



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia Master Agreement

Order Date: 03-01-2023

CORRECT ORDER NUMBER MUST
 APPEAR ON ALL PACKAGES, INVOICES,
 AND SHIPPING PAPERS. QUESTIONS
 CONCERNING THIS ORDER SHOULD BE
 DIRECTED TO THE DEPARTMENT
 CONTACT.

Order Number:	CMA 0511 2754 CSE1900000001 5	Procurement Folder:	403907
Document Name:	Change Order 3	Reason for Modification:	Change Order No. 3. is issued to add 2 new commodity lines due to State Treasurer wanting to remove Chase from our Account.
Document Description:	Banking Services- Child Support Enforcement		
Procurement Type:	Central Master Agreement		
Buyer Name:			
Telephone:			
Email:			
Shipping Method:	Best Way	Effective Start Date:	2018-12-01
Free on Board:	FOB Dest, Freight Prepaid	Effective End Date:	2023-11-30

VENDOR				DEPARTMENT CONTACT		
Vendor Customer Code:	000000215937			Requestor Name:	Virginia G Hill	
SYSTEMS & METHODS INC				Requestor Phone:	(304) 558-3780	
106 WEDGEWOOD DR				Requestor Email:	virginia.g.hill@wv.gov	
CARROLLTON	GA	30117	<div style="font-size: 48pt; font-weight: bold;">23</div> <div style="font-weight: bold;">FILE LOCATION _____</div>			
US						
Vendor Contact Phone:	7708340831	Extension:				2908
Discount Details:						
	Discount Allowed	Discount Percentage				Discount Days
#1	No	0.0000				0
#2	No					
#3	No					
#4	No					

INVOICE TO	SHIP TO
FISCAL UNIT MANAGER 304-356-4715	FISCAL UNIT MANAGER 304-356-4715
HEALTH AND HUMAN RESOURCES	HEALTH AND HUMAN RESOURCES
CHILD SUPPORT ENFORCEMENT	CHILD SUPPORT ENFORCEMENT
350 CAPITOL ST, RM 147	350 CAPITOL ST, RM 147
CHARLESTON WV 25301-3703	CHARLESTON WV 25301-3703
US	US

3-8-23 BAF

Total Order Amount:	Open End
---------------------	----------

Purchasing Division's File Copy

ENTERED

CH 3/2/23

PURCHASING DIVISION AUTHORIZATION
 DATE: *Tara [Signature]* 3/1/2023
 ELECTRONIC SIGNATURE ON FILE

ATTORNEY GENERAL APPROVAL AS TO FORM
 DATE: *John S. Gray [Signature]*
 ELECTRONIC SIGNATURE ON FILE

ENCUMBRANCE CERTIFICATION
Beverly Toler [Signature]
 DATE: 3-9-2023
 ELECTRONIC SIGNATURE ON FILE

3/9/2023

Extended Description:

Change Order:

Change Order No. 3. is issued to add 2 new commodity lines due to State Treasurer wanting to remove Chase from our Account.

All provisions of the original contract and subsequent change orders not modified herein shall remain in full force and effect.

No other changes.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	84121500				0.000000
	Service From	Service To			Service Contract Amount
				0.00	

Commodity Line Description: E-CATALOG

Extended Description:

Banking services- Child Support Collecting, Tracking, & Disbursement

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
2	84121500				0.000000
	Service From	Service To			Service Contract Amount
				4000.00	

Commodity Line Description: check printing application

Extended Description:

Check printing application

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
3	84121500			MO	0.000000
	Service From	Service To			Service Contract Amount
				0.00	

Commodity Line Description: Bank Fees

Extended Description:

Banking services- Child Support Collecting, Tracking, & Disbursement

Bank fees



February 24, 2023

Ms. Nancy L. Light, Finance Manager
West Virginia Bureau of Child Support Enforcement
350 Capitol St., Rm 147
Charleston, WV 25301-3703

RE: Contract #CW437917 – Systems & Methods, Inc.

Dear Nancy:

Based upon our discussions and your guidance this week, I have made the requested revisions to the following letter.

As a result of the July 28, 2022, decision by the West Virginia State Treasurer's Office to place JPMorgan Chase & Company on the State Treasurer's Restricted Financial Institution List, Systems & Methods, Inc. (SMI) is pleased to provide per your request, a high-level plan and timeline for transition of the services currently provided by JPMorgan.

As you are aware, recently the State and SMI mutually agreed to renew the contract for the period of December 1, 2022, through November 30, 2023, which is year one of the three potential one-year extension periods that would fully extend the contract through November 30, 2025. After careful consideration of the contract requirements, SMI's suggested solution would be for the State to amend the current contract to allow for a transition of the web-based and telephonic payment options to our SMI ePay and SMIPay solutions (Task 1) and the bank services (Task 2) to a State approved financial institution (FI). By amending the contract, the State would benefit from the current contract prices and continuity of services through November 30, 2025, and not require a new RFQ be published.

Below we have provided a high level overview of the services and two associated tasks that can be done independently.

Task 1: Transition web and IVR payments

To continue to meet the contractual requirements of RFQ Section 4.1.1.14, SMI proposes transitioning from JPMorgan's Pay Connexion solution to our own in-house SMIPay payments solution. With the State's approval, SMI would put together a project plan to commence the transition as soon as possible, separate from the bank transition, so it could be completed prior to the bank change.



SMI can meet and exceed the requirements to provide web-based payment and telephone options for non-custodial parents and third parties. We have a very robust web-based solution that allows for all major brand credit and debit cards as well as ewallet payments (i.e., Google and Apple Pay), PayPal, and Venmo. SMI's web-based payment solution has also been optimized to be available on mobile devices. Additionally, SMI also offers an in-house IVR solution that enables payors to make credit and/or debit card telephone payments 24/7.

An additional benefit to transitioning these payment options to the SMI solution is the elimination of multiple files that are currently generated and sent daily between JPMorgan, SMI, and the State. It will also remove the need to test file transfers with JPMorgan for the upcoming WV PATH project.

Currently, the requirement is for these payment solutions to be supported by a toll-free customer service line with automated assistance available 24/7 and live customer service representatives (CSRs) to be available during standard hours of operation from 7 a.m. to 2 a.m. Eastern Time, Monday through Sunday. SMI proposes to provide the toll-free customer service line with automated assistance and amended the availability of live CSRs to standard hours of operation of 8 a.m. to 5 p.m. Eastern Time, Monday through Friday. This would enable our current SDU personnel, who have extensive knowledge and experience with the West Virginia clients, to provide customer service to the callers.

Task 2: Bank Transition

SMI understands the importance and priority to transition to a new financial institution as a direct result of the Treasurer's inclusion of JPMorgan on the Restricted Financial Institution List. As discussed, SMI has already engaged in communications with Fifth Third, which is a West Virginia state approved bank. SMI has an existing relationship with Fifth Third as they provide bank services to SMI for our Ohio SDU operations.

To begin the project, SMI and the State will need to select the new financial institution and engage in contract negotiations. SMI also strongly suggests setting up a new account structure, with additional depository and disbursement accounts, that will meet the contractual requirements and improve the daily reconciliation process for the State.

➤ New State Accounts at Fifth Third and Partial Transition from JPMorgan

This option would require the State to set up accounts with a new FI but would leave the JPMorgan account open for the daily in-bound electronic payments from employers, agencies, and other states. At the end of each processing day, SMI would work with the State to set up a process to initiate a transfer (via ACH or wire) of the funds deposited for that day to the State's new account(s). This solution would remove the urgency to do outreach to the electronic remitters immediately and allow them to be transitioned over a longer period of time.



Disbursement Checks

SMI will be required to work with our check printing application vendor to make the necessary programming changes to the disbursement checks (i.e., bank name and bank account routing/account numbers). We anticipate the cost to be less than \$4,000 and propose that the check change costs necessary for the new FI be submitted on the monthly invoice to the State as a reimbursable cost.

Bank Analysis

The current SDU contract term began December 1, 2018, and SMI has paid 100% of the West Virginia bank analysis costs for the JPMorgan accounts, which to-date is approximately \$233,000. As a result of this situation and potential requirement to change banks, SMI has been reviewing all contract documents and requirements. During this review it was discovered that in RFQ Addendum No. 2, Attachment A, Question 70 (see below) confirmed that the Vendor was not responsible for the banking fees associated with any of the bank accounts.

Question 70: General: Please confirm if the Vendor is responsible for any of the banking fees associated with any of the bank accounts.

- a. If the Vendor is responsible for any of the banking fees, please confirm the quantity and types of bank accounts required.
- b. If the Vendor is responsible for any of the banking fees, please provide the current annual banking fees?

Answer 70: No.

- a. N/A
- b. N/A

SMI proposes that the new bank accounts be set up under the ownership of the State and that the State be responsible for the fees associated with the bank accounts. Structuring the State as the account owners also has many additional benefits as discussed on our last call.

SMI's Proposal

After review and analysis, SMI proposes that the current SDU contract be amended to allow the web and IVR payments be transitioned from JPMorgan to SMI, and the Option to transition to a new State approved bank and leaving the current employer ACH payments with JP Morgan Chase until they can be transitioned at a later date.

SMI's Estimated Time, Cost, and Proposed Cost to Client

With this preliminary information, SMI has not yet analyzed the necessary resources (i.e., Project Management, IT, Development, Testing, Documentation, and Training) that would be required for these projects. However, SMI is pleased to advise West Virginia BCSE that the proposed cost to the State for our internal labor costs will be zero.

In closing, SMI wants to assure the State that we understand the time-sensitive nature of the situation with JPMorgan Chase and will continue to be diligent in identifying and transitioning a future banking



partner for the WV BCSE accounts. As always, we appreciate our relationship with you and will work closely with the State to ensure a quick and successful transition to a new FI.

Sincerely,

A handwritten signature in cursive script that reads 'Bilinda McKay'.

Bilinda McKay
Vice President
Child Support Services Division

cc: Lou Hall, SMI Chief Operating Officer
SMI Contract File



Lyle, Tara L <tara.l.lyle@wv.gov>

Re: CMA CSE19*01 - CO#3

1 message

Price, Robert L <robert.l.price@wv.gov>

Tue, Mar 7, 2023 at 11:36 AM

To: "Lyle, Tara L" <tara.l.lyle@wv.gov>

Cc: Crystal G Hustead <crystal.g.hustead@wv.gov>, "Rosen, Bryan D" <bryan.d.rosen@wv.gov>

Tara L,

The State Treasurer has restricted select financial institutions. Chase as a partner and per the treasurer, we had to take our business elsewhere. This forced the opening of new accounts to accommodate this restriction. As a result there are costs the agency must absorb. The scope of work within the S&M contract remains the same. Let me know if this helps.

Thanks

On Mon, Mar 6, 2023 at 5:27 PM Lyle, Tara L <tara.l.lyle@wv.gov> wrote:

Bobby,

Reviewing CO#3 for the banking services contract with Systems & Methods, Inc.

This change order is requesting to add two (2) commodity lines but I don't see those particular items within the contract. Also, the letter from the vendor states "SMI's suggested solution would be for the State to amend the current contract to allow for a transition of web-based and telephonic payment options to our SMI ePay and SMIPay solutions (Task 1) and the bank services (Task 2) to a State approved financial institution."

We can't amend the current contract or add items that weren't bid in the original solicitation. If significant changes are occurring with this change order, you may need to cancel and re-bid.

If I am missing a piece of information, please let me know.

Thanks,
Tara

Tara Lyle, Buyer Supervisor
WV Purchasing Division
2019 Washington Street, East
Capitol Complex, Building 15
Charleston, WV 25305
304-558-2544

www.wvpurchasing.gov

 **Restricted Financall Institution List (2).pdf**
620K



RESTRICTED FINANCIAL INSTITUTION LIST

Pursuant to West Virginia Code §§12 1C 1, et seq., the West Virginia State Treasurer is authorized to prepare and maintain a list of financial institutions engaged in a “boycott of energy companies,” as defined in West Virginia Code §12 1C 1(a)(2). Financial institutions included on the list are referred to as “restricted financial institutions.”

In selecting a financial institution to enter into a State “banking contract,” as that term is defined in West Virginia Code §12 1C 1(a)(1), the State Treasurer is authorized to take any and all of the following actions:

- Disqualify a restricted financial institution from the competitive bidding process or from any other official selection process.
- Refuse to enter into a banking contract with a restricted financial institution based on its restricted financial institution status.
- Require, as a term of any banking contract, an agreement by the financial institution not to engage in boycott of energy companies for the duration of the contract.

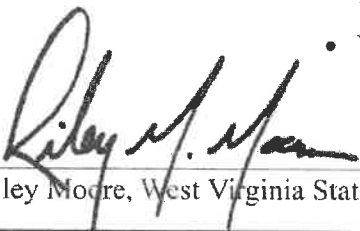
Following a financial institution’s inclusion on the Restricted Financial Institution List, the State Treasurer will remove the institution from said list if the institution demonstrates that it has ceased all activity that boycotts energy companies according to West Virginia Code §§12 1C 1, et seq.

Inclusion on the restricted financial institution list is not an indication of unsafe or unsound operating conditions at any financial institution nor any risk to consumer deposits.

Pursuant to West Virginia Code §§12-1C-1, et seq., the West Virginia State Treasurer’s Office has determined, based on publicly available statements published by financial institutions authorized to enter into financial services contracts with the State Treasurer’s Office, that the financial institutions listed below are restricted financial institutions and are hereby placed on the West Virginia State Treasurer’s Restricted Financial Institution List.

- **BlackRock Inc.**
- **Goldman Sachs Group Inc.**
- **JPMorgan Chase & Co.**
- **Morgan Stanley**
- **Wells Fargo & Co.**

Signed:


Riley Moore, West Virginia State Treasurer

Effective Date: July 28, 2022

*Banks currently authorized to enter into financial services contracts with the West Virginia State Treasurer’s Office include those institutions that are currently designated state depositories or institutions offering sweep accounts that the Treasurer is authorized to select on behalf of the Board of Treasury Investments.