provided to me through satisfactory evidence of identification, which were personally known, to be the person whose name is signed on the preceding document, and acknowledged to me that he signed such document in his capacity as the Assistant Secretary of Citizens Bank, National Association and voluntarily for its stated purpose.

  
\_\_\_\_\_  
(official signature and seal of notary)

My commission expires: \_\_\_\_\_



**CITIZENS BANK, N.A.**

**Certificate of Incumbency**

I, Gary A. Ashjian, the undersigned, Assistant Secretary of Citizens Bank, N.A. a national banking association, (the "Bank") hereby certify that the following is a true excerpt of a certain Resolution of the Board of Directors of the Bank duly adopted at a meeting held on February 25, 2016 relating to the execution of documents.

I further certify that said Resolution is in full force and effect and has not been amended, abrogated or in any way altered, added to or revised:

". . . That transfers of stocks, bonds, and other securities, and proxies, and powers of attorney to vote with respect to shares or accounts of institutions or stock of other corporations, owned by, or standing in the name of, Citizens Financial Group, Inc., Citizens Bank, N.A. or Citizens Bank of Pennsylvania (each hereinafter referred to as the "Company") shall be executed and delivered from time to time in the name and on behalf of the Company by the Chairman, President, CEO, any Vice Chairman, any Vice President, any State President, any Division President, the Treasurer, any Assistant Treasurer, the Secretary, or any Assistant Secretary of the Company or by such other officer or employee of the Company so designated by the Chairman, President, CEO or any Vice Chairman or authorized by the Board or the Executive Committee of the Board (each, an "Authorized Officer" and collectively, "Authorized Officers");

That notes and other evidences of indebtedness of the Company, other than checks and drafts, and pledges of its assets as security for the repayment thereof, shall be executed and delivered by an Authorized Officer, subject to applicable law, rules, or regulations;

That checks and drafts drawn on the Company or other banks, certificates of deposit, orders for payment from the funds of the Company, notes and other evidences of indebtedness payable to the Company, shall be executed or endorsed by an Authorized Officer, provided, however, that the signatures of such officers may be in facsimile form;

That the Chairman, President, CEO, any Vice Chairman, any State President, any Division President, any Executive Vice President or any Senior Vice President may create special accounts and may direct from time to time how orders and confirmations of orders for the payment of funds from such accounts may be executed;

That reports to a federal, state or municipal authority, reconciliations of bank accounts and such other verifications and reports as may be required in the usual course of business shall be executed by an Authorized Officer, severally, or together with such other Authorized Officer as may be required by the authority to which such reports, reconciliations or verifications are submitted;

That documents, contracts, agreements, schedules, endorsements, discharges or releases of indebtedness or obligations and other instruments with respect to the closing, service administration, modification or satisfaction of any loan or other obligation of any borrower or obligor shall be executed by an Authorized Officer, a senior loan officer, a loan officer, an assistant loan officer, or such other employee of the Company as may be designated from time to time by the Chairman, President, CEO, or any Vice Chairman in accordance with the Bylaws of the Company;

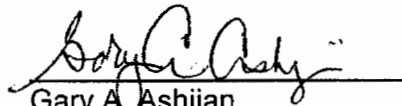
That deeds, agreements, leases, documents, affidavits, statements and other instruments with respect to the administration, management or disposition of any real or personal property of the Company, or property taken by foreclosure, or in lieu of foreclosure, shall be executed by an Authorized Officer, a senior loan officer, a loan officer, an assistant loan officer, or such other employee of the Company as may be designated from time to time by the Chairman, President, CEO or any Vice Chairman in accordance with the Bylaws of the Company;

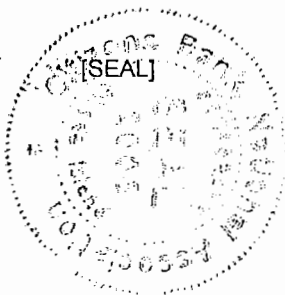
That all documents, contracts, agreements, leases, schedules, endorsements, participation agreements, signature guarantees, agreements between affiliates, letters of credit, releases of indebtedness or obligations and other instruments necessary or convenient for the transaction of the business of the Company not specifically covered by this resolution or the Bylaws of the Company shall be executed, verified, acknowledged, and delivered by an Authorized Officer, a senior loan officer, a loan officer, an assistant loan officer, or such other officer or employee of the Company having been granted authority from time to time by the Chairman, President, CEO or Vice Chairman in accordance with the Bylaws of the Company; and . . . ."

I further certify that the following individual currently occupies and has been duly elected to the office of the Bank set forth and as such is an Authorized Officer and that such person is authorized to execute and deliver documents on behalf of the Bank.

<u>Name</u>	<u>Title</u>
Kim A. Little	Senior Vice President

DATED this 26<sup>th</sup> day of May 2016.

  
Gary A. Ashjian  
Assistant Corporate Secretary







## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/31/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Willis of Massachusetts, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 37230-5191	<b>CONTACT NAME:</b> Willis Towers Watson Certificate Center	
	<b>PHONE (A/C, No, Ext):</b> (877) 945-7378	<b>FAX (A/C, No):</b> (888) 467-2378
<b>E-MAIL ADDRESS:</b> certificates@willis.com		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A:</b> Liberty Mutual Fire Insurance Company		<b>23035</b>
<b>INSURER B:</b> American Guarantee and Liability Insurance Company		<b>26247</b>
<b>INSURER C:</b> Liberty Insurance Corporation		<b>42404</b>
<b>INSURER D:</b> XL Insurance America, Inc.		<b>24554</b>
<b>INSURER E:</b>		
<b>INSURER F:</b>		

**INSURED**  
  
 Citizens Financial Group, Inc.  
 1 Citizens Drive, RDC 220B  
 Riverside, RI 02915

## COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		TB2-611-004526-036	03/31/2016	03/31/2017	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
							MED EXP (Any one person) \$ 0
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			AUC-9482541-05	03/31/2016	03/31/2017	EACH OCCURRENCE \$ 5,000,000
							AGGREGATE \$ 5,000,000
							\$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WA7-61D-004526-106	01/01/2016	01/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
							E.L. EACH ACCIDENT \$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Real & Personal Prop			US00067404PR15A	06/30/2015	06/30/2016	\$50,000 Ded/Limits:\$ 300,000,000

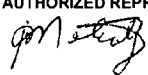
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**THIS CERTIFICATE VOIDS & REPLACES THE PREVIOUSLY ISSUED CERTIFICATE DATED 3/31/2016.**

State of NH - NH Department of Employment Security is an Additional Insured under the General Liability policy as required by written contract.

## CERTIFICATE HOLDER

## CANCELLATION

State of NH - NH Department of Employment Security 45 South Fruit Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



New Hampshire  
Employment  
Security

www.nh.gov/nhes

"We're working to keep New Hampshire working"

JUL 28 '11 AM 8:41 DAS

ADMINISTRATIVE OFFICE

32 SOUTH MAIN STREET  
CONCORD, NH 03301-4857



TARA G. REARDON, COMMISSIONER

DARRELL L. GATES, DEPUTY COMMISSIONER

July 26, 2011

#31  
8/10/11

His Excellency, Governor John H. Lynch  
and the Honorable Council  
State House  
Concord, NH 03301

Requested Action

To authorize New Hampshire Employment Security (NHES) to enter into a contract with RBS Citizens, N.A. d/b/a Citizens Bank (VC# 165622) Manchester, NH, in an amount up to \$1,137,500 for unemployment compensation trust fund banking services from the date of Governor and Council approval through June 30, 2016. 100% Federal Funds.

Federal funds available for these services will be expended as follows, contingent upon availability and continued appropriations for fiscal years 2012 forward with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified:

02 - 27 - 27 - 270010 - 8040 DEPT OF EMPLOYMENT SECURITY			
	FY 2012	FY 2013	FY 2014
10 - 02700 - 80410000 - 020 - 500204 Banking Fees	\$ 227,500.00	\$ 227,500.00	\$ 227,500.00
	FY 2015	FY 2016	
	\$ 227,500.00	\$ 227,500.00	

Vendor Code: 165622 RBS Citizens, N.A. d/b/a Citizens Bank  
RQ#: 122073

Explanation

NHES is requesting approval of the attached contract for unemployment compensation trust fund (UCTF) banking services. This contract provides for the specific banking services required to support NHES unemployment compensation benefit payments and employer contribution collections.

Competitive bids were sought for NHES UCTF banking services. Request for Proposal (RFP) 2011-01-NHES-FSCL was publicly issued to prospective vendors on April 18, 2011 to obtain qualified vendors. Letters of Intent to Bid were required and four (4) were received.

Three (3) written proposals were received by the due date of June 3, 2011. The Vendors were Bank of America, TD Bank and RBS Citizens, N.A. d/b/a Citizens Bank.

Pursuant to the RFP, an Evaluation Committee was comprised of five (5) NHES representatives. Equal points were given to the two evaluation categories: technical qualifications and pricing qualifications.

The initial evaluation of the written proposals rated them according to the RFP scoring criteria which was broken down into six (6) categories: 1) understanding of NHES' needs for banking services, 2) suitable branch locations through the State of New Hampshire, 3) necessary products and systems are available, 4) bank's personnel have experience,

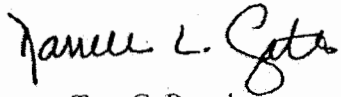
qualifications, knowledge and competence to provide the requested level of services, 5) overall financial health of banking institution, and 6) cost.

Applying the evaluation criteria above, the Committee scored the proposals as follows:

VENDOR	SCORE
Citizens Bank	95.4
Bank of America	69.2
TD Bank	62.6

The Committee agreed that Citizens Bank had the best overall proposal and price. The scores of the top two responses were within two (2) points of one another prior to the evaluation of the cost category. The difference in cost for banking services between financial institutions was significant. NHES calculated the annual banking costs for each vendor using elevated volume levels to ensure adequate coverage. Citizens Bank's estimated annual banking cost to NHES totaled \$227,500. Bank of America's estimated annual banking cost to NHES totaled \$300,360. TD Bank's estimated annual banking cost to NHES totaled \$570,056. The resultant differences in estimated annual cost awarded more points to and the intent to award to Citizens Bank.

Sincerely,



Tara G. Reardon  
Commissioner

TGR/jdr  
Attachments

Qualifications of Scoring Committee Members:

Gates ~ Mr. Gates was the Director of NHES Unemployment Compensation Bureau for approximately five years and is currently the Deputy Commissioner of NHES, a position he has held since 2000. His unemployment insurance (UI) program knowledge is unmatched at NHES.

Carpenter, D ~ Mrs. Carpenter is the current Director of NHES Unemployment Compensation Bureau and has held this position for six years. She also held the lead position in the development and implementation of the NHUIS and has the most knowledge of the system's functionality.

Carpenter, J ~ Mr. Carpenter is a financial analyst at NHES. His knowledge and experience with financial-related matters makes him a valuable member of the banking services RFP scoring committee.

Revels ~ Mrs. Revels is the supervisor of the Fiscal Management Section of NHES. She has held this position since 2005. The Fiscal Management Section of NHES is responsible for all Unemployment Compensation Trust Fund (UCTF) banking and reporting activities.

Beaulieu ~ Mrs. Beaulieu is treasurer of the NHES UCTF. She has held this position for over thirty years. Her many years of experience and knowledge of UCTF banking and reporting requirements makes her an extremely valuable resource in evaluating the banking services RFPs.

Scores by Category:

VENDOR	TECHNICAL (50%)					PRICE (50%)	TOTAL
	Understanding of NHES' needs for banking services. (10 Points)	Suitable branch offices throughout the State of New Hampshire. (10 Points)	Necessary products and systems available to provide for NHES' banking service needs. (10 Points)	Bank's personnel have the experience, qualifications, knowledge and competence to provide the requested level of services to NHES. (10 Points)	Overall financial health of the banking institution. (10 Points)	Total Estimated Annual Cost. (50 Points)	
Bank of America	6.2	3.6	8.2	9.6	5.6	36	69.2
Citizens Bank	10	10	10	10	5.4	50	95.4
TD Bank	7	6.6	10	10	10	19	62.6


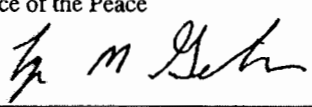
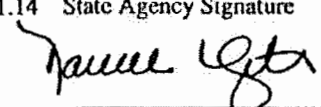
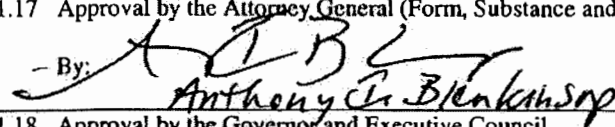
Subject: State/Federal Unemployment Compensation Fund Banking Services FORM NUMBER P-37 ( version 1/09)

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name <u>NH Department of Employment Security</u>		1.2 State Agency Address <u>32 South Main Street, Concord, NH 03301</u>	
1.3 Contractor Name <u>RBS Citizens, N.A. (DBA Citizens Bank)</u>		1.4 Contractor Address <u>875 Elm Street (NE10-1) Manchester, NH 03101</u>	
1.5 Contractor Phone Number <u>(603)634-7121</u>	1.6 Account Number <u>10-027-8041-020-500204</u>	1.7 Completion Date <u>June 30, 2016</u>	1.8 Price Limitation <u>\$1,137,500.00</u>
1.9 Contracting Officer for State Agency <u>Darrell L. Gates, Deputy Commissioner</u>		1.10 State Agency Telephone Number <u>(603) 224-3311</u>	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory <u>Kim Little, CTP Senior Vice President</u>	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>July 15, 2011</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		LYN M. GELINAS Notary Public - New Hampshire My Commission Expires June 17, 2014	
1.13.2 Name and Title of Notary or Justice of the Peace <u>Lyn Gelinas, Notary</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Darrell L. Gates, Deputy Commissioner</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>7/26/2011</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**  
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**  
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials *KW*  
Date 7/15/11

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

Contractor Initials

Date

*[Handwritten Signature]*  
7/15/11

attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.**

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual

intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



## EXHIBIT A

### SCOPE OF SERVICES

Citizens Bank (hereinafter referred to as "Contractor") will provide the following services to New Hampshire Employment Security (hereinafter referred to as "NHES") in addition to the usual and customary bank services and as noted in Request For Proposal # 2011-01-NHES-FSCL which is incorporated by reference herein:

- A. On-line access to information contained within NHES accounts (on-line balances, posted balances and posted activity) to authorized NHES employees with the ability to look up potential stop payments to verify payment status, and to obtain check copies on file for 180 calendar days.
- B. On-line ability to initiate stop payments of checks, initiate wire transfers, and initiate Electronic Fund Transfers (EFTs) batches.
- C. Software/training to process EFTs.
- D. Wire transfer funds from the Clearing Account to the US Treasury Department as instructed by NHES taking all reasonable steps to assure that checks deposited into the Clearing Account are available for transfer within one deposit day.
- E. Post funds transferred from the US Treasury Department to the Benefit Account on the same day they are transferred.
- F. Post EFT credits the same day as received.
- G. Prepare the ETA-8413, Income-Expense Analysis, UC Fund, Benefit Account, and the ETA-8414, Income-Expense Analysis, UC Fund, Clearing Account according to instructions provided by NHES, and forward both reports to NHES not later than 10 calendar days after the close of each month.
- H. Provide a semi-monthly reconciliation of the Clearing Account, Benefit Account and Revolving Fund Account within 10 calendar days after the end of the reconciliation period. Images of cashed checks must be provided semi-monthly for all three accounts. Data containing check information must be provided in a machine readable format that is suitable for import into third-party database systems (e.g. Oracle). Software must also be provided for independent query, review and printing of single or multiple check images. Data may be provided either through secure electronic data transfer (e.g. Secure File Transfer Protocol (SFTP), Hypertext Transfer Protocol Secure (HTTPS) or physical media (e.g. CD/DVD).
- I. Provide Positive Pay services on the Benefit Account including same-day Positive Pay and teller-line Positive Pay.

- J. Provide on-line access to daily summary activity reports, daily detail activity reports, and daily check return files of the Benefit Account, Clearing Account, and Revolving Fund Account.
- K. Notify NHES immediately if it finds an error in the daily deposit to NHES accounts.
- L. Debit the correct checking account when a check and/or EFT is returned for insufficient funds. If the wrong account is debited, Contractor will be responsible for making the necessary corrections to the account when notified by NHES.
- M. Credit the appropriate NHES account for the amount of the forged check upon receipt of signed forgery affidavits from NHES. It will be the Contractor's responsibility to investigate and collect the amount of the forged check.
- N. Upon receipt of a stop payment order, the Contractor will notify NHES if the check has already been cashed.
- O. Credit the appropriate account for the amount of any check cashed for which a Stop Payment Order had been previously issued. It will be the Contractor's responsibility to collect these funds.
- P. Accept on-line cancellations of stop payments and lift the stop payment from the check number the same day the cancellation is received. Contractor will resolve any issues if the cancellation is not lifted.
- Q. Contractor will not honor NHES checks that are older than 6 months (stale-dated). If a stale-dated check is cashed, the Contractor will credit the appropriate account. It will be the Contractor's responsibility to collect these funds.
- R. Provide all carbonless deposit slips and check stock for the Clearing Account, Benefit Account and Revolving Fund Account.
- S. Provide problem resolution and dedicated points of contact to NHES.
- T. Process Wires to the Internal Revenue Service and EFT debit/credit batches as needed. Process EFT batches to / from employers and claimants.
- U. Research discrepancies and provide timely documentation if changes are made to any account.
- V. Provide four (4) locked bags to be used for daily deposits.
- W. Enable NHES to transfer check and EFT files daily (electronically and manually) to the Contractor and the ability to retrieve electronically a daily checks paid and EFTs paid file, a daily void check file and a daily rejected check/EFT file for the purpose of uploading data to our UI benefit and tax systems. Data containing check information

must be provided in a machine readable format that is suitable for import into third-party database systems (e.g. Oracle).

X. Contractor will not charge any fees for a non-account holder presenting an NHES check for payment at any branch location.

Y. Contractor will notify NHES immediately of a security breach.

## EXHIBIT B

Contractor agrees to provide NHES with the services indicated in Exhibit A and in bid specifications for banking services according to accepted bid prices shown below.

Contractor agrees to perform specified services in a professional manner and in accordance with the specifications.

Item Description	Cost Per Item	Total Items per Annum Not to Exceed	Annual Fixed Cost	Total Annual Cost Not to Exceed
Paid Items	\$ 0.08	863,200		\$ 69,056
Deposits*	\$ 0.50	1,100		\$ 550
Deposited Items*	\$ 0.08	118,100		\$ 9,448
Stop Payments	\$ 7.00	1,100	\$ 240	\$ 7,940
Incoming Wires	\$ 16.50	400	\$ 96	\$ 6,696
Outgoing Wires	\$ 11.00	500	\$ 660	\$ 6,160
Imaging	\$ 0.04	863,200	\$ 720	\$ 35,248
ACH Services	\$ 0.05	616,800	\$ 120	\$ 30,960
Positive Pay Services	\$ -	863,200	\$ 840	\$ 840
Electronic Banking	\$ -		\$ 2,760	\$ 2,760
Account Maintenance	\$ 35.00	36	\$ 438	\$ 1,698
Full Account Reconciliation	\$ 0.05	863,200	\$ 1,200	\$ 44,360
FDIC (16 bp is the current fee)				\$ 2,208
Deposited Check Returned Fee	\$ 7.00	105		\$ 735
RDI -Maker	\$ 4.00	105		\$ 420
GPS Hard Token	\$ 1.50	7		\$ 11
GPS Images-Paid Check/Positive Pay	\$ 0.10	-		\$ -
Currency Deposited/\$1000	\$ 0.0012	11,265		\$ 14
Account Recon-Void Per Item	\$ 1.00	120		\$ 120
Account Recon-Manual Issues	\$ 1.00	15		\$ 15
Acct Recon Trans Input	\$ 0.01	440,265	\$ 720	\$ 5,123
ACH-NOC/Return via Transmission	\$ 3.00	930		\$ 2,790
ACH Addenda Record	\$ 0.01	135		\$ 1
ACH Received Credit/Debits	\$ 0.05	930		\$ 47
ACH Reversals	\$ 10.00	15		\$ 150
ACH File Transmission	\$ 10.00	15		\$ 150
<b>TOTAL ESTIMATED ANNUAL COST NOT TO EXCEED:</b>			<b>\$</b>	<b>227,500</b>

\* Use of EZ Deposit product would reduce fees for Deposits by \$0.15 and by \$0.04 for Items Deposited.

**INVOICE**

Contractor will invoice NHES separately for each of account on a monthly basis. All invoices must be submitted in duplicate. Payment will be made through the normal State payment process following receipt of an approved invoice.

**Invoices will be sent to:** Jill Revels  
NH Employment Security  
Fiscal Management Section  
32 South Main Street  
Concord, NH 03301

## **EXHIBIT C**

### **TERM & EXTENSION**

This agreement will be for a term beginning upon Governor and Council approval and terminate on June 30, 2016.

### **TERMINATION**

If Contractor fails to perform services as required, this agreement will without notice, become void and of no effect, with no liability on the part of NH Employment Security beyond the date on which Contractor fails to perform required services. Either party may terminate this agreement at any time. The party requesting termination must give the other party written notice, by certified mail, to so terminate at least thirty (30) calendar days prior to effective date of termination.

Although NHES has made inquiry in the RFP to EAC availability, this contract does not constitute a guarantee of award to Contractor to provide EAC services to NHES. NHES reserves the right to seek such services from other vendors utilizing the proper state of New Hampshire bidding processes.

### **FRAUD AND/OR BREACH OF DUTY**

In the event the Contractor, during the term of this agreement, discovers or has reason to suspect fraud or breach of duty by any of NH Employment Security's employees or by the Contractor's or their agency's employees, the Contractor will immediately notify Colleen O'Neill, Assistant to the Commissioner for Internal Security, or their successor.

### **SUB-CONTRACTING**

Contractor will not assign, subcontract or otherwise transfer any duty obligation, or written performance required by this agreement without prior consent of NH Employment Security.

### **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTIONS**

Contractor certifies that the primary participant, and its principals, to the best of its knowledge and belief, are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency. Contractor will inform NH Employment Security of any changes in the status regarding this statement.