

State of Maine
Master Score Sheet

RFP# 202406112					
Securities Custody Services – Unclaimed Property Program					
Bidder Name:		Avenu	Kelmar Associates LLC		
Proposed Cost:		\$192,054	\$284,805		
Scoring Sections	Points Available				
Section I: Preliminary Information	Pass/Fail	Pass	Pass		
Section II: Organization Qualifications and Experience	25	24	22		
Section III: Proposed Services	35	33	29		
Section IV: Cost Proposal	40	40	27		
TOTAL	<u>100</u>	<u>97</u>	<u>78</u>		
Bidder Name:					
Proposed Cost:					
Scoring Sections	Points Available				
Section I: Preliminary Information					
Section II: Organization Qualifications and Experience					
Section III: Proposed Services					
Section IV: Cost Proposal					
TOTAL					

Award Justification Statement
RFP# 202406112
Securities Custody Services – Unclaimed Property Program

I. Summary

- The State Treasurer is the administrator of the Unclaimed Property program (per [M.R.S.A. Title 33, Chapter 45](#)), and is responsible for identifying, collecting, safekeeping, and returning unclaimed property to citizens, including securities and securities-related property. The awarded Bidder will be responsible for custody of securities, dividend and interest collections, corporate action reporting, asset tracking, and accounting for all activities for all issues held.

II. Evaluation Process

- An evaluation team consisting of the following qualified reviewers, used a team consensus approach to assign scores to Sections II & III of the proposals in accordance with the criteria defined in the RFP. Cost Proposal scores were assigned according to a predetermined mathematical formula.
 - Gregory Olson, Deputy Treasurer - Financial Expert
 - Laura Hudson, Director of Internal Operations - Banking Expert
 - Jeff Chetkauskas, Ast. Director of Internal Ops - Subject Matter Expert
 - Karen Knox, Systems Team Leader MainIT – Tech Expert

III. Qualifications & Experience

- Extensive experience in the industry
- Experienced staff
- Extensive experience in escheated securities
- Previous customer service experience

IV. Proposed Services

- Proposal in line with all RFP requirements

V. Cost Proposal

- Selected bidder submitted the lowest Cost bid per Cost Formula.

VI. Conclusion

- The Evaluation Team determined that the selected Bidder's Proposal offers the best value to the State of Maine for the services requested through this RFP.



STATE OF MAINE
Office of the State Treasurer

Henry E.M. Beck
Treasurer

Janet T. Mills
Governor

October 29, 2024

Deborah Arnold
5860 Trinity Parkway, Suite 120
Centreville, VA 20120

SUBJECT: Notice of Conditional Contract Award under RFP # 202406112,
Securities Custody Services – Unclaimed Property Program

Dear Ms. Arnold:

This letter is in regard to the subject Request for Proposals (RFP), issued by the State of Maine Office of the State Treasurer for Securities Custody Services-Unclaimed Property Program. The Department has evaluated the proposals received using the evaluation criteria identified in the RFP, and the Department is hereby announcing its conditional contract award to the following bidder:

- Avenu Insights & Analytics, LLC

The bidder listed above received the evaluation team's highest ranking. The Department will be contacting the aforementioned bidder soon to negotiate a contract. As provided in the RFP, the Notice of Conditional Contract Award is subject to execution of a written contract and, as a result, this Notice does NOT constitute the formation of a contract between the Department and the apparent successful vendor. The vendor shall not acquire any legal or equitable rights relative to the contract services until a contract containing terms and conditions acceptable to the Department is executed. The Department further reserves the right to cancel this Notice of Conditional Contract Award at any time prior to the execution of a written contract.

As stated in the RFP, following announcement of this award decision, all submissions in response to the RFP are considered public records available for public inspection pursuant to the State of Maine Freedom of Access Act (FOAA). 1 M.R.S. §§ 401 et seq.; 5 M.R.S. § 1825-B (6).

This award decision is conditioned upon final approval by the State Procurement Review Committee and the successful negotiation of a contract. A Statement of Appeal Rights has been provided with this letter; see below.

Thank you for your interest in doing business with the State of Maine.

Sincerely,

A handwritten signature in blue ink that reads "Amber Griffin".

Amber Griffin
State House Station 39
Augusta ME 04333-0039

STATEMENT OF APPEAL RIGHTS

Any person aggrieved by an award decision may request an appeal hearing. The request must be made to the Director of the Bureau of General Services, in writing, within 15 days of notification of the contract award as provided in 5 M.R.S. § 1825-E (2) and the Rules of the Department of Administrative and Financial Services, Bureau of General Services, Office of State Procurement Services [formerly the Division of Purchases], Chapter 120, § (2) (2).



STATE OF MAINE
Office of the State Treasurer

Henry E.M. Beck
Treasurer

Janet T. Mills
Governor

October 29, 2024

David P. Kennedy
500 Edgewater Drive, Suite 525
Wakefield, Massachusetts 01880

SUBJECT: Notice of Conditional Contract Award under RFP # 202406112,
Securities Custody Services – Unclaimed Property Program

Dear Mr. Kennedy:

This letter is in regard to the subject Request for Proposals (RFP), issued by the State of Maine Office of the State Treasurer for Securities Custody Services-Unclaimed Property Program. The Department has evaluated the proposals received using the evaluation criteria identified in the RFP, and the Department is hereby announcing its conditional contract award to the following bidder:

- Avenu Insights & Analytics, LLC

The bidder listed above received the evaluation team's highest ranking. The Department will be contacting the aforementioned bidder soon to negotiate a contract. As provided in the RFP, the Notice of Conditional Contract Award is subject to execution of a written contract and, as a result, this Notice does NOT constitute the formation of a contract between the Department and the apparent successful vendor. The vendor shall not acquire any legal or equitable rights relative to the contract services until a contract containing terms and conditions acceptable to the Department is executed. The Department further reserves the right to cancel this Notice of Conditional Contract Award at any time prior to the execution of a written contract.

As stated in the RFP, following announcement of this award decision, all submissions in response to the RFP are considered public records available for public inspection pursuant to the State of Maine Freedom of Access Act (FOAA). 1 M.R.S. §§ 401 et seq.; 5 M.R.S. § 1825-B (6).

This award decision is conditioned upon final approval by the State Procurement Review Committee and the successful negotiation of a contract. A Statement of Appeal Rights has been provided with this letter; see below.

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Amber Griffin
State House Station 39
Augusta ME 04333-0039

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**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Avenu

DATE: 10/10/2024

SUMMARY PAGE

Department Name: Office of the State Treasurer

Name of RFP Coordinator: Amber Griffin

Names of Evaluators: Gregory Olson, Laura Hudson, Jeffrey Chetkauskas, Karen Knox

<u>Pass/Fail Criteria</u>	<u>Pass</u>	<u>Fail</u>
Section I. Preliminary Information (Eligibility)		
• Proof of authorization to do business in Maine	X	
• Provide DTCC or similar Participant Number	X	
• Proof of SIPC membership	X	
• Proof that the Bidder or their subcontractor are a Bank or Broker	X	
<u>Scoring Sections</u>	<u>Points Available</u>	<u>Points Awarded</u>
Section II. Organization Qualifications and Experience	25	24
Section III. Proposed Services	35	33
Section IV. Cost Proposal	40	40
<u>Total Points</u>	<u>100</u>	<u>97</u>

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Avenu

DATE: 10/10/2024

**OVERVIEW OF SECTION I
Preliminary Information**

Section I. Preliminary Information

Evaluation Team Comments:

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Avenu

DATE: 10/10/2024

**EVALUATION OF SECTION II
Organization Qualifications and Experience**

	<u>Points Available</u>	<u>Points Awarded</u>
Section II. Organization Qualifications and Experience	25	24

Evaluation Team Comments:

- I. Overview of the Organization
 - Holds four billion in escheated unclaimed securities country wide
 - Incumbent since 1990
 - Employes 800 people across 10 locations in the continental US
 - 30+ years' experience and 3,000 clients
 - Their Massachusetts office handles UP programs in half of all states
 - Vault available for physical stock certificates

- II. Subcontractors
 - Bank of NY, Raymond James

- III. Organizational Chart
 - Five staff assigned to the State of Maine
 - David Lemoine, former Maine State Treasurer

- IV. Litigation
 - None in the last five years

- V. Financial Viability
 - Low to moderate risk assessment

- VI. Certificate of Insurances
 - Up to \$10 million

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Avenu

DATE: 10/10/2024

**EVALUATION OF SECTION III
Proposed Services**

	<u>Points Available</u>	<u>Points Awarded</u>
Section III. Proposed Services	35	33

Evaluation Team Comments:

- Reporting as needed-secure email
- Website we can use to research transactions
- Cyber security stance is very strong
- Well suited to meet all IT policies
- They return worthless shares to the holder
- They can also book currently held worthless shares or book as “Not in Bank”
- Business continuity plans in place

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Avenu

DATE: 10/10/2024

**EVALUATION OF SECTION IV
Cost Proposal**

Lowest Submitted Cost Proposal	,	Cost Proposal Being Scored	x	Score Weight	=	Score
\$192,054	,	\$192,054	x	40 points	=	40

Evaluation Team Comments:

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Kelmar Associates LLC

DATE: 10/10/2024

SUMMARY PAGE

Department Name: Office of the State Treasurer

Name of RFP Coordinator: Amber Griffin

Names of Evaluators: Gregory Olson, Laura Hudson, Jeffrey Chetkauskas, Carrie LaCasse, Karen Knox

<u>Pass/Fail Criteria</u>	<u>Pass</u>	<u>Fail</u>
Section I. Preliminary Information (Eligibility)		
• Proof of authorization to do business in Maine	X	
• Provide DTCC or similar Participant Number	X	
• Proof of SIPC membership	X	
• Proof that the Bidder or their subcontractor are a Bank or Broker	X	
<u>Scoring Sections</u>	<u>Points Available</u>	<u>Points Awarded</u>
Section II. Organization Qualifications and Experience	25	22
Section III. Proposed Services	35	29
Section IV. Cost Proposal	40	27
<u>Total Points</u>	<u>100</u>	<u>78</u>

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Kelmar Associates LLC

DATE: 10/10/2024

**OVERVIEW OF SECTION I
Preliminary Information**

Section I. Preliminary Information

Evaluation Team Comments:

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Kelmar Associates LLC

DATE: 10/10/2024

**EVALUATION OF SECTION II
Organization Qualifications and Experience**

	<u>Points Available</u>	<u>Points Awarded</u>
Section II. Organization Qualifications and Experience	25	22

Evaluation Team Comments:

- I. Overview of the Organization
 - In business since 2001
 - Headquartered in Virginia and Massachusetts
 - 50 Government contracts
 - 75+ current contracts
 - Over 220 employees
- II. Subcontractors
 - Wells Fargo-has worked with since 2015 for short- and long-term custody accounts
- III. Organizational Chart
 - 23 staff
- IV. Litigation
 - None in last five years
- V. Financial Viability
 - Low to moderate risk assessment
- VI. Certificate of Insurances
 - \$8 million

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Kelmar Associates LLC

DATE: 10/10/2024

**EVALUATION OF SECTION III
Proposed Services**

	<u>Points Available</u>	<u>Points Awarded</u>
Section III. Proposed Services	35	29

Evaluation Team Comments:

- They would link securities directly to holder reports
- Sample report-Account Analysis is 385 pages
- Knowledgeable about UP law
- Can hold 99% of securities
- Cannot hold physical certificates
- No mention of crypto
- Good security stance
- State RAMP certified
- Maine IT Policies regarding accessibility-how would they meet?
- Has a targeted UP market
- Business continuity plan in place

**STATE OF MAINE
TEAM CONSENSUS EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER: Kelmar Associates LLC

DATE: 10/10/2024

**EVALUATION OF SECTION IV
Cost Proposal**

Lowest Submitted Cost Proposal	,	Cost Proposal Being Scored	x	Score Weight	=	Score
\$192,054	,	\$284,805	x	40 points	=	27

Evaluation Team Comments:

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: 10/10/2024

EVALUATOR NAME: Greg Olson

EVALUATOR DEPARTMENT: Office of the State Treasurer

Instructions: *The purpose of this form is to record proposal review notes written by **individual** evaluators for this Request for Proposals (RFP) process. It is **required** that each individual evaluator make notes for each proposal that he or she reviews. No numerical scoring should take place on these notes, as that is performed only during team consensus evaluation meetings. A separate form is available for team consensus evaluation notes and scoring. Once complete, please submit a copy of this document to your Department’s RFP Coordinator or Lead Evaluator for this RFP.*

Individual Evaluator Comments:

Directions: *Follow the sections of your RFP to develop a bulleted outline for notes. Delete the sample below and these directions and replace with your own outline based on your RFP.*

- I. *Organization Qualifications and Experience*
 - 1. *Overview of Organization*
 - *Avenu based in Centreville, VA. 800 employees, 10 offices, other services to governments.34 years in UP service Works with BONY and Raymond James. Incumbent provider*
 - *Comps – Alabama UP, West Virginia UP and Wisconsin UP*
 -
 - 2. *Subcontractors*
 - *BONY Mellon*
 - *Raymond James*
 -
 - 3. *Organizational Chart*
 - *Mike Poth, David Lemoine (fmr ME Treasurer), Deb Arnold, Ted Tran, Victoria Perkins*
 - *Jessica Strub, BONY and Ron Tillet RJ*
 - 4. *No litigation in last 5 years*
 - 5. *D&B, Low to moderate risk, tax liens including AL*
 - 6. *Liability insurance up to \$10M*

- II. *Proposed Services*
 - 1. *Services to be Provided*
 - *1)- SOC1 and SOC2 reviews*

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: 10/10/2024

EVALUATOR NAME: Greg Olson

EVALUATOR DEPARTMENT: Office of the State Treasurer

- 2) Avenue will adapt and comply with changes
- 3) Stringent quality controls, procedural integrity, Employment requirements, Segregation of duties, Assets and record access safeguards, Document retention, Annual SOC1 reviews, Security procedures, Technology and security deployments, Custodial Bank Nexen, Avenu Core Values
- 4) Avenue will seek approval from OST for changes
- 5) Comprehensive Business continuity plans
- B Scope of Work
- 1) Account rep access 8-5pm
- 2) Avenu currently provides
- 3) Can adjust from monthly wire
- 4) Continue to provide 24/7 access
- 5) Agree to security standards
- 6) Currently provide 10 years of records
- 7) currently provides monthly fee analysis
- 8) currently provides through NEXEN
- 9) Currently provides EXCEL records
- 10) will continue to provide separate accounting
- 11) will continue to handle up to 20k transactions per month
- 12) Avenu can hold physical certificates
- 13) Currently processes non-certified property, DTC, DRS, DWAC, NSCC, ACATS, DRPs, Foreign securities
-
- 14) Transfer security registration
- 15) Currently collects dividends and interest
- 16) continue providing earnings history
- 17) Continue research services
- 18) collect bond proceeds
- 19) Execute sales within 10 days
- 20) Electronic order via Excel
- 21) Invest income in Dreyfus Money Market fund
- 22) Incumbent provider, no transfer
- 23) reject worthless securities

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: 10/9/2024

EVALUATOR NAME: Jeff Chetkauskas

EVALUATOR DEPARTMENT: Office of the State Treasurer

Instructions: *The purpose of this form is to record proposal review notes written by **individual** evaluators for this Request for Proposals (RFP) process. It is **required** that each individual evaluator make notes for each proposal that he or she reviews. No numerical scoring should take place on these notes, as that is performed only during team consensus evaluation meetings. A separate form is available for team consensus evaluation notes and scoring. Once complete, please submit a copy of this document to your Department’s RFP Coordinator or Lead Evaluator for this RFP.*

Individual Evaluator Comments:

I. Organization Qualifications and Experience

1. Overview of Organization

- Over 30 years of experience and 3000 clients in all states*
- \$4 billion in assets managed*
- Head-quartered in VA-800 employees in 10 offices-MA handles these services for more than half of the states.*
- Look to be a partner, not just a vendor-This shows in the assistance to kick back worthless stock at no charge to state.*
- Vault available to manage physical stocks and bonds.*
- SFTP is used for automatic upload to KAPS for transactions.*
- Able to handle digital assets and access to every foreign market for stock.*

2. Subcontractors

- Raymond James – 20 years. Help with worthless security research and liquidation, physical certificate vaulting, and auto mutual fund processing.*
- BNY Mellon – 240 years to be America’s oldest bank. Managing all cash flows for accounts.*

3. Organizational Chart

- Wants to be Maine’s “partner” in the relationship handling all of Treasury’s needs.*
- Vicki is the account manager-assisted Maine with the removal of 150 worthless positions*
- Dave Lemoine, VP and former State of Maine Treasurer*

4. Litigation – none in the last 5 years

5. Financial Viability

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: 10/9/2024

EVALUATOR NAME: Jeff Chetkauskas

EVALUATOR DEPARTMENT: Office of the State Treasurer

- Overall low-moderate D&B risk level
 - Paydex score 77 (low)
 - Delinquency score 86 (low-moderate)
6. Certificate of Insurance-occurrence coverage up to \$10M

II. Proposed Services

1. Services to be Provided

- Has business continuity plans set to respond in case of an incident.
- Direct access to account rep. with backup.
- Scope of work: 8am-5pm services available from 5 contacts. 24/7 online reporting with NEXEN.
- Managing all collections of funds, also transfer, receipt and sale of securities.
- Access with NEXEN. 2-token and does have SSO that can be implemented.
- Reports available in 5 business days-Electronically
- Has method to manage and stock physical certificates
- All shares received by DTC, DRS, DRP and physical certificates, with limits on Not in Bank (broker held) securities.
- All operations for receipts, sales and transfers will be same as current meeting the state's requirements.
- Extensive process to detect and manage worthless securities.

2. Implementation – Work Plan

- Walkthrough meeting of any new contract needs, but otherwise no processes needed as an incumbent.
 1. Develop automatic transaction upload to KAPS.
 2. Determine management of 20 or so remaining worthless positions
 3. NEXEN SSO

3. Technical Assessment

- The details provided can help understand the security of data, which is better understood by MaineIT.

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: October 9, 2024

EVALUATOR NAME: Karen Knox

EVALUATOR DEPARTMENT: Office of the State Treasurer

Instructions: *The purpose of this form is to record proposal review notes written by **individual** evaluators for this Request for Proposals (RFP) process. It is **required** that each individual evaluator make notes for each proposal that he or she reviews. No numerical scoring should take place on these notes, as that is performed only during team consensus evaluation meetings. A separate form is available for team consensus evaluation notes and scoring. Once complete, please submit a copy of this document to your Department’s RFP Coordinator or Lead Evaluator for this RFP.*

Individual Evaluator Comments:

- File 1 – Preliminary Information
 - Responded to all sections
 - Meets all qualifications
- File 2 – Organizational Qualifications
 - Other lines of business related to government
 - 40 years in Unclaimed Property
 - Handle cryptocurrency
 - Worked with Maine Treasury on UP in past
 - Partnered with Bank of New York and Raymond James
 - Will interface with KAP – this is not a full solution
 - Daily maintenance
 - VP is former Maine State Treasurer
 - Current contract with Maine – since 1990
- File 3 – Services to be Provided
 - Have Soc 2 Type 2 available
 - BNY has SOC reports available
 - Annual Soc 1 and SOC 2 audits
 - Follow NIST framework
 - Endpoint Detection and Response on all servers and workstations
 - Work with GuidePoint Security to develop formal security programs
 - Daily backups onsite and offsite
 - Business Continuity Plan
 - Data center redundancy, geographic diversification
 - Subcontractors all have similar protocols
 - NEXEN application for Treasury to review reports, transactions on their portfolio

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: October 9, 2024

EVALUATOR NAME: Karen Knox

EVALUATOR DEPARTMENT: Office of the State Treasurer

- Does not currently support SSO but can begin working on it when state is ready.
- MFA
- Secure FTP
- BNY – ISO certified
- Very robust cybersecurity
- Responded N/A to all MaineIT policies as they are not cloud service provider. These will still be required for any application they use, cloud or on prem. Based on their responses elsewhere most of these have been documented. This seems to be some confusion with the form

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: 10-10-2024

EVALUATOR NAME: Laura Hudson

EVALUATOR DEPARTMENT: Office of the State Treasurer

Instructions: *The purpose of this form is to record proposal review notes written by **individual** evaluators for this Request for Proposals (RFP) process. It is **required** that each individual evaluator make notes for each proposal that he or she reviews. No numerical scoring should take place on these notes, as that is performed only during team consensus evaluation meetings. A separate form is available for team consensus evaluation notes and scoring. Once complete, please submit a copy of this document to your Department’s RFP Coordinator or Lead Evaluator for this RFP.*

Individual Evaluator Comments:

I. Organization Qualifications and Experience

1. Overview of Organization

- *Our vendor since 1990 for services*
- *\$4 billion in custody*
- *800 employees 10 offices 28 states*
- *Purchase Finvi SLG and Judicial Innovations – is this good? affect on core business.*
- *Physical stock (p6 of file 1)*

2. Subcontractors

- *BNY, Raymond James, Gemini*
-
-

3. Organizational Chart

- *Mike Poth, David Lemoine, Deb Arnold, Ted Tran and Victoria Perkins*

4. Etc.

- *Dunn & Bradstreet from 2022*
- *Government Revenue Solutions tax liens?*
- *Insurance \$10 million*

II. Proposed Services

1. Services to be Provided

- *Worthless positions*
- *NEXEN system*

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Avenu

DATE: 10-10-2024

EVALUATOR NAME: Laura Hudson

EVALUATOR DEPARTMENT: Office of the State Treasurer

- *Billing*
-
- 2. *Implementation – Work Plan*
 - *Encumbent – no need*
 -
 -

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10/8/2024

EVALUATOR NAME: Greg Olson

EVALUATOR DEPARTMENT: Office of the State Treasurer

Instructions: *The purpose of this form is to record proposal review notes written by **individual** evaluators for this Request for Proposals (RFP) process. It is **required** that each individual evaluator make notes for each proposal that he or she reviews. No numerical scoring should take place on these notes, as that is performed only during team consensus evaluation meetings. A separate form is available for team consensus evaluation notes and scoring. Once complete, please submit a copy of this document to your Department’s RFP Coordinator or Lead Evaluator for this RFP.*

Individual Evaluator Comments:

I. Organization Qualifications and Experience

1. Overview of Organization

- *Started in 2001. Based in Wakefield, MA Specializing in government UP. Supports 50 government programs. 220 employees. Wells Fargo as broker dealer since 2015. Accepts 99% of securities*
- *KAPS system- integrated file feeds, seamless delivery and receipt of securities*
- *Comps Utah Treas since 2022, Louisiana Treas since 2023, Illinois Treas since 2023*

2. Subcontractors

- *Wells Fargo, Tim Johnson in Sacramento, CA*

3. Organizational Chart

- *23 staff*
- *Tim Johnson and Jackelyn Khalid*

4. Litigation

- *None*

5. Financial Viability

- *Supplier Evaluation Risk Rating – 1 Low Risk*

6. Liability Insurance

- *\$8M aggregate umbrella*

II. Proposed Services

1. Services to be Provided

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10/8/2024

EVALUATOR NAME: Greg Olson

EVALUATOR DEPARTMENT: Office of the State Treasurer

- 1) *Unclaimed property law knowledge, program support, industry support,*
- 2) *dealing w changes across clients*
- 3) *provide highest level service to government up programs. Confidential compliance controls, legal compliance, annual trainings, strategic alignment, NDAs, Data security, WISP, Annual Compliance assessments, Security access controls, physical security, incident response policy, risk management. IT Security, Data encryption, Cyber Security, Comprehensive insurance up to \$25M*
- 4) *will communicate with and seek approval for changes*
- 5) *comprehensive disaster recovery*

- *B. Scope of Work*
 1. *Account Rep 8-5pm eastern.*
 2. *Reports within 5 days of reporting period end*
 3. *Wire all monies by 3rd business day*
 4. *Agrees to OST schedules*
 5. *Agrees to OIT policies*
 6. *10 years of records*
 7. *Written fees*
 8. *99% of securities*
 9. *Monthly Excel file*
 10. *Separate accounting*
 11. *Can mange 4k transactions*
 12. *Physical certificates*
 13. *Non-certified shares*
 14. *Transfer registration*
 15. *Collect dividends*
 16. *Compute earnings*
 17. *Research items*
 18. *Bond maturity proceeds*
 19. *Sales of securities within 10 days*
 20. *Accept electronic sales orders*
 21. *Invested in US Government short term funds*
 22. *Transfer without cost*

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10/9/2024

EVALUATOR NAME: Jeff Chetkauskas

EVALUATOR DEPARTMENT: Office of the State Treasurer

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Individual Evaluator Comments:

I. Organization Qualifications and Experience

1. Overview of Organization

- *23 years of UP experience – with Wells Fargo collaboration.*
- *Involved in all areas of UP with nearly all states.*
- *220 employees. 3 office locations*
- *Currently hold the portfolio of 11 states with 4 more in 2025 (does Maine have to wait for the others to onboard?)*
- *Automated systems to different transaction types.*
- *Using ACATS system to transfer assets (I’m not sure how this I all that different from DTC. Sounds like taking in mutual funds directly is like current process).*
- *Integrates with KAPS to streamline operations. Automatic upload to KAPS for security receipt creation, post sales, mark returned shares, update stock pricing and reconciliation of securities held to the system. The recon part would be new.*
- *Update security records in KAPS to add transfer agent name. Marking securities as worthless/chilled. Not accepted by Maine any longer.*
- *Kelmar would research the KAPS system data of the state to rectify any research questions.*

2. Subcontractors

- *Wells Fargo as sub-custodian.*
- *Kelmar communicating with Wells Fargo daily*
- *Wells Fargo is one of nation’s premier financial services firm.*

3. Organizational Chart

- *15 Kelmar personnel (or is it 6?) and 4 Wells Fargo employees.*

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10/9/2024

EVALUATOR NAME: Jeff Chetkauskas

EVALUATOR DEPARTMENT: Office of the State Treasurer

- *Contact seems more like upper management with 1 regular contact and 2 from sub-custodian. Who is the main relationship with?*
- 4. *Litigation- no litigation*
- 5. *Financial Viability*
 - *Overall business risk is Low-Moderate*
 - *Paydex of 79 (low)*
 - *Delinquency Predictor is 88 (low-moderate)*
- 6. *Certificate of Insurance*
 - *Insured up to \$8M*

II. Proposed Services

1. Services to be Provided

- *Trying to offer other services as legal review of state law changes.*
- *Emergency/continuity plan in place*
- *Secure site with Access Online-username and password, security questions for ID confirmation when needed. Use IT's authentication.*
- *File transfers use Kelmar's SFT website.*
- *Reports of transaction and holdings with value by 5th day*
- *WF Access Online is web-based, Kelmar staff will also monitor all transactions and provide details on mergers, spinoffs and other corp actions.*
- *Dedicated email address for security inquiries.*
- *Uses DTC and ACATS. Kelmar can also manage DRP, book entry, and bonds.*
- *Deposit of physical certs with Wells Fargo to send to DTC. If not for DTC, then Kelmar wants OST to come up with a plan. WF cannot hold certificates.*
- *Kelmar wants their staff to link stock receipts to the holder reports and their staff to create sale batches and post(odd).*
- *19 states sale batches weekly, which is fine, but we process monthly sales for securities held for 1 year. Weekly seems excessive.*
- *Can monitor worthless stock and return to holder. Also removing PREM eligible stock from account when the status is met.*
- *Sounds like worthless stock would be written off from account at state's approval.*

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10/9/2024

EVALUATOR NAME: Jeff Chetkauskas

EVALUATOR DEPARTMENT: Office of the State Treasurer

2. Implementation – Work Plan

- *Month 1 - set up account and send letter for transfer of DTC shares and Mutual Fund shares*
- *Month 2 - transfer of DTC shares and Mutual Fund shares*
- *Then transfer non-electronic shares.*
- *Develop written procedures with OST for when transactions much be affected in the account.*
- *Create guidelines for OST's website.*

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10/8/2024

EVALUATOR NAME: Karen Knox

EVALUATOR DEPARTMENT: Office of the State Treasurer

Instructions: *The purpose of this form is to record proposal review notes written by **individual** evaluators for this Request for Proposals (RFP) process. It is **required** that each individual evaluator make notes for each proposal that he or she reviews. No numerical scoring should take place on these notes, as that is performed only during team consensus evaluation meetings. A separate form is available for team consensus evaluation notes and scoring. Once complete, please submit a copy of this document to your Department’s RFP Coordinator or Lead Evaluator for this RFP.*

Individual Evaluator Comments:

- File 1 – Preliminary Information
 - All sections have responses
 - Meet all requirement
- File 2 – Organization Qualifications and Experience
 - 22 years of experience
 - Govt unclaimed property
 - Page 5 - security hosting information
 - Works with 15 states
 - Wells Fargo sub-custodian
 - KAPS – unclaimed property system – currently in use by Maine
- File 3 – Proposed Services
 - Data Security
 - ISO, SOC 1 Type 2 and SOC 2 Type 2 reports for SaaS platform
 - WISP
 - Access Controls
 - Secure encrypted email
 - Physical Security
 - Incident Response Policy
 - Business Continuity Plan
 - Secure, encrypted back up and storage
 - Scalable IT System
 - Wells Fargo
 - Similar controls in place
 - StateRamp certified
 - Overall very robust IT and data security

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10/8/2024

EVALUATOR NAME: Karen Knox

EVALUATOR DEPARTMENT: Office of the State Treasurer

- Application Deployment Certification Policy – looked at their own internal processes not how it relates to the use by the state. Some would be used as part of Dep Cert.
- Digital Accessibility – does not have policy, sounds like they took this to mean do they have this in place in their organization. Not that the application itself is accessible. Would need to be tested
-

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10-10-24

EVALUATOR NAME: Laura Hudson

EVALUATOR DEPARTMENT: Office of the State Treasurer

Instructions: *The purpose of this form is to record proposal review notes written by **individual** evaluators for this Request for Proposals (RFP) process. It is **required** that each individual evaluator make notes for each proposal that he or she reviews. No numerical scoring should take place on these notes, as that is performed only during team consensus evaluation meetings. A separate form is available for team consensus evaluation notes and scoring. Once complete, please submit a copy of this document to your Department’s RFP Coordinator or Lead Evaluator for this RFP.*

Individual Evaluator Comments:

I. Organization Qualifications and Experience

1. Overview of Organization

- 220 employees
- 20 years experience
- 15 states + 4 coming on \$2.3 billion
- Newer to the realm
- Targeted business model on UP exclusively

2. Subcontractors

- Wells Fargo Advisors for 7 years
-
-

3. Organizational Chart

- John Demarco, Kate Stevens, Tanya Whitlow, Michelle Whitefield

...

4. Etc.

- Insurance: \$8 million each occurrence/aggregate
- Technical assessment form

II. Proposed Services

1. Services to be Provided

- Sample account analysis
- No mention of crypto
-

2. Implementation – Work Plan

**STATE OF MAINE
INDIVIDUAL EVALUATION NOTES**

RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

BIDDER NAME: Kelmar Associates LLC

DATE: 10-10-24

EVALUATOR NAME: Laura Hudson

EVALUATOR DEPARTMENT: Office of the State Treasurer

- *Changes to KAPs to format stock transfer requests in Wells format*
- *File 3 page 470+*
- *Monthly recon/processing where they are doing some of our work, looking into our database to make sure things are linking up*



STATE OF MAINE
OFFICE OF THE STATE TREASURER

Janet T. Mills
Governor

Henry E.M. Beck
Treasurer

AGREEMENT AND DISCLOSURE STATEMENT
RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

I, Jeff Chetkauskas accept the offer to become a member of the Request for Proposals (RFP) Evaluation Team for the State of Maine Office of the State Treasurer. I do hereby accept the terms set forth in this agreement AND hereby disclose any affiliation or relationship I may have in connection with a bidder who has submitted a proposal to this RFP.

Neither I nor any member of my immediate family have a personal or financial interest, direct or indirect, in the bidders whose proposals I will be reviewing. "Interest" may include, but is not limited to: current or former ownership in the bidder's company; current or former Board membership; current or former employment with the bidder; current or former personal contractual relationship with the bidder (example: paid consultant); and/or current or former relationship to a bidder's official which could reasonably be construed to constitute a conflict of interest (personal relationships may be perceived by the public as a potential conflict of interest).

I have not advised, consulted with or assisted any bidder in the preparation of any proposal submitted in response to this RFP nor have I submitted a letter of support or similar endorsement.

I understand and agree that the evaluation process is to be conducted in an impartial manner without bias or prejudice. In this regard, I hereby certify that, to the best of my knowledge, there are no circumstances that would reasonably support a good faith charge of bias. I further understand that in the event a good faith charge of bias is made, it will rest with me to decide whether I should be disqualified from participation in the evaluation process.

I agree to hold confidential all information related to the contents of Requests for Proposals presented during the review process until such time as the Department formally releases the award decision notices for public distribution.

Jeff Chetkauskas
Jeff Chetkauskas (Oct 3, 2024 12:40 EDT)

Signature

Oct 3, 2024

Date



STATE OF MAINE
OFFICE OF THE STATE TREASURER

Janet T. Mills
Governor

Henry E.M. Beck
Treasurer

AGREEMENT AND DISCLOSURE STATEMENT
RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

I, Karen Knox accept the offer to become a member of the Request for Proposals (RFP) Evaluation Team for the State of Maine Office of the State Treasurer. I do hereby accept the terms set forth in this agreement AND hereby disclose any affiliation or relationship I may have in connection with a bidder who has submitted a proposal to this RFP.

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Karen Knox
Karen Knox (Oct 3, 2024 10:12 EDT)
Signature

Oct 3, 2024
Date



STATE OF MAINE
OFFICE OF THE STATE TREASURER

Janet T. Mills
Governor

Henry E.M. Beck
Treasurer

AGREEMENT AND DISCLOSURE STATEMENT
RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

I, laura hudson accept the offer to become a member of the Request for Proposals (RFP) Evaluation Team for the State of Maine Office of the State Treasurer. I do hereby accept the terms set forth in this agreement AND hereby disclose any affiliation or relationship I may have in connection with a bidder who has submitted a proposal to this RFP.

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laura hudson

Signature

Oct 3, 2024

Date



STATE OF MAINE
OFFICE OF THE STATE TREASURER

Janet T. Mills
Governor

Henry E.M. Beck
Treasurer

AGREEMENT AND DISCLOSURE STATEMENT
RFP #: 202406112

RFP TITLE: Securities Custody Services – Unclaimed Property Program

I, Gregory Olson accept the offer to become a member of the Request for Proposals (RFP) Evaluation Team for the State of Maine Office of the State Treasurer. I do hereby accept the terms set forth in this agreement AND hereby disclose any affiliation or relationship I may have in connection with a bidder who has submitted a proposal to this RFP.

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Gregory Olson
Gregory Olson (Oct 3, 2024 11:20 EDT)
Signature

Oct 3, 2024
Date