

MISSISSIPPI LOTTERY CORPORATION

REQUEST FOR PROPOSALS NO. 10

REQUEST FOR PROPOSALS FOR LINE OF CREDIT

RESPONSE SUBMISSION DEADLINE: OCTOBER 13, 2023 (2:00 P.M. CST)

RESPONSE DUE TO:

**ALISON FYRANT
VICE-PRESIDENT, FINANCE,
MISSISSIPPI LOTTERY CORPORATION
C/O BALCH & BINGHAM LLP
188 E. CAPITOL STREET, SUITE 1400
JACKSON, MS 39201**

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BACKGROUND

The Alyce G. Clarke Mississippi Lottery Law, Senate Bill 2001 (First Extraordinary Session 2018) (“the Act”), formed the Mississippi Lottery Corporation (the “Corporation”) to administer the State of Mississippi’s first lottery. The Corporation’s Board of Directors (“the Board”) governs the Corporation. The Board is comprised of five (5) members appointed by the Governor, with the advice and consent of the Senate, in addition to the Commissioner of the Department of Revenue and the State Treasurer as ex officio members. Composing the current Board are Dr. Michael McGrevey, Dr. Cass Pennington, Kimberly LaRosa, Gerard Gibert, Philip Chamblee, Commissioner Chris Graham, and Treasurer David McRae.

INTRODUCTION

1. Purpose

The purpose of this Request for Proposals (“RFP”) is to invite proposals from qualified full-service Federal Deposit Insurance Corporation (“FDIC”) banking institutions desiring to provide a line of credit for the Corporation. All respondents must fully acquaint themselves with the Corporation’s needs and requirements and obtain all necessary information to develop an appropriate solution and to submit responsive and effective proposals. Any securities purchased as investment by the Corporation must be kept at a custodian financial institution domiciled in the State of Mississippi.

2. Responses and Proposal Acceptance Period

Each proposal shall be signed by an individual authorized to bind the respondent to a resultant contract and submitted in a sealed envelope or package as described in this RFP no later than the time and date specified for receipt on the cover page hereto. Timely submission is the responsibility of the respondent. The envelope or package shall be marked with the name of the respondent and the RFP number. Each page of the proposal and all attachments shall be identified with the name of the respondent. The Corporation reserves the right to decide, on a case-by-case basis, whether to reject a proposal with modifications or additions as nonresponsive. As a precondition to proposal acceptance, the Corporation may request the respondent to withdraw or modify those portions of the proposal deemed nonresponsive that do not affect quality, quantity, price, or delivery of the services. The Corporation is under no obligation to enter into a contract or otherwise engage any respondent as a result of this RFP process and may cancel this RFP process when it is determined to be in the best interest of the Corporation.

Amended on 09/28/2023

(a) Timeline*

September 28, 2023	RFP posted to the website of the Corporation (mslottery.com)
October 4, 2023	Deadline for questions related to RFP No. 10
October 6, 2023	Deadline for responses to all questions related to RFP to be posted to the website of the Corporation (mslottery.com)
October 13, 2023	Closing date for RFP. All proposals due (2:00 PM CST)
November 3, 2023	Proposal responses evaluated and oral presentations held (if requested).
November 14, 2023	Corporation decision and notification of Board action

(*) – Dates are estimated and are subject to change.

(b) Late Submissions

A proposal received at the place designated in the RFP for receipt of proposals after the exact time specified for receipt will not be considered. Proposals received after the specified time shall be rejected and returned to the respondent unopened.

3. Procedures for Delivery of Proposals

The respondent shall submit eight (8) copies and two (2) USB flash drives of its proposal in an envelope(s) or package(s) marked “Mississippi Lottery Corporation RFP No. 10 Proposal Package.” The envelope or package shall also be clearly labeled with the name of the respondent, the services to be provided, and directed to the attention of the named contact person. Responses shall be mailed or hand-delivered to the person listed on the title page. No email or facsimile responses will be accepted.

4. Expenses Incurred in Preparing Statement of Qualifications

The Corporation accepts no responsibility for any expense incurred by the respondent(s) in the preparation and presentation of a proposal. Such expenses shall be borne exclusively by the respondent(s).

5. Registration with Mississippi Secretary of State

By submitting a proposal, the respondent certifies that it is registered to do business in the State of Mississippi as prescribed by the Mississippi Secretary of State or, if not already registered, that it will do so within seven (7) business days of being offered an award.

6. Debarment

By submitting a proposal, the respondent certifies that it is not currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi or Federal government, and that it is not an agent of a person or entity that is currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi.

7. Additional Information

Questions about this RFP must be submitted in writing as detailed in Section 14 below. Respondents are cautioned that any statements made by contact persons that cause a material change to any portion of the RFP shall not be relied upon unless subsequently ratified by a formal written amendment. All questions and answers shall be published to respondents on the website of the Mississippi Lottery Corporation by the deadline prescribed herein.

8. Release of Information

The Corporation will not release information submitted in response to this RFP during the evaluation process or prior to an award of a contract. After all respondents have been notified of the award of a contract, respondents' proposals will be available for public review, subject to the limitations of the Mississippi Public Records Act of 1983, as amended. It is the responsibility of the respondent to identify all trade secrets or confidential commercial or financial information.

9. Non-Discrimination

There shall be no discrimination as to race, sex, color, religion, national origin or disability in the operations proposed to be conducted under any engagement arising out of the responses to this RFP.

10. Supplementation

Each respondent must supplement its response to its RFP within seven (7) days of any material change to the information contained in its response.

11. Administration of Contract

The contract(s) resulting from the RFP process will be administered by the Corporation.

12. Terms and Conditions of Contract

The terms and conditions of any contract resulting from a response to this RFP will contain, by reference, the terms of this RFP and the respondent's response thereto.

13. Obligation to Award

By this RFP, the Corporation has not committed itself to contract with any vendor for any or all of the matters described in this RFP, nor does the suggested scope of services or term of agreement require that any vendor be selected for any purposes.

14. Questions and Quiet Period

Questions relative to this RFP should be submitted by email to afryant@mslot.org no later than October 4, 2023. Responses will be posted on the Corporation’s website on or before October 6, 2023.

Upon the release of the RFP, applicants or their representatives shall not contact Corporation employees or Corporation counsel regarding the RFP, other than through the process for questions provided pursuant to this RFP. This quiet period will end upon the selection of the financial institution(s) for the services provided for in this RFP. A violation of this quiet period may result in the disqualification of the violator’s Response to the RFP.

RESULTING CONTRACT

1. Period of Performance

The term of the engagement shall be indefinite. Any financial institution selected pursuant to this RFP shall serve at the pleasure of the Corporation, and the services of any institution selected may be terminated, at the sole discretion of the Corporation, upon delivery of written notice of such termination to the selected financial institution.

2. Indemnity

The selected financial institution shall agree in the resulting contract to indemnify the Corporation and its directors, officers, employees, agents and representatives relative to any misappropriation of funds by the financial institution.

3. Corporation Objectives

The public’s trust relative to the operations of the Mississippi lottery is essential. The Corporation must maintain control over all functions and be assured that they are performed to provide the greatest long-term benefit to the State of Mississippi and to provide the best service and products for the public, in a manner consistent with the integrity of the State of Mississippi.

All proposals shall reflect the following overall goals and objectives of the Corporation:

- To annually increase revenue and associated net lottery proceeds;
- To market high quality products that provide entertainment and customer satisfaction;

- To ensure that the successful respondent is capable of providing the services called for in this RFP, and that the successful respondent will be capable of continuing to provide those services; and
- To provide for innovation and the ability to respond to changes in the industry and the demands of the marketplace.

4. Successful Relationship

The nature of this RFP and the resulting contract will result in a relationship between the successful respondent and the Corporation, which relationship must be founded in mutual trust, respect and concern for the integrity, security and quality of the Mississippi lottery. In selecting a financial institution, the Corporation desires to partner with a financial institution that demonstrates quality and responsiveness in its customer service.

REQUESTED SERVICES

The Corporation seeks the following banking services:

- 1. Credit Facility:** A working capital line of credit for the term of the engagement, in the amount of \$15,000,000, which will be available for borrowing, repaying and re-borrowing until the maturity date, at which time the line of credit may be renewed. The line of credit will be unsecured.

REQUIRED INFORMATION

1. Minimum Qualifications

To be eligible to respond to this RFP, each respondent must certify in writing that it meets each of these requirements:

- (a) It is currently an FDIC banking institution;
- (b) It meets the requirements of the Act (for operational accounts and investment services) relative to being domiciled in Mississippi;
- (c) It is not currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi or the Federal government, and that it is not an agent of a person or entity that is currently debarred from submitting proposals for contracts issued by any political subdivision or agency of the State of Mississippi; and
- (d) It will meet the requirements of Mississippi Code § 27-105-5 relative to collateralization of the accounts to be provided by the financial institution selected.

2. Credit Facility Proposal

- (a) Discuss the institution's proposed line of credit facility, including, without limitation, the proposed fee structure, including any commitment fees, the interest rate, any other fees or costs associated with maintaining and drawing on the line of credit.
- (b) Discuss the reporting requirements of the Corporation to the financial institution. Detail any covenants or conditions required by the Corporation.

3. Qualifications, Experience and Disclosures

- (a) Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.
- (b) Provide, as applicable, the names and addresses of the following: the names and addresses of the officers, directors and each stockholder of more than a 10% interest in the Corporation.
- (c) Provide a disclosure of all of the jurisdictions in which the institution does business.
- (d) Provide a disclosure of all of the jurisdictions in which the institution has contracts to supply lottery goods and services and a description of the nature of the goods or services involved for each jurisdiction.
- (e) Provide a disclosure of all of the jurisdictions in which the institution has applied for, has sought renewal of, has received, has been denied, has pending or has had revoked a lottery or gaming license of any kind or had fines or penalties assessed to the institution's license, contract or operation and the disposition of each institution in each jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application either has been denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the failure to receive a license shall be disclosed.
- (f) Provide a disclosure of the details of any bankruptcy, insolvency, reorganization or corporate or individual purchase or takeover of another corporation, including, without limitation, bonded indebtedness, and any pending litigation of the institution.
- (g) Provide a disclosure of any civil or criminal litigation or indictment involving the financial institution.
- (h) Provide the address of the office location(s) that will service the account.

- (i) Describe the experience of the financial institution in providing similar services for other lotteries or for governmental entities or quasi-governmental entities.
- (j) Complete the following table with current credit ratings by Standard & Poor's Rating Services and Moody's Investor Services. If the respondent is not rated by these organizations, provide other evidence of the institution's financial strength.

Financial Institution

	Standard & Poor's Rating	Moody's Investor Services
Short-Term Unsecured Senior Debt		
Long-term Unsecured Senior Debt		

Financial Institution Holding Company

	Standard & Poor's Rating	Moody's Investor Services
Short-Term Unsecured Senior Debt		
Long-term Unsecured Senior Debt		

- (k) Discuss the institution's current capital structure, adequacy and coverage. If applicable, provide the institution's risk-based capital classification.
- (l) Provide the institution's Community Reinvestment Act (CRA) rating.
- (m) Provide a copy of the most recently audited financial statements.

4. Personnel

- (a) Provide the name, title, address, phone number, and email address of 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.
- (b) Describe your institution's policy on changing the primary contact person on an account.
- (c) Name the individuals who will work with the Corporation 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 Corporation as they arise.
- (d) Describe the chain of command for problem resolutions.

5. Administrative Costs

Describe the financial institution’s method of determining administrative costs, if any, to be charged for servicing the Corporation’s line of credit. Estimated cost, method of charging/collecting, required minimum non-invested balances, if any and other pertinent data conceding any proposed administrative fee must be included. If no administrative costs are proposed, or if a minimum non-invested balance is not be established, so state in the proposal. If adjustments to the administrative cost schedule or methodology is anticipated during the life of the contract, address the schedule for implementing revised charges and any pertinent data.

6. Collateral

Describe the method by which collateral is established to comply with Mississippi Code § 27-105-5.

7. References

Provide a list of the names, telephone numbers and addresses of not less than three (3) business customers of similar size to the Corporation. Include the length of time they have been customers of the financial institution.

8. Pricing Analysis

- (a) For how long is the financial institution willing to guarantee the proposed fees?
- (b) Can fees be debited directly from the Corporation’s accounts rather than billed to the Corporation?
- (c) Are you willing to offer any price breaks or incentives (based on volume, timeliness of payment, rebates or otherwise)?
- (d) Complete the fee schedule attached as Attachment A. Please list any other fees, including any one-time or set-up charges, research fees and minimum fees.

EVALUATION AND AWARD CRITERIA

This RFP seeks financial institutions to provide a line of credit to the Corporation. A preliminary evaluation will be conducted identifying the financial institutions deemed fully qualified and best suited among those submitting proposals on the basis of the evaluation factors listed below (not in priority order):

- Operational requirements – understanding the needs and operation requirements of the Corporation; scope of services offered

- Experience – experience, resources and qualification of the institution and individuals assigned to the account; relevant experience; quality and responsiveness of customer service; local decision-making authority to handle emergency needs
- Financial strength – financial strength of respondent; adequacy of financial controls and protection against loss
- Innovation – value of any service suggestions or ideas
- Compliance with the requirements of RFP and quality of the proposal submitted
- Fees and rates
- Reporting and other requirements related to the credit facility

During the evaluation process, the Corporation may request certain of the respondents reasonably susceptible of being selected for award to make oral presentations to the Corporation for the purpose of clarification to assure full understanding of, and responsiveness to the RFP requirements. If the Corporation determines that further clarifications are needed or desirable, it may solicit Best and Final Offers from respondents, whether oral presentations are held or not.

The authority to make the final selection of a respondent under this RFP and approve the terms of a resulting contract resides solely with the Corporation. The Corporation reserves the right to award the contract to the financial institution that best meets the requirements of the RFP and not necessarily to the lowest cost proposer. Further, the Corporation reserves the right to reject any and all responses to this RFP, with or without cause.

Any award to any respondent will be contingent upon successful negotiation of fees and rates and other terms, subject to ratification and approval of the Corporation. If a contract with the selected financial institution is not finalized within fifteen (15) days, the Corporation reserves the right to open negotiations with another financial institution.

ATTACHMENT A - BANKING SERVICES CHARGES

Service Unit	Unit Charge	Cost of Services
Account Maintenance	Per month	
Daily Balance Reporting	Per month	
Credits Posted	Per transaction	
Debits Posted	Per transaction	
On-line Account Access/Reporting	Per month	
ACH Processing	Per transaction	
Origination of file	Per tape	
ACH deletions	Per transaction	

ACH entries	Per transaction	
Extra Statements	Per transaction	
Special handling		