

REQUEST FOR PROPOSALS

EMERGING MARKETS SMALL CAP PUBLIC EQUITY ADVISORS FOR THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY



RFP Issue Date: December 11, 2024

Questions Due: January 6, 2025
By 3:00PM prevailing Eastern Time

Proposals Due: February 7, 2025
by 3:00PM prevailing Eastern Time

James A. Kompany
Chairman
Police and Firemen's Retirement System of New Jersey

1.0 INFORMATION FOR BIDDERS

1.1 Purpose and Intent

The purpose of this Request for Proposals (“RFP”) is to solicit bid proposals from qualified Investment Advisors to provide advice and related services, as described more fully below, with respect to the investment and reinvestment of certain assets of the Police and Firemen’s Retirement System of New Jersey (“PFRSNJ”) in a manner that provides the PFRSNJ with exposure to actively managed emerging markets small cap public equities. For the purposes of this RFP, enhanced index strategies would also be considered as options to help achieve the portfolio’s objectives.

The intent of this RFP is to award one or more contract(s) to a qualified Bidder(s) whose proposal(s), conforming to this RFP, successfully demonstrate the qualifications, expertise, and resources to effectively perform the services described herein, and who is most advantageous to the PFRSNJ, price and other factors considered. Bidders interested in being selected to perform the services described in this RFP should submit materials in accordance with this RFP.

The Investment Advisor(s) will be measured against a custom index: the MSCI Emerging Markets Small Cap Index Excluding Prohibited and Exclusionary Securities. This custom index is created by MSCI. The Investment Advisor(s) must obtain contractual access from the index provider, and any associated costs will be borne by the Investment Advisor(s), not the PFRSNJ.

The State of New Jersey Standard Terms and Conditions and Waivered Contracts/Delegated Purchase Authority Supplement to the State of New Jersey Standard Terms and Conditions (the “Standard Terms and Conditions”) included with this RFP will apply to all Contracts made with the PFRSNJ. These terms are in addition to the terms and conditions set forth in this Bid Solicitation and should be read in conjunction with them unless the Bid Solicitation specifically indicates otherwise.

1.2 Background

The Board of Trustees (“The Board”) was reconstituted pursuant to P.L. 2018, c. 55 (“Chapter 55”) as the fiduciary of the retirement system, responsible for the proper operation of the PFRSNJ including the investment and reinvestment of the assets of the retirement system (“PFRSNJ Assets”). The primary obligation of the Board is to direct policies and investments for the exclusive benefit of the retirement system’s members. Pursuant to P.L. 2018, c. 55, the Board employs executive staff to perform the administration and operations of the retirement system, including an Executive Director and a Chief Investment Officer.

The PFRSNJ is responsible for investing and reinvesting the PFRSNJ Assets in accordance with fiduciary standards. Accordingly, the PFRSNJ desires to select and retain one or more Investment Advisor(s) to facilitate particular investments of the PFRSNJ Assets in certain publicly traded securities. The Bidder(s) selected through this RFP will work with PFRSNJ investment staff to invest and reinvest the PFRSNJ Assets in a manner that provides the PFRSNJ with exposure to emerging markets small cap equities, subject at all times to the below-referenced pre-approval processes.

1.3 Minimum Technical Qualifications of the Bidder

Any firm submitting a bid (“Bidder(s)”) must meet the minimum requirements specified below. **Failure of a Bidder to meet the minimum requirements will result in the rejection of the Bidder’s submission.** Compliance with all State, federal, and PFRSNJ laws, regulations, investment guidelines, etc. is required. The Bidder shall have at a minimum:

- 1.3.1 A proposed strategy that is an actively managed emerging markets small cap public equity investment product.
- 1.3.2 At least five (5) years of investment management/advisory services to state-administered pension funds, corporate retirement plans, endowments, or insurance companies.
- 1.3.3 At least three (3) years of a relevant investment strategy track record in actively managed emerging markets small cap public equities.
- 1.3.4 Key members of the Bidder’s investment team must have at least seven (7) years of history investing in the appropriate asset class.
- 1.3.4 Firm-wide assets under management of at least \$1 billion.
- 1.3.5 The assets under management of the proposed strategy must be at least \$300 million. At least one of the products within the asset class group must have at least \$300 million in capacity available at the time of contract execution.
- 1.3.6 Competitive absolute and risk-adjusted, GIPS compliant performance on a net-of-fees basis relative to the MSCI Emerging Markets Small Cap Index and relevant peer group.
- 1.3.7 Have the ability to contract as a fiduciary to the PFRSNJ.
- 1.3.8 Must not have existing or potential conflicts of interest with the PFRSNJ Board, staff, actuary, auditor, investment advisors, consultants, or other contractors.
- 1.3.9 Must carry at least the following insurance coverage:
 - 1.3.9.1 General Liability.....\$1 million
 - 1.3.9.2 Errors and Omissions..... \$10 million
 - 1.3.9.3 Fiduciary Liability..... \$1 million
 - 1.3.9.4 Workers’ Compensation and Employer’s Liability.....\$1 million
- 1.3.10 Upload investment performance data for the proposed strategy to both Wilshire Compass **and** Nasdaq eVestment, on or before the due date and time provided on the cover sheet, for comparative evaluation purposes as part of the Bidder's submission for this RFP.

1.4 Pre-Approval Requirements

New Jersey law requires the Board to pre-approve all trades executed on behalf of the PFRSNJ. The Investment Advisor(s) will work with PFRSNJ Investment Staff (“Investment Staff”) to recommend portfolio securities for the emerging markets small cap equity mandate. Pre-approval of all trades by PFRSNJ Investment Staff is required. The Investment Advisor(s) must submit all trades to the PFRSNJ Investment Staff for pre-trade approval. After approval, the Investment Advisor(s) will execute all trades.

Approved trades are valid for ten (10) business days and can be executed by the Investment Advisor at any time within that period. If a trade is not completed within ten (10) business days, the Investment Advisor must submit a new request for approval to PFRSNJ Investment Staff if the Investment Advisor wishes to continue executing the trade. Trades that are determined to be detrimental to the PFRSNJ will be rejected, including but not limited to transactions that are or potentially could be in breach of federal law, New Jersey law, PFRSNJ investment regulations, and/or the Investment Advisor’s investment guidelines.

The Investment Advisor(s) will be expected to review and maintain familiarity with the relevant rules, policies, and guidelines relating to management of PFRSNJ-managed fund assets (“PFRSNJ Assets”), including but not limited to the Board’s policies concerning direct and indirect political contributions set forth in N.J.A.C. 17:4A, Subchapter 3, and the fiduciary standard of care set forth in N.J.S.A. 52:18A-89. Other relevant PFRSNJ investment rules, policies, and guidelines include; the Board’s investment regulations (N.J.A.C. 17:4A-1.1 to -26.2), PFRSNJ investment allocations, the PFRSNJ’s investment policy statement (attached hereto as Attachment F), the PFRSNJ’s performance standards (attached hereto as Attachment D), and the External Advisor Trade Approval Policy (attached hereto as Attachment G). Submissions by the Investment Advisor for approval of trades by the PFRSNJ shall be in a format compatible with the compliance system, currently Charles River Development. A sample format for submissions through Charles River is hereto attached as Attachment E.

1.5 Key Events

1.5.1 Inquiries, Addenda to the RFP

If a Bidder has questions or requires clarification regarding this RFP, please direct the inquiry via email to:

vendorselection@PFRS.NJ.Gov

The subject line of the email should read, “**PFRSNJ Emerging Markets Small Cap Equity RFP**”. Bidders must not contact the PFRSNJ directly regarding this RFP other than through the email address provided herein. Additionally, **questions must be received by the deadline indicated on the cover page.**

- Questions should be asked in consecutive order, from beginning to end, following the organization of the RFP;
- Each question should begin by referencing the RFP section number and page number to which it relates; and
- All questions regarding the Standard Terms and Conditions and/or exceptions to mandatory requirements must be posed prior to the deadline for questions and shall contain any proposed changes.

All questions, except for purely ministerial matters such as confirming receipt of a proposal, will be answered in writing with responses posted on the PFRSNJ website at www.PFRS.NJ.gov.

If during the course of the advertisement for the RFP it becomes necessary to alter any of the terms, conditions, or requirements of this RFP, such alterations shall be set forth in written addenda to the RFP. Addenda to the RFP, if any, will be posted on the PFRSNJ website. Any addenda will be posted a minimum of seven (7) business days in advance of the announced deadline for receipt of proposals. It is the Bidder’s responsibility to check the PFRSNJ website for any updates.

1.5.2 Proposal Submission Deadline, Postponement

To be considered for award, the proposal submission must be received by the PFRSNJ on or before the due date and time indicated on the cover sheet. **ANY PROPOSAL NOT RECEIVED BY THE DATE AND TIME INDICATED ON THE COVER SHEET WILL BE REJECTED.** For details on submitting a proposal according to the terms of this RFP, see Section 3.0 Proposal Submission.

If a Bidder requests, prior to the deadline, that the PFRSNJ Executive Director postpone the deadline due to a documentable cause of delay that is beyond the control of the Bidder, or if the Executive Director otherwise determines that a postponement is in the best interest of the PFRSNJ, the Executive Director may designate a revised deadline. Notice of any postponement will be posted on the PFRSNJ website.

1.6 Public Disclosure of Proposal(s)

A Bidder's proposal and all information submitted by Bidder(s) in response to this RFP may be subject to release to the public upon a properly submitted request under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq. ("OPRA") or the common law right to know, except as may be exempted from public disclosure by OPRA and the common law. A Bidder may designate specific information as not subject to disclosure pursuant to the exceptions established under OPRA (see N.J.S.A. 47:1A-1.1) or the common law when the Bidder has a good faith legal and/or factual basis for such assertion. The location in the proposal of any such designation should be clearly stated in a cover letter. Notwithstanding any designation to the contrary submitted by a Bidder, the PFRSNJ reserves the right to make a determination as to which material(s) are exempt from disclosure, and will advise the Bidder accordingly. The PFRSNJ cannot honor any attempt by a Bidder to designate its entire proposal as exempt from disclosure. In the event of any challenge to a Bidder's assertion of confidentiality with which the PFRSNJ does not concur, the Bidder will be so notified and may elect to defend its assertion in a timely manner at its own expense.

All received proposals will remain unopened until the deadline for proposal submission. After the deadline but prior to the issuance of a notice of intent to award a contract pursuant to this RFP, only the names and addresses of the Bidder(s) submitting proposals may be made public. Following the issuance of a notice of intent to award by the Director, materials relating to the procurement may be made available, upon properly made request, to the non-winning bidders and to any taxpayer considering filing a protest of the notice of intent to award. After the award of a contract or contracts, or a decision not to award any contract(s), the proposal(s) and all information submitted by Bidder(s) in response to this RFP may be released in accordance with governing law.

1.7 Tax Exempt Status

Pursuant to N.J.S.A. 54:32B-9, the PFRSNJ is not subject to the sales and use taxes imposed under N.J.S.A. 54:32B. All fees billed from the awarded contract should exclude the previously referenced sales and use taxes. A State of New Jersey Division of Taxation Sales Tax Form ST-4 ("Sales Tax Form") is attached hereto as Attachment H.

2.0 SCOPE OF SERVICES

The selected Investment Advisor(s) will be expected to act in good faith and with due diligence to perform all advisory services required pursuant to this RFP. All such services shall strictly adhere to the requirements of State and federal law including the rules, regulations, and policy statements approved or issued by the Securities Exchange Commission and any applicable investment rules, policies, directives and guidelines established by the PFRSNJ Board, including but not limited to: the Board's policies concerning direct and indirect political contributions set forth in N.J.A.C. 17:4A, Subchapter 3, and the

fiduciary standard of care set forth in N.J.S.A. 52:18A-89. Other relevant PFRSNJ investment rules, policies, and guidelines include; the Board's investment regulations (N.J.A.C. 17:4A-1.1 to -26.2), the PFRSNJ's performance standards (attached hereto as Attachment D), and the External Advisor Trade Approval Policy (attached hereto as Attachment G). Submissions by the Investment Advisor(s) for daily approval of trades by the PFRSNJ shall be in a format compatible with the compliance tool established with Charles River. A sample format for submissions through Charles River is hereto attached as Attachment E.

- 2.1 The Investment Advisor(s) shall work cooperatively with the PFRSNJ Investment Staff and the custodial bank ("Custodian") designated by the PFRSNJ Investment Staff.
- 2.2 The Investment Advisor(s) shall provide investment advice on security selection, portfolio construction, new issuance, and risk management.
- 2.3 The Investment Advisor(s) shall participate and/or provide presentation(s) in meetings and conference calls as needed to inform the PFRSNJ Investment Staff and the Board regarding the management or performance of the emerging markets small cap equity mandate, including meeting with the Board of Trustees, the Investment Committee, and/or the PFRSNJ Investment Staff.
- 2.4 The Investment Advisor(s) shall provide reporting to the PFRSNJ Investment Staff on a monthly basis concerning compliance with the investment parameters and any PFRSNJ directives and, separately, shall promptly report any issues or violations as soon as practicable. The Investment Advisor(s) shall promptly notify the PFRSNJ Investment Staff in writing of any noncompliance, significant changes, or adverse events, and shall provide analysis and advice on any such issues as soon as practicable following discovery.
- 2.5 The Investment Advisor(s) will be measured against a custom index: the MSCI Emerging Markets Small Cap Index Excluding Prohibited and Exclusionary Securities. This custom index is created by MSCI. The Investment Advisor(s) must obtain contractual access from the index provider, and any associated costs will be borne by the Investment Advisor(s), not the PFRSNJ.
- 2.6 The Investment Advisor(s) shall execute trades on behalf of the PFRSNJ; provided, however, that the Investment Advisor(s) shall obtain approval for trades from one or more PFRSNJ pre-trade approval individual(s) ("PFRSNJ Pre-Trade Approval Designees") prior to execution of any trade. The specific Pre-Trade Designees will be identified upon contract award. The Investment Advisor(s) shall follow the External Advisor Trade Approval Policy (Attachment G), developed and provided by the PFRSNJ. It is the intent of the PFRSNJ Pre-Trade Approval Designees to turn around trade approvals as quickly as is practical. It is anticipated that the Investment Advisor(s) shall provide a list of proposed trades by the method specified by the PFRSNJ on a U.S. Business Day. As used herein, "Business Day" shall mean any day other than a Saturday, Sunday, or a U.S. holiday observed by the New York Stock Exchange.
- 2.7 The Investment Advisor(s) shall trade on a "best execution" basis; that is, execution that achieves the best net result when considering all factors. The Investment Advisor(s) may trade

securities through an affiliated broker only if it has received prior written authorization to do so from a PFRSNJ Pre-Trade Approval Designee, and only if such trade is on a best execution basis. Best execution basis also shall apply to currency transactions. The Investment Advisor(s) will be expected to execute substantially all currency transactions in house or be willing to execute through a third party to achieve the lowest possible execution cost.

- 2.8 The Investment Advisor(s) shall have the ability to direct a data feed to the PFRSNJ's Custodian. This includes transmitting trades to the Custodian on the trade date and performing daily and monthly reconciliations with the Custodian. The Investment Advisor(s) shall transmit all trades to the PFRSNJ's Custodian on the trade date.
- 2.9 The Investment Advisor(s) shall resolve inquiries made by the PFRSNJ's Custodian on trade-related issues. The PFRSNJ values its portfolios daily and calculates a daily net asset value ("NAV"). Identified issues should be researched and responded to promptly and every attempt should be made to resolve the issue within twenty-four (24) hours to ensure proper settlement and valuation. The Investment Advisor(s) is required to follow the trade reporting deadlines established by the Custodian. The current deadline for all trades to be reported electronically to the PFRSNJ's Custodian is by 3:30 p.m. Eastern Time on the trade date. For same day settlement trades, the current deadline is 10:30 a.m. Eastern Time. Reconciliation requirements are as follows:
 - 2.9.1 The Investment Advisor(s) shall verify that its positions reconcile with the accounting records of the PFRSNJ's Custodian on a daily basis throughout the month. Any discrepancies must be brought to the attention of the PFRSNJ Financial Operations Staff and the PFRSNJ's Custodian promptly. Intra-month positions and transactions shall be available online daily.
 - 2.9.2 The Investment Advisor(s) shall verify that its accounting positions and pricing reconcile with the records of the PFRSNJ's Custodian, and bring any discrepancies to the attention of the PFRSNJ and the PFRSNJ's Custodian by close of business on the third business day of each month. Reconciliations shall be delivered to the PFRSNJ Financial Operations Staff and the PFRSNJ's Custodian via electronic mail. The Investment Advisor(s) shall also include a total market value and the reason for any differences. Any additional items identified after the fifth business day of the month shall be addressed on a current month basis. Unaudited month-end positions shall be available online on the first business day after month-end.
 - 2.9.3 The Investment Advisor(s) shall provide a price for any particular security in the portfolio, upon request.
 - 2.9.4 The Investment Advisor(s) shall respond to pricing requests within twenty-four (24) hours of the request.
 - 2.9.5 The Investment Advisor(s) shall provide supporting documentation for total NAV differences of more than twenty (20) basis points.

- 2.9.6 The Investment Advisor(s) shall ensure that all responsible individuals performing services on behalf of the Investment Advisor(s) pursuant to this RFP are aware of these procedures and that proper coverage is in place in the event of vacations or personnel turnover. Strict adherence to these timeframes is critical to ensure accurate daily valuation.
- 2.10 At the discretion of Investment Staff, the Investment Advisor(s) shall be required to repurchase from the account, at the original purchase price, any securities purchased by the Investment Advisor for the account not in compliance with applicable State and federal laws, the requirements of the resulting Agreement, the External Advisor Trade Approval Policy, and the guidelines provided by the PFRSNJ.
- 2.11 The Investment Advisor(s) shall be responsible for compliance with the guidelines provided by the PFRSNJ, and all applicable State and federal laws and shall report to Investment Staff promptly any securities or weightings of securities that may be in violation of any State, federal, PFRSNJ regulations, policies, or guidelines at the time of delivery. The Advisor shall reimburse the account for any and all losses, costs or damages resulting from such violation if such violation was due to the negligence of the Investment Advisor(s).
- 2.12 The Investment Advisor(s) shall provide an electronic summary of executed trades to the PFRSNJ Investment Staff at the end of each business day or by the opening of the next business day. The summary shall include, but not be limited to, the name and amount of any securities bought or sold, trade date, settlement date, currency, SEDOL, ticker and/or issuer name, and the price at which such purchases or sales occurred, in a format approved by the PFRSNJ Investment Staff. Upon receipt, a member of the PFRSNJ's Investment Staff will review the summary of executed trades to confirm that such trades have been approved. If any discrepancy is found, the PFRSNJ Investment Staff will request an explanation of the trade, which shall be provided promptly by the Investment Advisor(s).
- 2.13 The Investment Advisor(s) shall provide the PFRSNJ Investment Staff with GIPS compliant performance measures and performance attribution including, but not limited to, standard deviation of return, information ratio, Sharpe ratio, attribution analysis, and other measures of systemic and non-systemic risk.
- 2.14 The Investment Advisor(s) shall prepare a monthly report to be delivered on a schedule established by the PFRSNJ Investment Staff that includes those items requested by the PFRSNJ. Such reports shall include, but not be limited to, any changes in the account, portfolio monthly statement of position, recent performance of the portfolio, as well as an analysis of the performance of the portfolio relative to the PFRSNJ's stated benchmark. The performance report shall include 'gross of fees' as well as 'net of fees.' The PFRSNJ Investment Staff may request reports on other matters from time to time.
- 2.15 The Investment Advisor(s) shall vote securities in the portfolio in response to proxies and corporate actions solicited by the issuers or their agents of such securities. The Investment Advisor(s) shall vote proxies in accordance with maximizing shareholder value, as directed in the PFRSNJ Proxy Voting Policy. The Investment Advisor(s) shall report the proxy votes to the PFRSNJ.

- 2.16 The Investment Advisor(s) will assist in providing information with respect to applicable foreign ownership reporting requirements in each applicable market. The Investment Advisor(s) shall notify PFRSNJ Investment Staff regarding the purchase or ownership of securities that may result in exceeding the local limitation requiring the PFRSNJ to file such reports required by the local markets by the specified deadlines.
- 2.17 The Investment Advisor(s) shall work with PFRSNJ Investment Staff and the PFRSNJ's designated lending agent in conjunction with any securities lending program. The Investment Advisor(s) shall comply with PFRSNJ regulations and applicable PFRSNJ directives regarding the PFRSNJ's securities lending program.
- 2.18 The Investment Advisor(s) shall communicate, when necessary or requested, with the PFRSNJ Investment Staff about workflow and any other operational issues.
- 2.19 The Investment Advisor(s) shall provide timely information regarding material changes in the Investment Advisor's organizational structure, staffing, and any other pertinent information that the PFRSNJ Investment Staff may require in evaluating the ongoing capabilities of the Investment Advisor(s).
- 2.20 The Investment Advisor(s) shall respond to inquiries by PFRSNJ Investment Staff in an appropriate and timely manner.

3.0 PROPOSAL SUBMISSIONS, ORGANIZATION

3.1 Instructions on Proposal Submission

To be considered for the award of a contract pursuant to this RFP, a proposal submission must be received by the PFRSNJ on or before the due date and time indicated on the cover sheet. **ANY PROPOSAL NOT RECEIVED BY THE DATE AND TIME INDICATED ON THE COVER SHEET WILL BE REJECTED.**

Send three (3) hard copies to: 50 W State Street, Trenton, NJ 08608
Suite 1100
Attn: PFRSNJ: Courtney Snedeker

Plus one (1) electronic copy to: vendorselection@PFRS.NJ.Gov

The subject line of the email should read, "**PFRSNJ Emerging Markets Small Cap Equity RFP**".

Copies are necessary in the evaluation of the proposal submission and for record retention purposes. A Bidder failing to provide the requested number of copies will be charged the cost incurred by the PFRSNJ in producing the requested number of copies. The PFRSNJ assumes no responsibility and bears no liability for costs incurred by a Bidder in the preparation and submission of a proposal in response to this RFP.

Proposal submissions **must** include **Attachment B. Technical Requirements and Questions, Attachment C. Fees and Costs Schedule**, and the **Documents Required with the Proposal** (listed in Section 3.2). The Bidder must also upload investment performance data for the proposed strategy to both Wilshire Compass and Nasdaq eVestment on or before the due date and time indicated on the cover sheet.

3.2 Documents Required with the Proposal

The following items **must** be submitted with the proposal.

3.2.1 Cover Letter

The Bidder shall submit a cover letter with its proposal, including the signature of an authorized representative of the Bidder. If the Bidder is a limited partnership, the cover letter must be signed by a general partner. If the Bidder is a joint venture, the cover letter must be signed by a principal of each party to the joint venture. The cover letter must be submitted with the proposal.

3.2.2 Ownership Disclosure Form

Pursuant to N.J.S.A. 52:25-24.2, the Bidder must complete the Ownership Disclosure Form. In the event that the PFRSNJ has from the Bidder, a signed and accurate Ownership Disclosure Form dated and received no more than six (6) months prior to the submission deadline for this procurement, the PFRSNJ may rely upon that form; however, if there has been a change in ownership within the last six (6) months, a new Ownership Disclosure Form must be completed and submitted with the proposal.

The Ownership Disclosure Form can be found in **Attachment A1**.

3.2.3 Proposal Submission Certifications

The Bidder must submit a completed Certifications Required with Proposal Submission Form; this Form can be found in **Attachment A2**.

3.2.4 Certification Accepting the Standard Terms & Conditions

The Standard Terms & Conditions and the related Certification can be found in **Attachment A3**. The Bidder must submit a Certification Accepting the Standard Terms & Conditions. Questions regarding the Standard Terms and Conditions and exceptions to mandatory requirements must be posed during this Electronic Question and Answer period and shall contain the Bidder's suggested changes and the reason(s) for the suggested changes. Any modifications to the Standard Terms & Conditions shall be memorialized in the Answers published for the Question and Answer period as well as in this RFP, see Modifications to the Standard Terms & Conditions in Section 4.11 of this RFP.

3.3 Documents Required Before Contract Award that Should be Submitted with the Proposal

The following items should be submitted with the proposal, but shall not be submitted after the times specified in this RFP.

3.3.1 New Jersey Business Registration Certificate

Pursuant to N.J.S.A. 52:32-44, the PFRSNJ is prohibited from entering into a contract with an entity unless the Bidder and each subcontractor named in the proposal submission has a valid Business Registration Certificate on file with the Division of Revenue and Enterprise Services in the Department of

the Treasury. A copy of the New Jersey Business Registration Certificate for the Bidder (and each subcontractor) must be submitted by the Bidder. You may register your business here: <https://www.nj.gov/treasury/revenue/busregcert.shtml> or obtain a copy of the Business Registration Certificate here: https://www1.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp. If the Certificate(s) is/are not submitted with the proposal, then the Bidder must submit the Certificate(s) within seven (7) business days of the PFRSNJ's request or the PFRSNJ may deem the proposal non-responsive.

3.3.2 Affirmative Action Compliance

Bidders and subcontractor(s) are required to submit either: (i) a copy of a New Jersey Certificate of Employee Information Report; or (ii) a copy of a Federal Letter of Approval verifying a federally approved or sanctioned Affirmative Action Program. If the Contractor and/or its named subcontractor(s) are not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval, it/they must complete and submit the Affirmative Action Employee Information Report (AA-302). Information, instruction and the application are available at https://www.state.nj.us/treasury/contract_compliance/index.shtml.

3.3.3 Disclosure of Investigations and Other Actions

The Bidder shall submit a completed Disclosure of Investigations and other Actions Form which shall provide a detailed description of any investigation, and/or litigation, including but not limited to, administrative complaints or other proceedings, involving any public sector clients during the five (5) years immediately preceding the issue date of this RFP. The Bidder shall include the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. If the form is not submitted with the proposal, then the Bidder must submit the completed form within seven (7) business days of the PFRSNJ's request or the PFRSNJ may deem the proposal non-responsive.

The Disclosure of Investigations and Other Actions Form can be found in **Attachment A4**.

3.3.4 Source Disclosure Form

Pursuant to N.J.S.A. 52:34-13.2, all contracts primarily for services awarded by the PFRSNJ Board shall be performed within the United States, except when the Executive Director certifies in writing a finding that a required service cannot be performed by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer. A completed Source Disclosure Form must be submitted by the Bidder. If the form is not submitted with the proposal, then the Bidder must submit the completed form within seven (7) business days of the PFRSNJ's request or the PFRSNJ may deem the proposal nonresponsive.

The Source Disclosure Form can be found in **Attachment A5**.

3.3.5 Disclosure of Investment Activities in Iran

Pursuant to N.J.S.A. 52:32-58, (P.L. 2021, c. 4), the Bidder must utilize the Disclosure of Investment Activities in Iran Form to certify that neither the Bidder, nor any one of its parents, subsidiaries, or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is identified on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Activities in Iran and that neither the Bidder, nor any one of its parents, subsidiaries, or affiliates, is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the Bidder is unable to so certify, the Bidder shall provide a detailed and precise description of such activities as directed on the form. If the completed form is not submitted with the

proposal, then the Bidder must submit the completed form within seven (7) business days of the PFRSNJ's request. A Bidder's failure to submit the completed form will preclude the award of a contract to the Bidder.

The Disclosure of Investment Activities in Iran Form can be found in **Attachment A6**.

3.3.6 Non-Involvement in Prohibited Activities in Russia or Belarus

Pursuant to applicable State and federal law, a person or entity seeking to enter into or renew a contract with the PFRSNJ for the provision of goods or services shall certify that it is not identified on the U.S. Department of the Treasury's, Office of Foreign Assets Control's Consolidated Sanctions List. Accordingly, the Bidder shall submit a Certification of Non-Involvement in Prohibited Activities. If a Bidder does not submit the completed certification with their proposal, the Bidder must submit the completed certification within seven (7) business days of the PFRSNJ's request.

The Certification of Non-Involvement in Prohibited Activities can be found in **Attachment A7**.

3.3.7 MacBride Principles Form

Pursuant to N.J.S.A. 52:34-12.2, the Bidder must certify that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein, or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles. If the form is not submitted with the proposal, then the Bidder must submit the completed form within seven (7) business days of the PFRSNJ's request.

The MacBride Principles Form can be found in **Attachment A8**.

3.3.8 Confidentiality/Commitment to Defend

Pursuant to the New Jersey Open Public Records Act (OPRA), N.J.S.A. 47:1A-1 et seq., or the common law right to know, Bids can be released to the public in accordance with N.J.A.C. 17:12-1.2(b) and (c).

The Bidder should submit a completed and signed Confidentiality/Commitment to Defend Form with the proposal. In the event that the Bidder does not submit the Confidentiality form with the proposal, then the Bidder must submit the completed form within seven (7) business days of the PFRSNJ's request or the PFRSNJ may deem the proposal non-responsive.

After the opening of sealed proposals, all information submitted by a Bidder in response to an RFP is considered public information notwithstanding any disclaimers to the contrary submitted by a Bidder.

Proprietary, financial, security, and confidential information may be exempt from public disclosure by OPRA and/or the common law when the Bidder has a good faith, legal/factual basis for such assertion.

When the RFP contains a negotiation component, the proposal will not be subject to public disclosure until a notice of intent to award a Contract is announced.

As part of its proposal, a Bidder may request that portions of the proposal be exempt from public

disclosure under OPRA and/or the common law. The Bidder must provide a detailed statement clearly identifying those sections of the Quote that it claims are exempt from production, and the legal and factual basis that supports such exemption(s) as a matter of law. The PFRSNJ will not honor any attempts by a Bidder to designate its the entire proposal as proprietary and/or confidential, and/or to claim copyright protection for its entire proposal. If the PFRSNJ does not agree with a Bidder's designation of proprietary and/or confidential information, the PFRSNJ will use commercially reasonable efforts to advise the Bidder. Copyright law does not prohibit access to a record which is otherwise available under OPRA.

The PFRSNJ reserves the right to make the determination as to what material(s) to disclose in response to an OPRA request. Any information that the PFRSNJ determines to be exempt from disclosure under OPRA will be redacted.

In the event of any challenge to the Bidder's assertion of confidentiality that is contrary to the PFRSNJ's determination of confidentiality, the Bidder shall be solely responsible for defending its designation, and in doing so, all costs and expenses associated therewith shall be the responsibility of the Bidder. The PFRSNJ assumes no such responsibility or liability.

In order not to delay consideration of the proposal or the PFRSNJ's response to a request for documents, the PFRSNJ requires that the Bidder respond to any request regarding confidentiality markings within the timeframe designated in the PFRSNJ's correspondence regarding confidentiality. If no response is received by the designated date and time, the PFRSNJ may release a copy of the proposal with the PFRSNJ making the determination regarding what material(s), if any, may be proprietary or confidential.

The Confidentiality/Commitment to Defend Form can be found in **Attachment A9**.

3.3.9 Certificate of Insurance

The Contractor is required to secure and maintain in force for the term of the contract insurance as provided in Section 4.2 of the Standard Terms and Conditions and Section 4.11 of this RFP. The Bidder must submit proof of insurance (ACORD form) as provided in the Standard Terms and Conditions. If a Bidder does not submit proof of insurance with the proposal, then the Bidder must submit the proof of insurance within seven (7) business days of the PFRSNJ's request.

3.3.10 Political Contribution Disclosure

Pursuant to Section 2.9 of the Standard Terms and Conditions the Contractor is required to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC) if in a calendar year the Contractor receives one or more contracts valued at \$50,000.00 or more. It is the Contractor's responsibility to determine if the filing is necessary. If the Bidder does not submit the Certification and Political Contribution Disclosure Form Public Law 2005, Chapter 271, then the Bidder must submit the Certification at least ten (10) days prior to entering into the Contract.

The Certification and Political Contribution Disclosure Form Public Law 2005, Chapter 271 can be found in **Attachment A10**.

3.3.11 Disclosure Report of Political Contributions

Pursuant to N.J.A.C. 17:4A-3.5, promulgated by the Board of Trustees (the "Board") for the Police and Firemen's Retirement System of New Jersey (the "PFRSNJ"), each investment management firm seeking

to provide investment management services to the Board is required to disclose prior to engagement, on a form provided by the PFRSNJ, all political contributions and payments to political parties made or paid by the firm, its parent company, or any other controlling person or entity, any investment management professional associated with the firm, any political action committee controlled by any of the above persons or entities, or any third party solicitor associated with the firm. Each investment management firm that is engaged by the PFRSNJ is further required to make quarterly disclosures by the last day of the month following the end of each calendar quarter during the term of engagement; provided, however, that no report is required for any calendar quarter in which the investment management firm has no additions or revisions to information that was already reported in a prior report.

The Disclosure Report of Political Contributions by Investment Management Firm can be found in **Attachment A11**.

4.0 Terms and Conditions

The State of New Jersey Standard Terms and Conditions (Rev. February 8, 2024) And Waivered Contracts/Delegated Purchase Authority Supplement to the State of New Jersey Standard Terms and Conditions, as modified in Section 4.11, are incorporated herein by reference, are in addition to the terms and conditions set forth in this RFP, and should be read in conjunction with them. The Standard Terms & Conditions are available in Attachment A3. Unless specifically stated within this RFP, the Modifications and Changes to the Standard Terms & Conditions (as contained in Section 4.11 of this RFP) take precedence over the Standard Terms & Conditions accompanying this RFP.

4.1 Contract Term and Extension Option

It is anticipated the Board will award contract(s) with an initial term of three (3) to five (5) years with two (2) additional one (1) year periods beyond the initial term, with the contract term to be stated in the contract for services upon mutual agreement of the parties. All terms and conditions of this RFP will be incorporated by reference in the contract. The Board reserves the right to terminate this engagement at any time at the Board's convenience and without cause.

4.2 Amendment

Any changes or modifications to the contract shall be valid only when they have been reduced to writing and signed by both parties.

4.3 Ownership of Material

All data, technical information, materials gathered, originated, developed, prepared, used, or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the PFRSNJ respectively and shall be delivered to the PFRSNJ upon thirty (30) days' notice to the Advisor.

4.4 Data Confidentiality

All financial, statistical, personnel, customer, and/or technical data supplied by the PFRSNJ to the

Advisor are confidential. The Advisor must secure all data from manipulation, sabotage, theft, or breach of confidentiality. The Advisor is prohibited from releasing any financial, statistical, personnel, customer, and/or technical data supplied by the PFRSNJ that is deemed confidential. Any use, sale, or offering of this data in any form by the Advisor, or any individual or entity in the Advisor's charge or employ, will be considered a violation of the contract and may result in contract termination and the Advisor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution. The Advisor shall assume total financial liability incurred by the State (including the PFRSNJ) associated with any breach of confidentiality.

4.5 Security Standards

The Advisor shall maintain network security that, at a minimum, includes: network firewall provisioning, intrusion detection and prevention, vulnerability assessments and regular independent third-party penetration testing. The Advisor shall maintain network security that conforms to current standards set forth and maintained by the National Institute of Standards and Technology (NIST), or other standards that align with security best practices published by the SANS Institute, including the most recent CIS Controls recommended by the Center for Internet Security.

The Advisor shall protect and maintain the security of data in accordance with generally accepted industry practices.

Data usage, storage, and protection are subject to any applicable federal and state regulatory requirements.

The Advisor shall only transmit or exchange PFRSNJ data with other parties when expressly requested in writing and permitted by and in accordance with requirements of the PFRSNJ. The Advisor shall only transmit or exchange data with the PFRSNJ or other parties through secure means supported by current technologies. All provisions applicable to data include data in any form of transmission or storage, including, but not limited to, database files, text files, backup files, log files, XML files, and printed copies of the data.

All PFRSNJ-provided data shall be used expressly and solely for the purposes enumerated in the contract. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of the Advisor. No PFRSNJ-provided data of any kind shall be transmitted, exchanged or otherwise passed to other contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by the PFRSNJ Contract Manager.

The Advisor shall comply with all applicable State and federal laws that require the notification of individuals in the event of unauthorized release of personally identifiable information or other event requiring notification. In the event of a breach of any of the Advisor's security obligations or other event requiring notification under applicable law ("Notification Event"), the Advisor shall assume responsibility for informing the PFRSNJ Contract Manager and all such individuals in accordance with applicable law and to indemnify, hold harmless, and defend the State (including but not limited to the PFRSNJ) its officials, and employees from and against any claims, damages, or other harm related to such Notification of Event.

4.6 News Releases

The Advisor is not permitted to issue news releases pertaining to any aspect of the services being provided under this RFP without the prior written consent of the Executive Director.

4.7 Advertising

The Advisor shall use neither the State's nor the PFRSNJ's name, logos, images, or any data or results arising from the services performed under this RFP as part of any commercial advertising without first obtaining the prior written consent of the Executive Director.

4.8 Licenses and Permits

The Advisor shall obtain and maintain in full force and affect all required license, permits, and authorizations necessary to perform the services under this RFP. The Advisor shall, upon request, supply the PFRSNJ Contract Manager with evidence of all such licenses, permits and authorizations. All costs associated with any such licenses, permits and authorizations must be considered by the Bidder in its proposal.

4.9 Claims and Remedies

All claims asserted against the State (including the PFRSNJ) by the Advisor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

Nothing in this RFP or any contract awarded pursuant thereto shall be construed to be a waiver by the State (including the PFRSNJ) of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the PFRSNJ.

In the event the Advisor fails to comply with any material contract requirements, the PFRSNJ may take steps to terminate the contract in accordance with the Standard Terms & Conditions, authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting Advisor's price either being deducted from any monies due to the defaulting Custodian or being an obligation owed the State by the defaulting Advisor as provided for in the State administrative code, or take any other action or seek any other remedies available at law or in equity.

4.10 Additional Work

The Advisor shall not perform additional work without first obtaining written approval from both the PFRSNJ Contract Manager and the Chief Investment Officer, Chief Financial Officer, or the Executive Director. In the event of additional work and/or special projects, the Advisor must present a written proposal to perform the additional work to the PFRSNJ Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the Advisor in its proposal.

The Advisor's written proposal must provide a detailed description of the work to be performed, broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. Whenever possible, the price schedule should be a firm, fixed price to perform the required work. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the Advisor's written proposal, the PFRSNJ Contract Manager shall forward it to the Chief Investment Officer, Chief Financial Officer, or the Executive Director for

consideration. Approval of the Advisor’s written proposal shall be in writing.

No additional work may commence without the Chief Investment Officer, Chief Financial Officer, or the Executive Director’s written approval. In the event the Advisor proceeds with additional work without the Chief Investment Officer, Chief Financial Officer, or the Executive Director’s written approval, it shall be at the Advisor’s sole risk. The PFRSNJ shall be under no obligation to pay for work performed without the Chief Investment Officer, Chief Financial Officer, or the Executive Director’s written approval.

4.11 Modifications to the Standard Terms and Conditions

Section 1.0 of the Standard Terms & Conditions is modified to add the following sentence: “In the event that the Bidder would like to present terms and conditions that are either in conflict with these terms and conditions or in conflict with those set forth in the RFP, the Bidder must present such conflicting terms and conditions for the State to consider during the Question and Answer period. The negotiated terms and conditions may not conflict with any of the material terms and conditions set forth herein and as set forth in the RFP.”

Section 4.2 of the Standard Terms & Conditions regarding the Approved Vendor’s insurance is modified by: (i) amending the Certificate Holder to read: “State of New Jersey, Department of the Treasury, Police and Firemen’s Retirement System of New Jersey. 50 West State Street, Suite 1100, Trenton, New Jersey 08625.” and (ii) amending the email address for certificates and notices of cancellation to read: Compliance@pfrs.nj.gov.

Section 4.2 of the Standard Terms & Conditions, regarding the “insurance to be provided by the contractor,” shall be added, “D. “Professional Liability Insurance: Contractor shall carry General Liability insurance in an amount not less than \$1,000,000, Errors and Omissions in an amount not less than \$10,000,000, Fiduciary Liability in an amount not less than \$1,000,000, and Workers Compensation and Employer Liability in an amount not less than \$1,000,000 in such policy forms as shall be approved by the Board. If Contractor has claims-made coverage and subsequently changes carriers during the term of the Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage to the date of Contract commencement.”

Section 5.7, of the Standard Terms & Conditions, part A. is deleted and replaced in its entirety with the following provision:

A. For Convenience:

Notwithstanding any provision in this contract to the contrary, either party may terminate the engagement at any time, with or without cause, during the term of the engagement upon one hundred and twenty (120) days’ written notice.

Section 5.7, of the Standard Terms & Conditions, part B. is deleted and replaced in its entirety with the following provision:

B. For Cause:

1. Where a contractor fails to perform or comply with a contract or portion thereof, and/or fails to comply with the complaints procedure in N.J.A.C. 17:12-4.2 et seq., the Chief Investment Officer or the Executive Director may terminate the contract, in whole or in part, immediately upon notice to the contractor with an opportunity to respond;
2. Where in the reasonable opinion of the Chief Investment Officer or the Executive Director, a contractor continues to perform a contract poorly as demonstrated by e.g., formal complaints, late delivery, poor performance of service, short-shipping so that the Chief Investment Officer

or the Executive Director is required to use the complaints procedure in N.J.A.C. 17:12-4.2 et seq., and there has been a failure on the part of the contractor to make progress towards ameliorating the issue(s) or problem(s) set forth in the complaint, the Chief Investment Officer or the Executive Director may terminate the contract, in whole or in part immediately upon notice to the contractor with an opportunity to respond; and

3. Where a contractor fails to follow investment guidelines, compliance regulations, applicable State and federal laws, and the External Advisor Trade Approval Policy, or where a contractor experiences a loss of QPAM status, the Chief Investment Officer or the Executive Director may terminate the contract in whole or in part, immediately upon notice to the contractor.

Any and all references in the Standard Terms & Conditions, to the “Director” or the “Director of the Division of Purchase and Property” shall be read as: the “Executive Director of the Police and Firemen’s Retirement System of New Jersey.”

Any and all references in the Standard Terms and Conditions to “ccau.certificate@treas.nj.gov” shall be read as: “compliance@pfrs.nj.gov.”

Where applicable, references to the “Division of Purchase and Property” shall be read as the “PFRSNJ.”

Where applicable, any required submissions shall be sent to “The Police and Firemen’s Retirement System of New Jersey, 50 West State Street, Suite 1100, Trenton, New Jersey 08625.”

5.0 PROPOSAL EVALUATION

5.1 Right to Waive

The Executive Director reserves the right to waive minor irregularities or omissions in a bid proposal. The Executive Director also reserves the right to waive a requirement provided that: (i) the requirement is not mandated by law; (ii) all the otherwise responsive proposals failed to meet the requirement; and (iii) in the sole discretion of the Executive Director, the failure to comply with the requirement does not materially affect the procurement or the State’s interests associated with the procurement.

5.2 Right to Award or Reject in Part

The Executive Director reserves the right to recommend the rejection of any or all proposals, or to recommend an award in whole or in part, if the Executive Director deems it to be in the best interest of the PFRSNJ to do so. Notice of such an award or rejection shall be posted on the PFRSNJ website.

5.3 Right to Request Further Information

The Executive Director reserves the right to request all information which may assist him or her in making a recommendation concerning a contract award or rejection to the Board, including factors necessary to evaluate the Bidder’s financial capabilities to perform the contract.

The Executive Director reserves the right to request a Bidder to explain, in detail, how the proposal price was determined.

The Executive Director reserves the right to consult with clients of the Bidder during the evaluation of bids.

5.4 Evaluation Committee

Proposals shall be evaluated by an Evaluation Committee consisting of a group of qualified, experienced, and knowledgeable individuals and/or PFRSNJ staff members. The Executive Director may also recommend technical advisors with expertise to assist the Evaluation Committee.

5.5 Oral Presentations and/or Demonstrations

After the submission of proposals, unless requested by the PFRSNJ as noted below, contact between PFRSNJ staff and any Bidder or its employees/representatives regarding the RFP is still not permitted.

After the proposals are reviewed, a Bidder may be asked to clarify certain aspects of its proposal. The process of clarification is not an opportunity for the Bidder to revise or modify its proposal, and any response or portion of a response by the Bidder to a request for clarification that attempts to revise or modify its proposal shall be given no effect.

The Bidder may be required to give an oral presentation to the Evaluation Committee concerning its proposal. The Evaluation Committee may request the Bidder to provide a demonstration of the Bidder's systems. Bidders may not attend the oral presentations or demonstrations of their competitors.

It is within the Executive Director's discretion whether to request a Bidder to clarify its proposal or to give an oral presentation. Such a request should not be construed to imply acceptance or rejection of a proposal.

5.6 Evaluation Criteria

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be evaluated by the Evaluation Committee.

Proposals may be eliminated for failing to continue to meet the Minimum Technical Qualifications listed in Section 1.3 above and included in Attachment B of this RFP.

The following evaluation criteria categories, separate or combined in some manner, and not necessarily listed in order of significance, will be used to evaluate proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

- Organization
 - Firm
 - Assets under management
 - Firm's support staff
 - Client service
- Environmental, social, & governance (ESG) and diversity, equity, & inclusion (DEI)
- Investment team
 - Team quality
 - Investment resources
 - Retention incentives
- Investment Process
 - Investment process clarity

- Competitive advantage
- Performance expectations
- Role in PFRSNJ portfolio
 - Role in asset class / broader PFRSNJ portfolio
 - Alpha driver correlation
- Track record / performance
 - Alpha
 - Risk
 - Investment process correlation to performance
- Fees

5.7 Pricing Discrepancies

If, during the proposal evaluation process, it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. In the event of such disparity, the Executive Director will request, in writing, confirmation by the Bidder of the revised total extended price. The Bidder will have five (5) business days after receipt of the request to confirm the price. If the Bidder fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given to it. The Bidder may only confirm and may not modify or amend its price. The Executive Director shall determine whether any intended confirmation is a modification or amendment.

If any other obvious pricing error is found, the Executive Director shall issue a written request for confirmation to the Bidder. The Bidder will have five (5) business days after receipt of the request to confirm its pricing. If the Bidder fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given to it. The Bidder may only confirm and may not modify or amend its price. The Executive Director shall determine whether any intended confirmation is a modification or amendment.

If there is an ambiguity in the pricing, other than a disparity between the unit price and extended price or other obvious pricing error, and the Bidder's intention is not readily discernible from other parts or the proposal, the Executive Director shall issue a written request for clarification to the Bidder. The Bidder will have five (5) business days after receipt of the request to clarify its pricing. If the Bidder fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given to it. The Bidder

5.8 Negotiation and Best and Final Offer (BAFO)

After evaluating proposals, the PFRSNJ may enter into negotiations with one Bidder or multiple Bidders. The primary purpose of negotiations is to maximize the State's ability to obtain the best value based on the mandatory requirements, evaluation criteria, and cost. Negotiations will be structured by the PFRSNJ to safeguard information and ensure that all Bidders are treated fairly.

Additionally, the Board may invite one Bidder or multiple Bidders to submit a best and final offer (BAFO). The invitation will establish the time and place for submission of the BAFO. Any BAFO that is not equal to or lower in price than the pricing offered in the Bidder's original proposal will be rejected as a nonresponsive BAFO, and the PFRSNJ will revert to consideration and evaluation of the Bidder's original pricing.

If required, after review of the BAFO(s), clarification may be sought from the Bidder(s). The PFRSNJ may conduct more than one round of negotiation and/or BAFO in order to attain the best value for the

State.

Negotiations will be conducted and/or BAFO(s) requested only in those circumstances where they are deemed by the PFRSNJ or the Executive Director to be in the State's best interests and to maximize the State's ability to obtain the best value. Therefore, the Bidder is advised to submit its best technical and price proposal in response to this RFP since the PFRSNJ may, after evaluation, make a contract award based on the content of the initial submission without further negotiation with or BAFO from, any Bidder.

5.9 Proposal Recommendation

After evaluation of proposals and, as applicable, negotiation(s) and/or BAFO(s), the Evaluation Committee will recommend to the Investment Committee for the PFRSNJ ("Investment Committee"), the responsible Bidder(s) whose proposal(s), conforming to the RFP, is/are most advantageous to the PFRSNJ price and other factors considered. The Investment Committee will make a recommendation to the Board, based upon its review of the recommendation(s) of the Evaluation Committee and the Investment Committee. The Board may initiate additional negotiation of BAFO procedures with any Bidder(s).

Until a Notice of Intent to Award the contract is issued, all contacts, records of initial evaluations, any correspondence with Bidders related to any request for clarification, negotiation or BAFO, any revised technical and/or price proposals, the Evaluation Committee Report, and the Award Recommendation will remain confidential. After a Notice of Intent to Award a contract has been issued, materials relating to the procurement and any applicable documentation relating to any negotiations will only be made available to the non-winning Bidders and to any taxpayer considering filing a protest of the Notice of Intent to Award during the applicable protest period and prior to the execution of one or more contracts pursuant to this RFP.

6.0 CONTRACT AWARD

6.1 Award or Rejection of Proposals

The Board retains the authority to decide whether to accept, reject, or modify the Evaluation Committee and/or the Investment Committee's recommendation(s) concerning the RFP. The Board may refer the matter back to the Evaluation Committee, Investment Committee, and/or PFRSNJ staff for further consideration. The Board has the discretion to enter into an agreement with and Bidder meeting the requirements on the terms and for the compensation that the Board deems appropriate, or to reject all proposals when the Board determines it appropriate to do so.

6.2 Notice of Intent to Award; Protests

Upon approval by the Board, the Executive Director shall post a Notice of Intent to Award on the PFRSNJ website. In the event that the Board determines that all proposals shall be rejected or no award shall be made, the Executive Director shall post a notice of such determination on the PFRSNJ website.

A non-successful Bidder, within ten (10) business days following the Notice of Intent to Award, may submit a written protest. If a contract award is protested, the Board shall not award the contract in question until a final decision is rendered on the merits of the protest, unless the Board finds that the failure to award the contract will result in substantial cost to the PFRSNJ or the State or that public exigency so requires. In such event, the PFRSNJ shall notify all interested parties.

Protests must be timely filed with the Executive Director, and must concern one or more of the following:

- i. Rejection of the Bidder's proposal for failing to meet the Minimum Technical Qualifications of a Bidder, as set forth in the RFP. Such protest may not challenge the validity of the minimum qualifications, but rather may assert that the Bidder does meet such minimum qualifications; and/or
- ii. A challenge to a term, condition, or requirement of a specification contained within the RFP; or
- iii. Notice of Intent to Award contract(s) to another Bidder as part of the same procurement; or
- iv. A challenge to the Board and/or Executive Director's cancellation of the RFP after the opening of proposals.

A protest shall contain the following:

- i. Identification of the particular procurement;
- ii. The specific grounds for challenging the proposal rejection, the notice of intent to award, or the cancelation, including all arguments, materials, and/or other documentation that may support the protester's position; and
- iii. A statement as to whether the protester requests an opportunity for an in-person presentation and the reason(s) for the request.

If the Executive Director, in consultation with the Chairman of the Board, determines that the contract award was properly protested, the Executive Director shall immediately submit to the Board, the protest and related materials.

The Executive Director may request that a Bidder file a response to a protest. Responses and replies are at the discretion of the Executive Director.

The Board is entitled to request, receive, and review copies of any and all records and documents deemed appropriate and relevant to the issues and arguments set forth in the protest. Upon receipt of any such request, the Bidder shall promptly provide the requested records and documents in the time, place, and manner specified in the request. Failure to do so may constitute a reasonable basis for the Board to resolve the protest against the Bidder submitting the protest. The Board may also consider relevant information requested and received from other parties as the Board deems appropriate.

The Board may disregard any protest not containing all of the items set forth above or filed after the ten day protest period. The Board may designate an individual, from within or outside the PFRSNJ, to perform a review of the written record and conduct an in-person presentation. In the case of a review or in-person presentation being handled by a reviewer from outside the PFRSNJ, the determination of such designee shall be in the form of a report to the Board (and copied to the Executive Director), which shall not be binding on the Board but rather advisory in nature. The protesting party shall receive a copy of the reviewer's report and shall have a period of ten (10) business days to provide written comments or exceptions to the report, to the Board (and copied to the Executive Director).

The Board shall make a final written decision on the protest based on the Board's review of the written record including, but not limited to, the written protest, the terms, conditions and requirements of the RFP, the proposals submitted in response to the RFP, written reports and/or the award recommendation documents, pertinent administrative rules, statutes and case law, and any associated documentation deemed

appropriate. In cases where no in-person presentation is held, such review of the written record shall, in and of itself, constitute an informal hearing.

Protests are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 to - 31, nor the Uniform Administrative Procedure Rules, N.J.A.C. 1:1. Final agency determinations by the Board on protests are appealable to the Appellate Division of the Superior Court of New Jersey.

7.0 Contract Manager

The PFRSNJ may designate a Contract Manager responsible for the overall management and administration of the contract, including resolving minor disputes between Investment Advisor(s) and the PFRSNJ.

The PFRSNJ Contract Manager for the contract will be identified when the contract is awarded.

ATTACHMENT A
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

ATTACHMENT A1



OWNERSHIP DISCLOSURE FORM

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

VENDOR NAME: _____

PURSUANT TO N.J.S.A. 52:25-24.2, ALL PARTIES ENTERING INTO A CONTRACT WITH THE STATE ARE REQUIRED TO PROVIDE A STATEMENT OF OWNERSHIP.
Please answer all questions and complete the information requested.

YES NO

- The vendor is a **Non-Profit Entity**; and therefore, no disclosure is necessary.
- The vendor is a **Sole Proprietor**; and therefore, no other disclosure is necessary.
A Sole Proprietor is a person who owns an unincorporated business by himself or her-self.
A limited liability company with a single member is not a Sole Proprietor.
- The vendor is a **corporation, partnership, or limited liability company** with individuals, partners, members, stockholders, corporations, partnerships, or limited liability companies owning a 10% or greater interest; and therefore, disclosure is necessary.

If you answered **YES** to Question 3, you must disclose the information requested in the space below:*

- the names and addresses of all stockholders in the corporation who own 10% or more of its stock, of any class;
- all individual partners in the partnership who own a 10% or greater interest therein; or,
- all members in the limited liability company who own a 10% or greater interest therein.

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

YES NO

- For each of the corporations, partnerships, or limited liability companies identified in response to Question #3 above, are there any individuals, partners, members, stockholders, corporations, partnerships, or limited liability companies owning a 10% or greater interest of those listed business entities?

If you answered **YES** to Question 4, you must disclose the information requested in the space below:*

- the names and addresses of all stockholders in the corporation who own 10% or more of its stock, of any class;
- all individual partners in the partnership who own a 10% or greater interest therein; or,
- all members in the limited liability company who own a 10% or greater interest therein. The disclosure(s) shall be continued until the names and addresses of every non-corporate stockholder, individual partner, and/or member a 10% or greater interest has been identified.

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

NAME	_____
ADDRESS	_____
ADDRESS	_____
CITY	STATE ZIP

- As an alternative to completing this form, a Vendor with any direct or indirect parent entity which is publicly traded, may submit the name and address of each publicly traded entity and the name and address of each person that holds a 10% or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10% or greater beneficial interest, also shall submit links to the websites containing the last annual filings with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page numbers of the filings that contain the information on each person that holds a 10% or greater beneficial interest.*

* Attach additional sheets if necessary

ATTACHMENT A2

THE POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

CERTIFICATIONS REQUIRED WITH PROPOSAL SUBMISSION

By submitting a proposal in response to the **PFRSNJ's Request for Proposals for Emerging Markets Small Cap Public Equity Advisors**,

I, _____, _____, _____, hereby certify:
(name) (title) (institution/firm)

1. The submission is accurate and complete.
2. The submission was prepared solely by _____, and not discussed with any individual outside of _____ other than as specifically disclosed herein or as contemplated by the Request for Proposals.
3. The price(s) and amount quoted in the proposal have been arrived at independently and without consultation, communication, or agreement with any other Bidder or potential Bidder.
4. Neither the price(s) nor the amount quoted in the proposal, and neither the approximate price(s) nor approximate amount quoted in the proposal, have been disclosed to any other firm or person who is a Bidder or potential Bidder, and they will not be disclosed before the deadline for proposal submission.
5. No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
6. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
7. _____ and its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted of, or found liable for, any act prohibited by State or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.
8. I have read the Business Ethics Guide established by the State Treasurer (cited in Section 2.11 of the State of New Jersey Standard Terms and Conditions), understand its provisions, and _____ is in compliance with its provisions.

_____,
By:

(signature)

(date)

(print name)

(title)

ATTACHMENT A3



State of New Jersey Standard Terms and Conditions

(Revised February 8, 2024)

And

Waivered Contracts/Delegated Purchase Authority Supplement to the State of New Jersey Standard Terms and Conditions

(Revised January 11, 2022)

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

1.0 **STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT**

The following terms and conditions shall apply to all contracts or purchase agreements made with the State of New Jersey. The State's terms and conditions shall prevail over any conflicts set forth in a Contractor's Quote or Proposal.

2.0 **STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS**

The statutes, laws, regulations or codes cited herein are available for review at the [New Jersey State Library](#), 185 West State Street, Trenton, New Jersey 08625.

2.1 **BUSINESS REGISTRATION**

Pursuant to N.J.S.A. 52:32-44, the State is prohibited from entering into a contract with an entity unless the Contractor and each subcontractor named in the proposal have a valid Business Registration Certificate on file with the Division of Revenue and Enterprise Services. A subcontractor named in a bid or other proposal shall provide a copy of its business registration to the Contractor who shall provide it to the State.

The contractor shall maintain and submit to the State a list of subcontractors and their addresses that may be updated from time to time with the prior written consent of the Director of the Division of Purchase and Property (Director) during the course of contract performance. The contractor shall submit to the State a complete and accurate list of all subcontractors used and their addresses before final payment is made under the contract.

Pursuant to N.J.S.A. 54:49-4.1, a business organization that fails to provide a copy of a business registration, or that provides false business registration information, shall be liable for a penalty of \$25 for each day of violation, not to exceed \$50,000 for each business registration copy not properly provided under a contract with a contracting agency.

The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall, during the term of the contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury, the Use Tax due pursuant to the "Sales and Use Tax Act, P.L.1966, c.30 (N.J.S.A. 54:32B-1 *et seq.*) on all sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at <http://www.state.nj.us/treasury/revenue/busregcert.shtml>.

2.2 **OWNERSHIP DISCLOSURE**

Pursuant to N.J.S.A. 52:25-24.2, in the event the Contractor is a corporation, partnership or limited liability company, the Contractor must complete an Ownership Disclosure Form.

A current completed Ownership Disclosure Form must be received prior to or accompany the submitted Quote. A Contractor's failure to submit the completed and signed form prior to or with its Quote will result in the Contractor being ineligible for a Contract award, unless the Division of Purchase and Property (Division) has on file a signed and accurate Ownership Disclosure Form dated and received no more than six (6) months prior to the Quote submission deadline for this procurement. If any ownership change has occurred within the last six (6) months, a new Ownership Disclosure Form must be completed, signed and submitted with the Quote.

In the alternative, a Contractor with any direct or indirect parent entity which is publicly traded may submit the name and address of each publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10 percent or greater beneficial interest, also shall submit links to the websites containing the last annual filings with the federal Securities and Exchange Commission or the foreign equivalent and the relevant page numbers of the filings that contain the information on each person that holds a 10 percent or greater beneficial interest. N.J.S.A. 52:25-24.2.

2.3 **DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN**

Pursuant to N.J.S.A. 52:32-58, the Contractor must utilize this Disclosure of Investment Activities in Iran form to certify that neither the Contractor, nor one (1) of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither the Contractor, nor one (1) of its parents, subsidiaries, and/or affiliates, is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the Contractor is unable to so certify, the Contractor shall provide a detailed and precise description of such activities as directed on the form. A Contractor's failure to submit the completed and signed form will preclude the award of a Contract to said Contractor.

2.4 ANTI-DISCRIMINATION

All parties to any contract with the State agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq. and N.J.S.A. 10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference. The agreement to abide by the provisions of N.J.S.A. 10:5-31 through 10:5-38 include those provisions indicated for Goods, Professional Service and General Service Contracts (Exhibit A, attached) and Constructions Contracts (Exhibit B and Exhibit C - Executive Order 151 Requirements) as appropriate.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time.

2.5 AFFIRMATIVE ACTION

In accordance with N.J.A.C. 17:27-1.1, prior to award, the Contractor and subcontractor must submit a copy of a New Jersey Certificate of Employee Information Report, or a copy of Federal Letter of Approval verifying it is operating under a federally approved or sanctioned Affirmative Action program. Contractors or subcontractors not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval must complete the Affirmative Action Employee Information Report (AA-302) located on the web at https://www.state.nj.us/treasury/contract_compliance/.

2.6 AMERICANS WITH DISABILITIES ACT

The contractor must comply with all provisions of the Americans with Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101, et seq.

2.7 MACBRIDE PRINCIPLES

The Contractor must certify pursuant to N.J.S.A. 52:34-12.2 that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.

2.8 PAY TO PLAY PROHIBITIONS

New Jersey law insulates the negotiation and award of State contracts from political contributions that pose a risk of improper influence, purchase of access or the appearance thereof. P.L.2005, c.51, as amended by the Elections Transparency Act, P.L.2023, c.30, codified at N.J.S.A. 19:44A-20.13 to 20.25 ("Chapter 51") and Executive Order 333 (2023).

Pursuant to N.J.S.A. 19:44A-20.13 et seq. (P.L.2005, c.51, rev. P.L.2023, c.30), a "fair and open process" means, at a minimum, that the contract shall be: publicly advertised in newspapers or on the Internet website maintained by the public entity in sufficient time to give notice in advance of the contract; awarded under a process that provides for public solicitation of proposals or qualifications and awarded and disclosed under criteria established in writing by the public entity prior to the solicitation of proposals or qualifications; and publicly opened and announced when awarded. A contract awarded under a process that includes public bidding or competitive contracting pursuant to State contracts law shall constitute a fair and open process. N.J.S.A. 19:44A-20.23. The agency conducting the procurement will need to determine whether the procurement meets the Election Transparency Act definition of a "fair and open process" and instruct vendors on the applicability of Chapter 51.

A. For Contracts Awarded Pursuant to a Fair and Open Process

Pursuant to P.L.2005, c.51, as amended by the Elections Transparency Act, P.L.2023, c.30, codified at N.J.S.A. 19:44A-20.13 to 20.25 ("Chapter 51"), and Executive Order No. 333 (2023), contracts awarded pursuant to a fair and open process do not require a certification or disclosure of any solicitation or contribution of money, or pledge of contribution, including in-kind contributions.

B. For Contracts Awarded Pursuant to a Non-Fair and Open Process

Pursuant to N.J.S.A. 19:44A-20.13 et seq. (P.L.2005, c.51, rev. P.L.2023, c.30), and Executive Order 333 (2023), the State shall not enter into a Contract to procure services or any material, supplies or equipment, or to acquire, sell, or lease any land or building from any Business Entity, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a Continuing Political Committee or to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor during certain specified time periods. It shall be a breach of the terms of the contract for the Business Entity to:

- (1) Make or solicit a contribution in violation of the statute;
- (2) Knowingly conceal or misrepresent a contribution given or received;
- (3) Make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;
- (4) Make or solicit any contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor or Lieutenant Governor;
- (5) Engage or employ a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any contribution, which if made or solicited by the business entity itself, would subject that entity to the restrictions of the Legislation;
- (6) Fund contributions made by third parties, including consultants, attorneys, family members, and employees;

- (7) Engage in any exchange of contributions to circumvent the intent of the Legislation; or
- (8) Directly or indirectly through or by any other person or means, do any act which would subject that entity to the restrictions of the Legislation.

Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the Contract, and any extension(s) thereof, at the time any such contribution is made.

A "Continuing Political Committee" means any political organization (a) organized under section 527 of the Internal Revenue Code; and (b) consisting of any group of two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, including a political club, political action committee, civic association or other organization, which in any calendar year contributes or expects to contribute at least \$5,500 to the aid or promotion of the candidacy of an individual, or of the candidacies of individuals, for elective public office, or the passage or defeat of a public question or public questions, and which may be expected to make contributions toward such aid or promotion or passage or defeat during a subsequent election, provided that the group, corporation, partnership, association or other organization has been determined to be a Continuing Political Committee by the New Jersey Election Law Enforcement Commission under N.J.S.A.19:44A-8. A Continuing Political Committee does not include a "political party committee," a "legislative leadership committee," or an "independent expenditure committee," as defined in N.J.S.A. 19:44A-3.

Prior to awarding any Contract or agreement to any Business Entity pursuant to a non-fair and open process, the Business Entity proposed as the intended Contractor of the Contract shall submit the Two-Year Chapter 51 /Executive Order 333 Vendor Certification and Disclosure of Political Contributions for Non-Fair and Open Contracts, certifying either that no contributions to a Continuing Political Committee or to a candidate committee or election fund of a gubernatorial candidate have been made by the Business Entity and reporting all qualifying contributions made by the Business Entity or any person or entity whose contributions are attributable to the Business Entity. The required form and instructions, available for review on the Division's website at <http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>.

2.9 POLITICAL CONTRIBUTION DISCLOSURE

The contractor is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to N.J.S.A. 19:44A-20.27 (P.L.2005, c.271, rev. P.L.2023, c.30) if in a calendar year the contractor receives one or more contracts valued at \$50,000.00 or more. It is the contractor's responsibility to determine if filing is necessary. Failure to file can result in the imposition of penalties by ELEC. Additional information about this requirement is available from ELEC by calling 1(888)313-3532 or on the internet at <http://www.elec.state.nj.us/>.

2.10 STANDARDS PROHIBITING CONFLICTS OF INTEREST

The following prohibitions on contractor activities shall apply to all contracts or purchase agreements made with the State of New Jersey, pursuant to Executive Order No. 189 (1988).

- A. No vendor shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any State officer or employee or special State officer or employee, as defined by N.J.S.A. 52:13D-13b. and e., in the Department of the Treasury or any other agency with which such vendor transacts or offers or proposes to transact business, or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g;
- B. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any State officer or employee or special State officer or employee from any State vendor shall be reported in writing forthwith by the vendor to the New Jersey Office of the Attorney General and the Executive Commission on Ethical Standards, now known as the State Ethics Commission;
- C. No vendor may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such vendor to, any State officer or employee or special State officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to any State agency or any instrumentality thereof, or with any person, firm or entity with which he/she is employed or associated or in which he/she has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, now known as the State Ethics Commission, which may grant a waiver of this restriction upon application of the State officer or employee or special State officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest;
- D. No vendor shall influence, or attempt to influence or cause to be influenced, any State officer or employee or special State officer or employee in his/her official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee;
- E. No vendor shall cause or influence, or attempt to cause or influence, any State officer or employee or special State officer or employee to use, or attempt to use, his/her official position to secure unwarranted privileges or advantages for the vendor or any other person; and
- F. The provisions cited above in paragraphs 2.8A through 2.8E shall not be construed to prohibit a State officer or employee or Special State officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or

made available to members of the general public subject to any guidelines the Executive Commission on Ethical Standards, now known as the State Ethics Commission may promulgate under paragraph 3c of Executive Order No. 189.

2.11 NEW JERSEY BUSINESS ETHICS GUIDE CERTIFICATION

The Treasurer has established a business ethics guide to be followed by a Contractor in dealings with the State. The guide can be found at: <https://www.nj.gov/treasury/purchase/pdf/BusinessEthicsGuide.pdf>.

2.12 NOTICE TO ALL CONTRACTORS SET-OFF FOR STATE TAX NOTICE

Pursuant to N.J.S.A. 54:49-19, effective January 1, 1996, and notwithstanding any provision of the law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off that taxpayer's or shareholder's share of the payment due the taxpayer, partnership, or S corporation. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the taxpayer, partner or shareholder subject to set-off under this act.

The Director of the Division of Taxation shall give notice to the set-off to the taxpayer and provide an opportunity for a hearing within 30 days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest, or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State, pursuant to P.L. 1987, c. 184 (c.52:32-32 et seq.), to the taxpayer shall be stayed.

2.13 COMPLIANCE - LAWS

The contractor must comply with all local, State and Federal laws, rules and regulations applicable to this contract and to the goods delivered and/or services performed hereunder.

2.14 COMPLIANCE - STATE LAWS

It is agreed and understood that any contracts and/or orders placed as a result of [this proposal] shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

2.15 WARRANTY OF NO SOLICITATION ON COMMISSION OR CONTINGENT FEE BASIS

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business. If a breach or violation of this section occurs, the State shall have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage or contingent fee.

2.16 DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS

The Contractor should submit the Disclosure of Investigations and Other Actions Form which provides a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five (5) years, including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current status, and, if applicable, disposition. If a Contractor does not submit the form with the Quote, the Contractor must comply within seven (7) business days of the State's request or the State may deem the Quote non-responsive.

2.17 DISCLOSURE OF PROHIBITED ACTIVITIES WITH RUSSIA OR BELARUS

Pursuant to N.J.S.A. 52:32-60.1 et seq. (P.L.2022, c.3), a person or entity seeking to enter into or renew a contract for the provision of goods or services shall certify that it is not identified on the list of persons or entities engaging in prohibited activities in Russia or Belarus. Consistent with the federal law, the list of persons and entities engaging in prohibited activities in Russia or Belarus shall consist of all persons and entities appearing on the list of Specially Designated Nationals and Blocked Persons promulgated by the Office of Foreign Assets Control (OFAC) on account of activity relating to Russia or Belarus.

3.0 STATE LAW REQUIRING MANDATORY COMPLIANCE BY CONTRACTORS UNDER CIRCUMSTANCES SET FORTH IN LAW OR BASED ON THE TYPE OF CONTRACT

3.1 COMPLIANCE - CODES

The contractor must comply with New Jersey Uniform Construction Code and the latest National Electrical Code 70®, B.O.C.A. Basic Building code, Occupational Safety and Health Administration and all applicable codes for this requirement. The contractor shall be responsible for securing and paying all necessary permits, where applicable.

3.2 PREVAILING WAGE ACT

The New Jersey Prevailing Wage Act, N.J.S.A. 34: 11-56.25 et seq. is hereby made part of every contract entered into on behalf of the State of New Jersey through the Division of Purchase and Property, except those contracts which are not within the contemplation of the Act. The Contractor's signature on [the proposal] is his/her guarantee that neither he/she nor any subcontractors he/she might employ to perform the work covered by [the proposal] has been suspended or debarred by the Commissioner, Department of Labor and Workforce Development for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the Contractor's signature on the proposal is also his/her guarantee that he/she and any subcontractors he/she might employ to perform the work covered by [the proposal] shall comply with

the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where required.

3.3 PUBLIC WORKS CONTRACTOR REGISTRATION ACT

The New Jersey Public Works Contractor Registration Act requires all contractors, subcontractors and lower tier subcontractor(s) who engage in any contract for public work as defined in N.J.S.A. 34:11-56.26 be first registered with the New Jersey Department of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.51. Any questions regarding the registration process should be directed to the Division of Wage and Hour Compliance.

3.4 PUBLIC WORKS CONTRACT - ADDITIONAL AFFIRMATIVE ACTION REQUIREMENTS

N.J.S.A. 10:2-1 requires that during the performance of this contract, the contractor must agree as follows:

- A. In the hiring of persons for the performance of work under this contract or any subcontract hereunder, or for the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under this contract, no contractor, nor any person acting on behalf of such contractor or subcontractor, shall, by reason of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex, discriminate against any person who is qualified and available to perform the work to which the employment relates;
- B. No contractor, subcontractor, nor any person on his/her behalf shall, in any manner, discriminate against or intimidate any employee engaged in the performance of work under this contract or any subcontract hereunder, or engaged in the procurement, manufacture, assembling or furnishing of any such materials, equipment, supplies or services to be acquired under such contract, on account of race, creed, color, national origin, ancestry, marital status, gender identity or expression, affectional or sexual orientation or sex;
- C. There may be deducted from the amount payable to the contractor by the contracting public agency, under this contract, a penalty of \$50.00 for each person for each calendar day during which such person is discriminated against or intimidated in violation of the provisions of the contract; and
- D. This contract may be canceled or terminated by the contracting public agency, and all money due or to become due hereunder may be forfeited, for any violation of this section of the contract occurring after notice to the contractor from the contracting public agency of any prior violation of this section of the contract.

N.J.S.A. 10:5-33 and N.J.A.C. 17:27-3.5 require that during the performance of this contract, the contractor must agree as follows:

- A. The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause;
- B. The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex;
- C. The contractor or subcontractor where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment, N.J.A.C. 17:27-3.7 requires all contractors and subcontractors, if any, to further agree as follows:
 1. The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2;
 2. The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices;
 3. The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions; and
 4. In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

3.5 BUILDING SERVICE

Pursuant to N.J.S.A. 34:11-56.58 et seq., in any contract for building services, as defined in N.J.S.A. 34:11-56.59, the employees of the contractor

or subcontractors shall be paid prevailing wage for building services rates, as defined in N.J.S.A. 34:11.56.59. The prevailing wage shall be adjusted annually during the term of the contract.

3.6 THE WORKER AND COMMUNITY RIGHT TO KNOW ACT

The provisions of N.J.S.A. 34:5A-1 et seq. which require the labeling of all containers of hazardous substances are applicable to this contract. Therefore, all goods offered for purchase to the State must be labeled by the contractor in compliance with the provisions of the statute.

3.7 SERVICE PERFORMANCE WITHIN U.S.

Under N.J.S.A. 52:34-13.2, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a contractor or subcontractor within the United States and the certification is approved by the State Treasurer.

A shift to performance of services outside the United States during the term of the contract shall be deemed a breach of contract. If, during the term of the contract, the contractor or subcontractor, proceeds to shift the performance of any of the services outside the United States, the contractor shall be deemed to be in breach of its contract, which contract shall be subject to termination for cause pursuant to Section 5.7(b) (1) of the Standard Terms and Conditions, unless previously approved by the Director and the Treasurer.

3.8 BUY AMERICAN

Pursuant to N.J.S.A. 52:32-1, if manufactured items or farm products will be provided under this contract to be used in a public work, they shall be manufactured or produced in the United States, whenever available, and the contractor shall be required to so certify.

3.9 DOMESTIC MATERIALS

Pursuant to N.J.S.A. 52:33-2 et seq., if the contract is for the construction, alteration or repair of any public work, the contractor and all subcontractors shall use only domestic materials in the performance of the work unless otherwise noted in the specifications.

3.10 DIANE B. ALLEN EQUAL PAY ACT

Pursuant to N.J.S.A. 34:11-56.14 and N.J.A.C. 12:10-1.1 et seq., a contractor performing "qualifying services" or "public work" to the State or any agency or instrumentality of the State shall provide the Commissioner of Labor and Workforce Development a report regarding the compensation and hours worked by employees categorized by gender, race, ethnicity, and job category. For more information and report templates see <https://nj.gov/labor/equalpay/equalpay.html>.

3.11 EMPLOYEE MISCLASSIFICATION

In accordance with [Governor Murphy's Executive Order #25](#) and the [Task Force's July 2019 Report](#), employers are required to properly classify their employees. Workers are presumed to be employees and not independent contractors, unless the employer can demonstrate all three factors of the "ABC Test" below:

- A. Such individual has been and will continue to be free from control or direction of the performance of such service, but under his or her contract of service and in fact; and
- B. Such service is either outside the usual course of business for which such service is performed, or that such service is performed outside of all places of business of the enterprise for which such service is performed; and
- C. Such individual is customarily engaged in an independently established trade, occupation, profession or business.

This test has been adopted by New Jersey under its Wage & Hour, Wage Payment and Unemployment Insurance Laws to determine whether a worker is properly classified. Under N.J.S.A. 34:1A-1.17-1.19, the Department of Labor and Workforce Development has the authority to investigate potential violations of these laws and issue penalties and stop work order to employers found to be in violation of the laws.

3.12 CYBERSECURITY INCIDENT REPORTING REQUIREMENT

Pursuant to N.J.S.A. 52:17B-193.2 et seq. (P.L.2023, c.19), Contractors that have access to, or host the State's network(s), system(s), application(s), or information shall report Cybersecurity Incidents to the New Jersey Office of Homeland Security and Preparedness (NJ OHSP) at <https://www.cyber.nj.gov/report/> within 72 hours of when the Contractor reasonably believes that a Cybersecurity Incident has occurred.

Consistent with N.J.S.A. 52:17B-193.2, "Cybersecurity Incident" means a malicious or suspicious event occurring on or conducted through a computer network that jeopardizes the integrity, confidentiality, or availability of an information system or the information the system processes, stores, or transmits.

Consistent with N.J.S.A. 52:17B-193.3(f), any Cybersecurity Incident notification submitted to the NJ OHSP shall be deemed confidential, non-public, and not subject to the provisions of P.L.1963, c.73 (C.47:1A-1 et seq.), commonly known as the New Jersey Open Public Records Act, as amended and supplemented, and may not be discoverable in any civil or criminal action or subject to subpoena, unless the subpoena is issued by the New Jersey State Legislature and deemed necessary for the purposes of legislative oversight.

This reporting required by N.J.S.A. 52:17B-193.2 et seq. (P.L.2023, c.19) to NJ OHSP is in addition to the Contractor's responsibility to report Security Incidents as may be set forth in Contract Scope of Work or the Waivered Contracts Supplement to the State of New Jersey Terms and

Conditions. If the Waivered Contracts Supplement is not made part of the contract and a notification period is not specified in the Contract Scope of Work, the Contractor shall give notice of the Cybersecurity Incident to the Using Agency as soon as practicable, but no less than one business day, after the Contractor reasonably believes that a Cyber Security Incident has occurred.

4.0 INDEMNIFICATION AND INSURANCE

4.1 INDEMNIFICATION

The contractor's liability to the State and its employees in third party suits shall be as follows:

- A. Indemnification for Third Party Claims - The contractor shall assume all risk of and responsibility for, and agrees to indemnify, defend, and save harmless the State of New Jersey and its employees from and against any and all claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith which shall arise from or result directly or indirectly from the work and/or materials supplied under this contract, including liability of any nature or kind for or on account of the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract;
- B. The contractor's indemnification and liability under subsection (A) is not limited by, but is in addition to the insurance obligations contained in Section 4.2 of these Terms and Conditions; and
- C. In the event of a patent and copyright claim or suit, the contractor, at its option, may: (1) procure for the State of New Jersey the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.

4.2 INSURANCE

The contractor shall secure and maintain in force for the term of the contract insurance as provided herein. All required insurance shall be provided by insurance companies with an A-VIII or better rating by A.M. Best & Company. All policies must be endorsed to provide 30 days' written notice of cancellation or material change to the State of New Jersey at the address shown below. If the contractor's insurer cannot provide 30 days written notice, then it will become the obligation of the contractor to provide the same. The contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof. Renewal certificates shall be provided within 30 days of the expiration of the insurance. The contractor shall not begin to provide services or goods to the State until evidence of the required insurance is provided. The certificates of insurance shall indicate the contract number or purchase order number and title of the contract in the Description of Operations box and shall list the State of New Jersey, Department of the Treasury, Division of Purchase & Property, Contract Compliance & Audit Unit, P.O. Box 236, Trenton, New Jersey 08625 in the Certificate Holder box. The certificates and any notice of cancelation shall be emailed to the State at: ccau.certificate@treas.nj.gov

The insurance to be provided by the contractor shall be as follows:

- A. Occurrence Form Commercial General Liability Insurance or its equivalent: The minimum limit of liability shall be \$1,000,000 per occurrence as a combined single limit for bodily injury and property damage. The above required Commercial General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as "Additional Insureds" and include the blanket additional insured endorsement or its equivalent. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic Commercial General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage;
- B. Automobile Liability Insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1,000,000 per occurrence as a combined single limit. The State must be named as an "Additional Insured" and a blanket additional insured endorsement or its equivalent must be provided when the services being procured involve vehicle use on the State's behalf or on State controlled property;
- C. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:
 - 1. \$1,000,000 BODILY INJURY, EACH OCCURRENCE;
 - 2. \$1,000,000 DISEASE EACH EMPLOYEE; and
 - 3. \$1,000,000 DISEASE AGGREGATE LIMIT.

This \$1,000,000 amount may be raised when deemed necessary by the Director;

In the case of a contract entered into pursuant to N.J.S.A. 52:32-17 et seq., (small business set asides) the minimum amount of insurance coverage in subsections A, B, and B. above may be amended for certain commodities when deemed in the best interests of the State by the Director.

5.0 TERMS GOVERNING ALL CONTRACTS

5.1 CONTRACTOR IS INDEPENDENT CONTRACTOR

The contractor's status shall be that of any independent contractor and not as an employee of the State.

5.2 FORCE MAJEURE

Neither party will be liable to the other for any delay or inability to perform its obligations if such delay or inability arises from any act of God, fire,

natural disaster, act of war (declared or undeclared), act of terrorism (domestic or international), riot, civil disturbance, pandemic or other public health crisis (arising during the term of the contract) In the event of such a delay or inability to perform, the time for performance will be extended by an amount reasonable under the specific circumstances and mutually agreed-upon date sufficient to allow Vendor to perform the work delayed by the force majeure.

5.3 CONTRACT TERM AND EXTENSION OPTION

If, in the opinion of the Director, it is in the best interest of the State to extend a contract, the contractor shall be so notified of the Director's intent at least 30 days prior to the expiration date of the existing contract. The contractor shall have 15 calendar days to respond to the Director's request to extend the term and period of performance of the contract. If the contractor agrees to the extension, all terms and conditions of the original contract shall apply unless more favorable terms for the State have been negotiated.

5.4 STATE'S OPTION TO REDUCE SCOPE OF WORK

The State has the option, in its sole discretion, to reduce the scope of work for any deliverable, task or subtask called for under this contract. In such an event, the Director shall provide to the contractor advance written notice of the change in scope of work and what the Director believes should be the corresponding adjusted contract price. Within five (5) business days of receipt of such written notice, if either is applicable:

- A. If the contractor does not agree with the Director's proposed adjusted contract price, the contractor shall submit to the Director any additional information that the contractor believes impacts the adjusted contract price with a request that the Director reconsider the proposed adjusted contract price. The parties shall negotiate the adjusted contract price. If the parties are unable to agree on an adjusted contract price, the Director shall make a prompt decision taking all such information into account, and shall notify the contractor of the final adjusted contract price; and
- B. If the contractor has undertaken any work effort toward a deliverable, task or subtask that is being changed or eliminated such that it would not be compensated under the adjusted contract, the contractor shall be compensated for such work effort according to the applicable portions of its price schedule and the contractor shall submit to the Director an itemization of the work effort already completed by deliverable, task or subtask within the scope of work, and any additional information the Director may request. The Director shall make a prompt decision taking all such information into account, and shall notify the contractor of the compensation to be paid for such work effort.

Any changes or modifications to the terms of this Contract shall be valid only when they have been reduced to writing and signed by the Contractor and the Director.

5.5 CHANGE IN LAW

If, after award, a change in applicable law or regulation occurs which affects the Contract, the parties may amend the Contract, whether including new work required by the change in law or to eliminate work no longer required by the change in law along with a commensurate price change. The parties shall negotiate the terms of the change in good faith, however if agreement is not possible after reasonable efforts, the Director shall make a prompt decision taking all relevant information into account, and shall notify the Contractor of the final adjusted scope of work and contract price.

5.6 SUSPENSION OF WORK

The State may, for valid reason, issue a stop order directing the contractor to suspend work under the contract for a specific time. The contractor shall be paid for goods ordered, goods delivered, or services requested and performed until the effective date of the stop order. The contractor shall resume work upon the date specified in the stop order, or upon such other date as the State Contract Manager may thereafter direct in writing. The period of suspension shall be deemed added to the contractor's approved schedule of performance.

5.7 TERMINATION OF CONTRACT

- A. For Convenience:
Notwithstanding any provision or language in this contract to the contrary, the Director may terminate this contract at any time, in whole or in part, for the convenience of the State, upon no less than 30 days written notice to the contractor;
- B. For Cause:
 1. Where a contractor fails to perform or comply with a contract or a portion thereof, and/or fails to comply with the complaints procedure in N.J.A.C. 17:12-4.2 et seq., the Director may terminate the contract, in whole or in part, upon ten (10) days' notice to the contractor with an opportunity to respond; and
 2. Where in the reasonable opinion of the Director, a contractor continues to perform a contract poorly as demonstrated by e.g., formal complaints, late delivery, poor performance of service, short-shipping, so that the Director is required to use the complaints procedure in N.J.A.C. 17:12-4.2 et seq., and there has been a failure on the part of the contractor to make progress towards ameliorating the issue(s) or problem(s) set forth in the complaint, the Director may terminate the contract, in whole or in part, upon ten (10) days' notice to the contractor with an opportunity to respond.
- C. In cases of emergency the Director may shorten the time periods of notification and may dispense with an opportunity to respond; and
- D. In the event of termination under this section, the contractor shall be compensated for work performed in accordance with the contract, up to the date of termination. Such compensation may be subject to adjustments.

5.8 SUBCONTRACTING

The Contractor may not subcontract other than as identified in the contractor's proposal without the prior written consent of the Director. Such

consent, if granted in part, shall not relieve the contractor of any of his/her responsibilities under the contract, nor shall it create privity of contract between the State and any subcontractor. If the contractor uses a subcontractor to fulfill any of its obligations, the contractor shall be responsible for the subcontractor's: (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws. Nothing contained in any of the contract documents, shall be construed as creating any contractual relationship between any subcontractor and the State.

5.9 RESERVED

5.10 MERGERS, ACQUISITIONS AND ASSIGNMENTS

If, during the term of this contract, the contractor shall merge with or be acquired by another firm, the contractor shall give notice to the Director as soon as practicable and in no event longer than 30 days after said merger or acquisition. The contractor shall provide such documents as may be requested by the Director, which may include but need not be limited to the following: corporate resolutions prepared by the awarded contractor and new entity ratifying acceptance of the original contract, terms, conditions and prices; updated information including ownership disclosure and Federal Employer Identification Number. The documents must be submitted within 30 days of the request. Failure to do so may result in termination of the contract for cause.

If, at any time during the term of the contract, the contractor's partnership, limited liability company, limited liability partnership, professional corporation, or corporation shall dissolve, the Director must be so notified. All responsible parties of the dissolved business entity must submit to the Director in writing, the names of the parties proposed to perform the contract, and the names of the parties to whom payment should be made. No payment shall be made until all parties to the dissolved business entity submit the required documents to the Director.

The contractor may not assign its responsibilities under the contract, in whole or in part, without the prior written consent of the Director.

5.11 PERFORMANCE GUARANTEE OF CONTRACTOR

The contractor hereby certifies that:

- A. The equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice;
- B. All equipment supplied to the State and operated by electrical current is UL listed where applicable;
- C. All new machines are to be guaranteed as fully operational for the period stated in the contract from time of written acceptance by the State. The contractor shall render prompt service without charge, regardless of geographic location;
- D. Sufficient quantities of parts necessary for proper service to equipment shall be maintained at distribution points and service headquarters;
- E. Trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice;
- F. During the warranty period the contractor shall replace immediately any material which is rejected for failure to meet the requirements of the contract; and
- G. All services rendered to the State shall be performed in strict and full accordance with the specifications stated in the contract. The contract shall not be considered complete until final approval by the State's using agency is rendered.

5.12 DELIVERY REQUIREMENTS

- A. Deliveries shall be made at such time and in such quantities as ordered in strict accordance with conditions contained in the contract;
- B. The contractor shall be responsible for the delivery of material in first class condition to the State's using agency or the purchaser under this contract and in accordance with good commercial practice;
- C. Items delivered must be strictly in accordance with the contract; and
- D. In the event delivery of goods or services is not made within the number of days stipulated or under the schedule defined in the contract, the using agency shall be authorized to obtain the material or service from any available source, the difference in price, if any, to be paid by the contractor.

5.13 APPLICABLE LAW AND JURISDICTION

This contract and any and all litigation arising therefrom or related thereto shall be governed by the applicable laws, regulations and rules of evidence of the State of New Jersey without reference to conflict of laws principles and shall be filed in the appropriate Division of the New Jersey Superior Court.

5.14 CONTRACT AMENDMENT

Except as provided herein, the contract may only be amended by written agreement of the State and the contractor.

5.15 MAINTENANCE OF RECORDS AND AUDITS

- A. Pursuant to N.J.A.C. 17:44-2.2, the contractor shall maintain all documentation related to products, transactions or services under this contract for a period of five (5) years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.
- B. The State may request, receive, review, and audit copies of any and all records and documents related to a State contract at any time. The Contractor shall make a good faith effort to cooperate with the request and upon receipt of the request, the Contractor shall promptly provide

the requested records and documents free of charge in the time, place, and manner specified. Failure of the contractor to comply with the request or the audit may be used by the State to establish contract non-compliance, to take any action, or seek any remedy available under the contract, at law, or in equity.

5.16 ASSIGNMENT OF ANTITRUST CLAIM(S)

The contractor recognizes that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the ultimate purchaser. Therefore, and as consideration for executing this contract, the contractor, acting herein by and through its duly authorized agent, hereby conveys, sells, assigns, and transfers to the State of New Jersey, for itself and on behalf of its political subdivisions and public agencies, all right, title and interest to all claims and causes of action it may now or hereafter acquire under the antitrust laws of the United States or the State of New Jersey, relating to the particular goods and services purchased or acquired by the State of New Jersey or any of its political subdivisions or public agencies pursuant to this contract.

In connection with this assignment, the following are the express obligations of the contractor:

- A. It shall take no action that will in any way diminish the value of the rights conveyed or assigned hereunder;
- B. It shall advise the Attorney General of New Jersey:
 1. In advance of its intention to commence any action on its own behalf regarding any such claim or cause(s) of action; and
 2. Immediately upon becoming aware of the fact that an action has been commenced on its behalf by some other person(s) of the pendency of such action.
- C. It shall notify the defendants in any antitrust suit of the within assignment at the earliest practicable opportunity after the contractor has initiated an action on its own behalf or becomes aware that such an action has been filed on its behalf by another person. A copy of such notice shall be sent to the Attorney General of New Jersey; and
- D. It is understood and agreed that in the event any payment under any such claim or cause of action is made to the contractor, it shall promptly pay over to the State of New Jersey the allotted share thereof, if any, assigned to the State hereunder.

5.17 NEWS RELEASES

The Contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this Contract without the prior written consent of the Director.

5.18 ADVERTISING

The Contractor shall not use the State's name, seal, or logos as a part of any commercial advertising without first obtaining the prior written consent of the New Jersey Secretary of State. The Contractor shall not use a Department or Using Agency's name, seal, logos, images, or any data or results arising from this Contract as a part of any commercial advertising without first obtaining the prior written consent of the Department.

5.19 ORGAN DONATION

As required by N.J.S.A. 52:32-33.1, the State encourages the contractor to disseminate information relative to organ donation and to notify its employees, through information and materials or through an organ and tissue awareness program, of organ donation options. The information provided to employees should be prepared in collaboration with the organ procurement organizations designated pursuant to 42 U.S.C. 1320b-8 to serve in this State.

5.20 LICENSES AND PERMITS

The Contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this Contract. Notwithstanding the requirements of the Bid Solicitation, the Contractor shall supply the State Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to this Contract award. All costs associated with any such licenses, permits, and authorizations must be considered by the Contractor in its Quote.

5.21 CLAIMS AND REMEDIES

- A. All claims asserted against the State by the Contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.
- B. Nothing in this Contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.
- C. In the event that the Contractor fails to comply with any material Contract requirements, the Director may take steps to terminate this Contract in accordance with the SSTC, authorize the delivery of Contract items by any available means, with the difference between the price paid and the defaulting Contractor's price either being deducted from any monies due the defaulting Contractor or being an obligation owed the State by the defaulting Contractor, as provided for in the State administrative code, or take any other action or seek any other remedies available at law or in equity.

5.22 ACCESSIBILITY COMPLIANCE

The Contractor acknowledges that the State may be required to comply with the accessibility standards of Section 508 of the Rehabilitation Act, 29 U.S.C. §794. The Contractor agrees that any information that it provides to the State in the form of a Voluntary Product Accessibility Template (VPAT) about the accessibility of the Software is accurate to a commercially reasonable standard and the Contractor agrees to provide the State with technical information available to support such VPAT documentation in the event that the State relied on any of Contractor's VPAT information to comply with the accessibility standards of Section 508 of the Rehabilitation Act, 29 U.S.C. §794. In addition, Contractor shall defend any claims

against the State that the Software does not meet the accessibility standards set forth in the VPAT provided by Provider in order to comply with the accessibility standards of Section 508 of the Rehabilitation Act, 29 U.S.C. §794 and will indemnify the State with regard to any claim made against the State with regard to any judgment or settlement resulting from those claims to the extent the Provider's Software provided under this Contract was not accessible in the same manner as or to the degree set forth in the Contractor's statements or information about accessibility as set forth in the then-current version of an applicable VPAT.

5.23 CONFIDENTIALITY

- A. The obligations of the State under this provision are subject to the New Jersey Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq., the New Jersey common law right to know, and any other lawful document request or subpoena;
- B. By virtue of this Contract, the parties may have access to information that is confidential to one another. The parties agree to disclose to each other only information that is required for the performance of their obligations under this Contract. Contractor's Confidential Information, to the extent not expressly prohibited by law, shall consist of all information clearly identified as confidential at the time of disclosure Vendor Intellectual Property ("Contractor Confidential Information"). Notwithstanding the previous sentence, the terms and pricing of this Contract are subject to disclosure under OPRA, the common law right to know, and any other lawful document request or subpoena;
- C. The State's Confidential Information shall consist of all information or data contained in documents supplied by the State, any information or data gathered by the Contractor in fulfillment of the Contract and any analysis thereof (whether in fulfillment of the Contract or not);
- D. A party's Confidential Information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party, except that if the information is personally identifying to a person or entity regardless of whether it has become part of the public domain through other means, the other party must maintain full efforts under the Contract to keep it confidential; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party;
- E. The State agrees to hold Contractor's Confidential Information in confidence, using at least the same degree of care used to protect its own Confidential Information;
- F. In the event that the State receives a request for Contractor Confidential Information related to this Contract pursuant to a court order, subpoena, or other operation of law, the State agrees, if permitted by law, to provide Contractor with as much notice, in writing, as is reasonably practicable and the State's intended response to such order of law. Contractor shall take any action it deems appropriate to protect its documents and/or information;
- G. In addition, in the event Contractor receives a request for State Confidential Information pursuant to a court order, subpoena, or other operation of law, Contractor shall, if permitted by law, provide the State with as much notice, in writing, as is reasonably practicable and Contractor's intended response to such order of law. The State shall take any action it deems appropriate to protect its documents and/or information; and
- H. Notwithstanding the requirements of nondisclosure described in this Section, either party may release the other party's Confidential Information:
 - (i) if directed to do so by a court or arbitrator of competent jurisdiction; or
 - (ii) pursuant to a lawfully issued subpoena or other lawful document request:
 - (a) in the case of the State, if the State determines the documents or information are subject to disclosure and Contractor does not exercise its rights as described in Section 5.23(F), or if Contractor is unsuccessful in defending its rights as described in Section 5.23(F); or
 - (b) in the case of Contractor, if Contractor determines the documents or information are subject to disclosure and the State does not exercise its rights described in Section 5.23(G), or if the State is unsuccessful in defending its rights as described in Section 5.23(G).

6.0 TERMS RELATING TO PRICE AND PAYMENT

6.1 PRICE FLUCTUATION DURING CONTRACT

Unless otherwise agreed to in writing by the State, all prices quoted shall be firm through issuance of contract or purchase order and shall not be subject to increase during the period of the contract. In the event of a manufacturer's or contractor's price decrease during the contract period, the State shall receive the full benefit of such price reduction on any undelivered purchase order and on any subsequent order placed during the contract period. The Director must be notified, in writing, of any price reduction within five (5) days of the effective date. Failure to report price reductions may result in cancellation of contract for cause, pursuant to provision 5.7(b)1.

In an exceptional situation the State may consider a price adjustment. Requests for price adjustments must include justification and documentation.

6.2 TAX CHARGES

The State of New Jersey is exempt from State sales or use taxes and Federal excise taxes. Therefore, price quotations must not include such taxes. The State's Federal Excise Tax Exemption number is 22-75-0050K.

6.3 PAYMENT TO VENDORS

- A. The using agency(ies) is (are) authorized to order and the contractor is authorized to ship only those items covered by the contract

resulting from the RFP. If a review of orders placed by the using agency(ies) reveals that goods and/or services other than that covered by the contract have been ordered and delivered, such delivery shall be a violation of the terms of the contract and may be considered by the Director as a basis to terminate the contract and/or not award the contractor a subsequent contract. The Director may take such steps as are necessary to have the items returned by the agency, regardless of the time between the date of delivery and discovery of the violation. In such event, the contractor shall reimburse the State the full purchase price;

- B. The contractor must submit invoices to the using agency with supporting documentation evidencing that work or goods for which payment is sought has been satisfactorily completed or delivered. For commodity contracts, the invoice, together with the Bill of Lading, and/or other documentation to confirm shipment and receipt of contracted goods must be received by the using agency prior to payment. For contracts featuring services, invoices must reference the tasks or subtasks detailed in the Scope of Work and must be in strict accordance with the firm, fixed prices submitted for each task or subtask. When applicable, invoices should reference the appropriate task or subtask or price line number from the contractor's proposal. All invoices must be approved by the State Contract Manager or using agency before payment will be authorized;
- C. In all time and materials contracts, the State Contract Manager or designee shall monitor and approve the hours of work and the work accomplished by contractor and shall document both the work and the approval. Payment shall not be made without such documentation. A form of timekeeping record that should be adapted as appropriate for the Scope of Work being performed can be found at www.nj.gov/treasury/purchase/forms/Vendor_Timesheet.xls; and
- D. The contractor shall provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business, minority or woman-owned subcontractor(s). This breakdown shall be sent to the Office of Diversity and Inclusion.
- E. The Contractor shall have sole responsibility for all payments due any Subcontractor

6.4 OPTIONAL PAYMENT METHOD: P-CARD

The State offers contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State agency's use of the p-card are optional. P-card transactions do not require the submission of a contractor invoice; purchasing transactions using the p-card will usually result in payment to a contractor in three (3) days. A contractor should take note that there will be a transaction-processing fee for each p-card transaction. To participate, a contractor must be capable of accepting the MasterCard. Additional information can be obtained from banks or merchant service companies.

6.5 NEW JERSEY PROMPT PAYMENT ACT

The New Jersey Prompt Payment Act, N.J.S.A. 52:32-32 et seq., requires state agencies to pay for goods and services within 60 days of the agency's receipt of a properly executed State Payment Voucher or within 60 days of receipt and acceptance of goods and services, whichever is later. Properly executed performance security, when required, must be received by the State prior to processing any payments for goods and services accepted by state agencies. Interest will be paid on delinquent accounts at a rate established by the State Treasurer. Interest shall not be paid until it exceeds \$5.00 per properly executed invoice. Cash discounts and other payment terms included as part of the original agreement are not affected by the Prompt Payment Act.

6.6 AVAILABILITY OF FUNDS

The State's obligation to make payment under this contract is contingent upon the availability of appropriated funds and receipt of revenues from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless and until funds are appropriated each fiscal year to the using agency by the State Legislature and made available through receipt of revenue.

7.0 TERMS RELATING TO ALL CONTRACTS FUNDED, IN WHOLE OR IN PART, BY FEDERAL FUNDS

The provisions set forth in this Section of the Standard Terms and Conditions apply to all contracts funded, in whole or in part, by Federal funds as required by 2 CFR 200.317.

7.1 CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS.

Pursuant to 2 CFR 200.321, the State must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Accordingly, if subawards are to be made the Contractor shall:

- (1) Include qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assure that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establish delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- (5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

7.2 DOMESTIC PREFERENCE FOR PROCUREMENTS

Pursuant to 2 CFR 200.322, where appropriate, the State has a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). If subawards are to be made the Contractor shall include a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United

States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). For purposes of this section:

- (1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- (2) "Manufactured products" means items and construction materials composed in whole or in part of nonferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

7.3 PROCUREMENT OF RECOVERED MATERIALS

Where applicable, in the performance of contract, pursuant to 2 CFR 200.323, the contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$ 10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

To the extent that the scope of work or specifications in the contract requires the contractor to provide recovered materials the scope of work or specifications are modified to require that as follows.

- i. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—
 1. Competitively within a timeframe providing for compliance with the contract performance schedule;
 2. Meeting contract performance requirements; or
 3. At a reasonable price.
- ii. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- iii. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act."

7.4 EQUAL EMPLOYMENT OPPORTUNITY

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." See, 2 CFR Part 200, Appendix II, para. C.

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:
Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- (3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
- (4) The contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules,

regulations, and orders.

- (7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

7.5 DAVIS-BACON ACT, 40 U.S.C. 3141-3148, AS AMENDED

When required by Federal program legislation, all prime construction contracts in excess of \$ 2,000 shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable. Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. Additionally, contractors are required to pay wages not less than once a week.

7.6 COPELAND ANTI-KICK-BACK ACT

Where applicable, the Contractor must comply with Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States").

- a. Contractor. The Contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into the OGS centralized contract.
- b. Subcontracts. The Contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
- c. Breach. A breach of the clauses above may be grounds for termination of the OGS centralized contract, and for debarment as a Contractor and subcontractor as provided in 29 C.F.R. § 5.12.

7.7 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT, 40 U.S.C. 3701-3708

Where applicable, all contracts awarded by the non-Federal entity in excess of \$ 100,000 that involve the employment of mechanics or laborers must comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5).

- (1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

- (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.
- (3) Withholding for unpaid wages and liquidated damages. The unauthorized user shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.
- (4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

7.8 RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

7.9 CLEAN AIR ACT, 42 U.S.C. 7401-7671Q, AND THE FEDERAL WATER POLLUTION CONTROL ACT, 33 U.S.C. 1251-1387, AS AMENDED

Where applicable, Contract and subgrants of amounts in excess of \$150,000, must comply with the following:

Clean Air Act

- 7.9.1.1 The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- 7.9.1.2 The contractor agrees to report each violation to the Division of Purchase and Property and understands and agrees that the Division of Purchase and Property will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- 7.9.1.3 The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

Federal Water Pollution Control Act

1. The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The contractor agrees to report each violation to the Division of Purchase and Property and understands and agrees that the Division of Purchase and Property will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

7.10 DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689)

- (1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the contractor is required to verify that none of the contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- (2) The contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- (3) This certification is a material representation of fact relied upon by the State or authorized user. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the State or authorized user, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- (4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

7.11 BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. 1352

Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee

of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

7.12 PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

- (a) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:
- (1) Procure or obtain;
 - (2) Extend or renew a contract to procure or obtain; or
 - (3) Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in *Public Law 115-232*, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - (i) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - (ii) Telecommunications or video surveillance services provided by such entities or using such equipment.
 - (iii) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

EXHIBIT A - GOODS, GENERAL SERVICE AND PROFESSIONAL SERVICES CONTRACTS

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L.1975, c.127)

N.J.A.C. 17:27 et seq.

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

- Letter of Federal Affirmative Action Plan Approval;
- Certificate of Employee Information Report; or
- Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at http://www.state.nj.us/treasury/contract_compliance).

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Purchase and Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase and Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to N.J.A.C. 17:27-1 et seq.

EXHIBIT B - CONSTRUCTION CONTRACTS

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L.1975, c.127)

N.J.S.A. 10:5-39 et seq. (P.L.1983, c.197)

N.J.A.C. 17:27-1.1 et seq.

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, up grading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

N.J.S.A. 10:5-39 et seq. requires contractors, subcontractors, and permitted assignees performing construction, alteration, or repair of any building or public work in excess of \$250,000 to guarantee equal employment opportunity to veterans.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer, pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

When hiring or scheduling workers in each construction trade, the contractor or subcontractor agrees to make good faith efforts to employ minority and women workers in each construction trade consistent with the targeted employment goal prescribed by N.J.A.C. 17:27-7.2; provided, however, that the Dept. of LWD, Construction EEO Monitoring Program may, in its discretion, exempt a contractor or subcontractor from compliance with the good faith procedures prescribed by the following provisions, A, B and C, as long as the Dept. of LWD, Construction EEO Monitoring Program is satisfied that the contractor or subcontractor is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Dept. of LWD, Construction EEO Monitoring Program, that its percentage of active "card carrying" members who are minority and women workers is equal to or greater than the targeted employment goal established in accordance with N.J.A.C. 17:27-7.2. The contractor or subcontractor agrees that a good faith effort shall include compliance with the following procedures:

- (A) If the contractor or subcontractor has a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor shall, within three business days of the contract award, seek assurances from the union that it will cooperate with the contractor or subcontractor as it fulfills its affirmative action obligations under this contract and in accordance with the rules promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as supplemented and amended from time to time and the Americans with Disabilities Act. If the contractor or subcontractor is unable to obtain said assurances from the construction trade union at least five business days prior to the commencement of construction work, the contractor or subcontractor agrees to afford equal employment opportunities minority and women workers directly, consistent with this chapter. If the contractor's or subcontractor's prior experience with a construction trade union, regardless of whether the union has provided said assurances, indicates a significant possibility that the trade union will not refer sufficient minority and women workers consistent with affording equal employment opportunities as specified in this chapter, the contractor or subcontractor agrees to be prepared to provide such opportunities to minority and women workers directly, consistent with this chapter, by complying with the hiring or scheduling procedures prescribed under (B) below; and the contractor or subcontractor further agrees to take said action immediately if it determines that the union is not referring minority and women workers consistent with the equal employment opportunity goals set forth in this chapter.
- (B) If good faith efforts to meet targeted employment goals have not or cannot be met for each construction trade by adhering to the procedures of (A) above, or if the contractor does not have a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor agrees to take the following actions:
 - (1) To notify the public agency compliance officer, the Dept. of LWD, Construction EEO Monitoring Program, and minority and women referral organizations listed by the Division pursuant to N.J.A.C. 17:27-5.3, of its workforce needs, and request referral of minority and women workers;

- (2) To notify any minority and women workers who have been listed with it as awaiting available vacancies;
 - (3) Prior to commencement of work, to request that the local construction trade union refer minority and women workers to fill job openings, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade;
 - (4) To leave standing requests for additional referral to minority and women workers with the local construction trade union, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade, the State Training and Employment Service and other approved referral sources in the area;
 - (5) If it is necessary to lay off some of the workers in a given trade on the construction site, layoffs shall be conducted in compliance with the equal employment opportunity and non-discrimination standards set forth in this regulation, as well as with applicable Federal and State court decisions;
 - (6) To adhere to the following procedure when minority and women workers apply or are referred to the contractor or subcontractor:
 - (i) The contractor or subcontractor shall interview the referred minority or women worker.
 - (ii) If said individuals have never previously received any document or certification signifying a level of qualification lower than that required in order to perform the work of the construction trade, the contractor or subcontractor shall in good faith determine the qualifications of such individuals. The contractor or subcontractor shall hire or schedule those individuals who satisfy appropriate qualification standards in conformity with the equal employment opportunity and non-discrimination principles set forth in this chapter. However, a contractor or subcontractor shall determine that the individual at least possesses the requisite skills, and experience recognized by a union, apprentice program or a referral agency, provided the referral agency is acceptable to the Dept. of LWD, Construction EEO Monitoring Program. If necessary, the contractor or subcontractor shall hire or schedule minority and women workers who qualify as trainees pursuant to these rules. All of the requirements, however, are limited by the provisions of (C) below.
 - (iii) The name of any interested women or minority individual shall be maintained on a waiting list, and shall be considered for employment as described in (i) above, whenever vacancies occur. At the request of the Dept. of LWD, Construction EEO Monitoring Program, the contractor or subcontractor shall provide evidence of its good faith efforts to employ women and minorities from the list to fill vacancies.
 - (iv) If, for any reason, said contractor or subcontractor determines that a minority individual or a woman is not qualified or if the individual qualifies as an advanced trainee or apprentice, the contractor or subcontractor shall inform the individual in writing of the reasons for the determination, maintain a copy of the determination in its files, and send a copy to the public agency compliance officer and to the Dept. of LWD, Construction EEO Monitoring Program.
 - (7) To keep a complete and accurate record of all requests made for the referral of workers in any trade covered by the contract, on forms made available by the Dept. of LWD, Construction EEO Monitoring Program and submitted promptly to the Dept. of LWD, Construction EEO Monitoring Program upon request.
- (C) The contractor or subcontractor agrees that nothing contained in (B) above shall preclude the contractor or subcontractor from complying with the union hiring hall or apprenticeship policies in any applicable collective bargaining agreement or union hiring hall arrangement, and, where required by custom or agreement, it shall send journeymen and trainees to the union for referral, or to the apprenticeship program for admission, pursuant to such agreement or arrangement. However, where the practices of a union or apprenticeship program will result in the exclusion of minorities and women or the failure to refer minorities and women consistent with the targeted county employment goal, the contractor or subcontractor shall consider for employment persons referred pursuant to (B) above without regard to such agreement or arrangement; provided further, however, that the contractor or subcontractor shall not be required to employ women and minority advanced trainees and trainees in numbers which result in the employment of advanced trainees and trainees as a percentage of the total workforce for the construction trade, which percentage significantly exceeds the apprentice to journey worker ratio specified in the applicable collective bargaining agreement, or in the absence of a collective bargaining agreement, exceeds the ratio established by practice in the area for said construction trade. Also, the contractor or subcontractor agrees that, in implementing the procedures of (B) above, it shall, where applicable, employ minority and women workers residing within the geographical jurisdiction of the union.

After notification of award, but prior to signing a construction contract, the contractor shall submit to the public agency compliance officer and the Dept. of LWD, Construction EEO Monitoring Program an initial project workforce report (Form AA-201) electronically provided to the public agency by the Dept. of LWD, Construction EEO Monitoring Program, through its website, for distribution to and completion by the contractor, in accordance with N.J.A.C. 17:27-7.

The contractor also agrees to submit a copy of the Monthly Project Workforce Report once a month thereafter for the duration of this contract to the Dept. of LWD, Construction EEO Monitoring Program and to the public agency compliance officer.

The contractor agrees to cooperate with the public agency in the payment of budgeted funds, as is necessary, for on the job and/or off the job programs for outreach and training of minorities and women.

- (D) The contractor and its subcontractors shall furnish such reports or other documents to the Dept. of LWD, Construction EEO Monitoring Program as may be requested by the Dept. of LWD, Construction EEO Monitoring Program from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Dept. of LWD, Construction EEO Monitoring Program for conducting a compliance investigation pursuant to N.J.A.C. 17:27-1.1 et seq.

EXHIBIT C - EXECUTIVE ORDER NO. 151 REQUIREMENTS

It is the policy of the Division of Purchase and Property that its contracts should create a workforce that reflects the diversity of the State of New Jersey. Therefore, contractors engaged by the Division of Purchase and Property to perform under a construction contract shall put forth a good faith effort to engage in recruitment and employment practices that further the goal of fostering equal opportunities to minorities and women.

The contractor must demonstrate to the Division of Purchase and Property's satisfaction that a good faith effort was made to ensure that minorities and women have been afforded equal opportunity to gain employment under the Division of Purchase and Property's contract with the contractor. Payment may be withheld from a contractor's contract for failure to comply with these provisions.

Evidence of a "good faith effort" includes, but is not limited to:

1. The Contractor shall recruit prospective employees through the State Job bank website, managed by the Department of Labor and Workforce Development, available online at <https://newjersey.usnlx.com/>;
2. The Contractor shall keep specific records of its efforts, including records of all individuals interviewed and hired, including the specific numbers of minorities and women;
3. The Contractor shall actively solicit and shall provide the Division of Purchase and Property with proof of solicitations for employment, including but not limited to advertisements in general circulation media, professional service publications and electronic media; and
4. The Contractor shall provide evidence of efforts described at 2 above to the Division of Purchase and Property no less frequently than once every 12 months.
5. The Contractor shall comply with the requirements set forth at N.J.A.C. 17:27.

This language is in addition to and does not replace good faith efforts requirements for construction contracts required by N.J.A.C. 17:27-3.6, 3.7 and 3.8, also known as Exhibit B.

This Supplement to the above State of New Jersey Standard Terms and Conditions ("Supplement") shall apply to all contracts or purchase agreements made with the State of New Jersey ("State") pursuant to a State Using Agency's Delegated Purchase Authority ("DPA") or under N.J.S.A. 52:34-9 or -10 ("Waivered Contracts"). The terms in this Supplement are in addition to, or modify the State of New Jersey Standard Terms and Conditions (SSTCs) as applicable and noted below.

I. ADDITIONS TO THE STANDARD TERMS AND CONDITIONS FOR ALL WAIVERED AND DELEGATED PURCHASE AUTHORITY CONTRACTS

A. ORDER OF PRECEDENCE

The "Contract" shall consist of the following documents: (1) this Supplement; (2) the State of New Jersey Standard Terms and Conditions; (3) the agency's scope of work; and, (4) the Contractor's proposal including any attachments or documents incorporated by reference. In the event of a conflict in the terms and conditions among the documents comprising this Contract, the order of precedence, for purposes of interpretation thereof, listed from highest ranking to lowest ranking as noted above.

B. NO ARBITRATION

Notwithstanding anything to the contrary in Contractor's Standard Form Agreement ("SFA") or Scope of Work ("SOW"), the State does not agree to binding arbitration.

C. NO AUTO-RENEWAL

Notwithstanding anything to the contrary in Contractor's SFA or SOW, the State does not agree to auto-renewal of any services, standard software maintenance, technical support or service fees.

II. ADDITIONS TO THE STANDARD TERMS AND CONDITIONS FOR WAIVERED CONTRACTS, AS APPLICABLE

A. STATE'S RIGHT TO INSPECT CONTRACTOR'S FACILITIES

The State reserves the right to inspect the contractor's establishment before making an award, for the purposes of ascertaining whether the contractor has the necessary facilities for performing the Contract. The State may also consult with clients of the contractor to assist the State in making a contract award that is most advantageous to the State.

B. STATE'S RIGHT TO REQUEST FURTHER INFORMATION

The Director reserves the right to request all information which may assist him or her in making a contract award, including factors necessary to evaluate the contractor's financial capabilities to perform the Contract. Further, the Director reserves the right to request a contractor to explain, in detail, how the proposal price was determined.

C. DELIVERY TIME AND COSTS

Unless otherwise noted elsewhere in the scope of work, all delivery times are 30 calendar days after receipt of order (ARO) and prices for items in proposals shall be submitted Freight On Board (F.O.B.) Destination (30 calendar days ARO/F.O.B.). The contractor shall assume all costs, liability and responsibility for the delivery of merchandise in good condition to the State's Using Agency or designated purchaser. Thirty calendar days ARO/F.O.B. does not cover "spotting" but does include delivery on the receiving platform of the Using Agency at any destination in the State of New Jersey unless otherwise specified. No additional charges will be allowed for any additional transportation costs resulting from partial shipments made at the contractor's convenience when a single shipment is ordered. The weights and measures of the State's Using Agency receiving the shipment shall govern.

D. COLLECT ON DELIVERY (C.O.D) TERMS

C.O.D. terms will not be accepted.

E. CASH DISCOUNTS

The contractor is encouraged to offer cash discounts based on expedited payment by the State. The State will make efforts to take advantage of discounts. Should the contractor choose to offer cash discounts the following shall apply:

1. Discount periods shall be calculated starting from the next business day after the Using Agency has accepted the goods or services, received a properly signed and executed invoice and, when required, a properly executed performance security, whichever is latest; and
2. The date on the check issued by the State in payment of that invoice shall be deemed the date of the State's response to that invoice.

F. PERFORMANCE SECURITY

If performance security is required, such security must be submitted with the bid in the amount listed in the scope of work. N.J.A.C. 17:12-2.5. Acceptable forms of performance security are as follows:

1. A properly executed individual or annual performance bond issued by an insurance or security company authorized to do business in the State of New Jersey,
2. A certified or cashier's check drawn to the order of "Treasurer, State of New Jersey," or
3. An irrevocable letter of credit issued by a federally insured financial institution and naming "Treasurer, State of New Jersey," as beneficiary.

The Performance Security must be submitted to the State within 30 days of the effective date of the Contract award and cover the period of the Contract and any extensions thereof. Failure to submit performance security may result in cancellation of the Contract for cause and nonpayment for work performed.

Although the performance bond is required for the full term of the Contract, the Director recognizes that the industry practice of sureties is to issue a one (1) year performance bond for goods and services contracts. Thus, the contractor is permitted to submit a one (1) year performance bond for the amount required under the Contract and, on each succeeding anniversary date of the Contract, provide a continuation or renewal certificate to evidence that the bond is in effect for the next year of the Contract. This procedure will remain in place for each year of the Contract thereafter until the termination of the Contract. Failure to provide such proof on the anniversary date of the Contract shall result in suspension of the Contract, and possibly, termination of the Contract.

For performance bonds based on a percentage of the total estimated Contract price. On each anniversary of the effective date of the Contract, the amount of the required performance bond, unless otherwise noted, is calculated by applying the established RFQ performance bond percentage to the outstanding balance of the estimated amount of the Contract price to be paid to the contractor.

In the event that the Contract price is increased by a Contract Amendment, the contractor may be required to provide, within 30 calendar days of the effective date of the Contract Amendment, performance bond coverage for the increase in Contract price. The required increase in the performance bond amount is calculated by applying the established bond percentage set forth above to the increase in Contract price. Failure to provide such proof to the Director of this required coverage may result in the suspension of payment to the contractor until such time the contractor complies with this requirement.

G. RETAINAGE

If retainage is required on the Contract as stated in the scope of work, the state and/or agency will retain the stated percentage or retainage from each invoice. Payment of retainage will be authorized after satisfactory completion and submission of all services, deliverables or work products by the contractor and acceptance by the agency of all services, deliverables or work products required by the Contract.

For ongoing contracts, the agency will retain the stated percentage of each invoice submitted. At the end of the three (3) month period after payment of each invoice, the agency will review the contractor's performance and if performance has been satisfactory, the agency will release the retainage for the preceding three (3) month period. Following the expiration of the Contract, retained fees will be released to the contractor after certification by the agency's project manager, if any, that all services have been satisfactorily performed.

H. AUDIT NOTICE AND DISPUTE RESOLUTION

To the extent the contractor's proposal or Standard Form Agreement permits the contractor to conduct periodic audits of the State's usage of the Contractor Intellectual Property provided thereunder, such provision is amended to include the following audit notice and dispute resolution process:

1. **AUDIT NOTICE** – Notwithstanding anything to the contrary in the contractor's proposal or Standard Form Agreement, in the event that the contractor seeks to exercise a right in its proposal or Standard Form Agreement to audit the State's use of Contractor Intellectual Property, the contractor shall deliver simultaneous written notice, no less than thirty days in advance of the audit start date (unless the contractor's notice provides a longer notice period), to the: Agency requesting the waiver contract.
2. The notice shall reference the specific audit provision(s) in the contractor's proposal or Standard Form Agreement being exercised and include copies of same, specify the means by which the contractor will conduct the audit, and shall require the audit to be conducted in accordance with generally accepted standards in the field of such audits.
3. **AUDIT DISPUTE RESOLUTION** -- If the State, in good faith, provides the contractor with written notice of an alleged error in the amount of underpaid fees due the contractor as a result of an audit (the "dispute"), then the parties will endeavor to resolve the dispute in accordance with this paragraph. Each party will appoint a Vice President, Assistant Director, or the equivalent (hereinafter referred to as "Representative") to discuss the dispute and no formal proceedings for the judicial resolution of such dispute, except for the seeking of equitable relief or those required to avoid non-compliance with the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., may begin until either such Representative concludes, after a good faith effort to resolve the dispute, that resolution through continued discussion is unlikely. In addition, the parties shall refrain from exercising any termination right related to the dispute being considered under this paragraph and shall continue to perform their respective obligations under the Contract while they endeavor to resolve the dispute under this paragraph.
4. **STATE NOT LIABLE FOR AUDIT COSTS** -- Notwithstanding anything to the contrary in the contractor's proposal or Standard Form Agreement, the State will not reimburse the contractor for any costs related to an audit.
5. **NO AUDIT RIGHT CREATED** -- In the event that the contractor's proposal or Standard Form Agreement does not permit audits of the State's usage of Contractor Intellectual Property, Section 5.19 of this Supplement shall not be interpreted to provide such an audit right.

III. ADDITIONS TO THE STANDARD TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES CONTRACTS, AS APPLICABLE

A. INSURANCE FOR PROFESSIONAL SERVICES CONTRACTS

Section 4.2 Insurance of the SSTC is supplemented with the following:

Professional Liability Insurance

The Contractor shall carry Errors and Omissions, Professional Liability Insurance, and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out of the professional obligations performed pursuant to the requirements of this Contract. The insurance shall be in the amount of not less than \$1,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of this Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance, and/or Professional Liability Malpractice Insurance carrier an endorsement for retroactive coverage.

B. LIMITATION OF LIABILITY FOR PROFESSIONAL SERVICES CONTRACTS

Section 4.0 Indemnification and Insurance of the SSTC is supplemented with the following:

4.3 LIMITATION OF LIABILITY

The Contractor's liability to the State for actual, direct damages resulting from the Contractor's performance or non-performance of, or in any manner related to this Contract, for any and all claims, shall be limited in the aggregate to 200% of the total value of this Contract. This limitation of liability shall not apply to the following:

- A. The Contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage, or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the Contractor under this Contract caused by negligence or willful misconduct of the Contractor;
- B. The Contractor's breach of its obligations of confidentiality; and
- C. The Contractor's liability with respect to copyright indemnification.

The Contractor's indemnification obligation is not limited by but is in addition to the insurance obligations.

The Contractor shall not be liable for special, consequential, or incidental damages.

IV. ADDITIONS TO THE STANDARD TERMS AND CONDITIONS FOR ALL INFORMATION TECHNOLOGY CONTRACTS, AS APPLICABLE

A. DEFINITIONS

The following definitions shall apply to information technology contracts:

1. The term "Acceptance" means the written confirmation by an Agency that the contractor has completed a Deliverable according to the specified requirements.
2. As defined by N.J.S.A. 56:8-161, the term "Breach of Security" means unauthorized access to electronic files, media, or data containing Personal Data that compromises the security, confidentiality, or integrity of Personal Data when access to the Personal Data has not been secured by encryption or by any other method or technology that renders the Personal Data unreadable or unusable. Good faith acquisition of Personal Data by an employee or agent of the Provider for a legitimate business purpose is not a Breach of Security, provided that the Personal Data is not used for a purposes unrelated to the business or subject to further unauthorized disclosure.
3. The term "Contractor Intellectual Property" means any intellectual property that is owned by the contractor and contained in or necessary for the use of the Deliverables or which the contractor makes available for the State to use as part of the work under the Contract. Contractor Intellectual Property includes COTS or Customized Software owned by the contractor, the contractor's technical documentation, and derivative works and compilations of any Contractor Intellectual Property.
4. The term Commercial Off the Shelf Software ("COTS") means Software provided by the contractor that is intended for general use.
5. The term "Custom Software" means Software and Work Product that is developed by the contractor at the request of the Agency to meet the specific requirements of the Agency and is intended for its use.
6. The term "Customized Software" means COTS that is adapted by the contractor to meet specific requirements of the Agency that differ from the standard requirements of the base product.
7. The term "Deliverable" means the goods, products, Services and Work Product that the contractor is required to deliver to the State under the Contract;
8. The term "End User" means the user of the Provider's solution.
9. The terms "goods" and "products" shall be deemed to include, without limitation, Software and Hardware.
10. The term "Hardware" shall be deemed to include computer equipment and any Software provided with the Hardware that is necessary for the Hardware to operate.
11. The term "Information Technology Contract" shall mean, notwithstanding any definition in New Jersey Statutes, a Contract for one or more of the following: Hardware, Software, Services, telecommunication goods and services, and all related goods.
12. The term "Mobile Device" means any device used by Provider that can move or transmit data, including but not limited to laptops, hard drives, and flash drives.
13. The term "Non-Public Data" means data, other than Personal Data, that is not subject to distribution to the public as public information. Non-Public Data is data that is identified by the State as non-public information or otherwise deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, ordinance or administrative rule from access by the general public as public information.
14. The term "Personal Data" means:
 - a. "Personal Information" as defined in N.J.S.A. 56:8-161, means an individual's first name or first initial and last name linked with any one or more of the following data elements: (1) Social Security number, (2) driver's license number or State identification

card number or (3) account number or credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account. Dissociated data that, if linked would constitute Personal Information is Personal Information if the means to link the dissociated were accessed in connection with access to the dissociated data. Personal Information shall not include publicly available information that is lawfully made available to the general public from federal, state or local government records, or widely distributed media.

- b. data, either alone or in combination with other data, that includes information relating to an individual that identifies the person or entity by name, identifying number, mark or description that can be readily associated with a particular individual and which is not a public record, including but not limited to, Personally Identifiable Information (PII); government-issued identification numbers (e.g., Social Security, driver's license, passport); Protected Health Information (PHI) as that term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 and defined below; and Education Records, as that term is defined in the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g.
15. The term "Personally Identifiable Information" or "PII," as defined by the U.S. Department of Commerce, National Institute of Standards and Technology, means any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information,
16. The term "Protected Health Information" or "PHI," has the same meaning as the term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 means Individually Identifiable Health Information (as defined below) transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium. PHI excludes education records covered by the Family Educational Rights and Privacy Act (FERPA), as amended, 20 U.S.C. 1232g, records described at 20 U.S.C. 1232g(a)(4)(B)(iv) and employment records held by a covered entity in its role as employer. The term "Individually Identifiable Health Information" has the same meaning as the term is defined in the regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, P.L. No. 104-191 (1996) and found in 45 CFR Parts 160 to 164 and means information that is a subset of Protected Health Information, including demographic information collected from an individual, and (1) is created or received by a health care provider, health plan, employer or health care clearinghouse; and (2) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (a) that identifies the individual; or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
17. The term "Recovery Time Objective" or "RTO," means the maximum tolerable length of time that the Provider's solution may be unavailable after a failure or disaster occurs.
18. The term "Security Incident" means the potential access by non-authorized person(s) to Personal Data or Non-Public Data that the Provider believes could reasonably result in the use, disclosure, or access or theft of State's unencrypted Personal Data or Non-Public Data within the possession or control of the Provider. A Security Incident may or may not turn into a Breach of Security.
19. The term "Service Level Agreement" or "SLA," means the document that is part of the Provider's SFA that typically includes (1) the technical service level performance promises, (i.e. metrics for performance and intervals for measure), (2) description of service quality, (3) identification of roles and responsibilities, (4) security responsibilities and notice requirements, (5) how disputes are discovered and addressed, and (6) any remedies for performance failures.
20. The terms "Services" shall be deemed to include, without limitation (i) Information Technology ("IT") professional services; (ii) Software and Hardware-related services, including without limitation, installation, configuration, and training and (iii) Software and Hardware maintenance and support and/or Software and Hardware technical support services.
21. The term "Software" means, without limitation, computer programs, source codes, routines, or subroutines supplied by the contractor, including operating software, programming aids, application programs, application programming interfaces and software products, and includes COTS, Customized Software and Custom Software, unless the context indicates otherwise.
22. The term "State Data" means all data and metadata created or in any way originating with the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State's hardware, the Provider's hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Provider. State Data includes Personal Data and Non-Public Data.
23. The term "State Intellectual Property" means any intellectual property that is owned by the State. State Intellectual Property includes any derivative works and compilations of any State Intellectual Property.
24. The term "Third Party Intellectual Property" means any intellectual property owned by parties other than the State or the contractor and contained in or necessary for the use of the Deliverables. Third Party Intellectual Property includes COTS owned by Third Parties, and derivative works and compilations of any Third Party Intellectual Property.
25. The term "Work Product" means every invention, modification, discovery, design, development, customization, configuration, improvement, process, Software program, work of authorship, documentation, formula, datum, technique, know how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection) that is specifically made, conceived, discovered, or reduced to practice by the contractor or the contractor's subcontractors or a third party engaged by the contractor or its subcontractor pursuant to the Contract. Notwithstanding anything to the contrary in the preceding sentence, Work Product does not include State Intellectual Property, Contractor Intellectual Property or Third Party Intellectual Property.

B. INDEMNIFICATION FOR STANDARD TECHNOLOGY CONTRACTS

Section 4.1 Indemnification of the SSTC is deleted in its entirety and replaced with the following:

4.1 INDEMNIFICATION

The Contractor's liability to the State and its employees in third party suits shall be as follows:

- A. The Contractor shall assume all risk of and responsibility for, and agrees to indemnify, defend, and save harmless the State and its officers, agents, servants and employees, from and against any and all third party claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith:
 1. For or on account of the loss of life, property or injury or damage to the person, body or property of any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or products supplied under this Contract or the order; and
 2. For or on account of the use of any patent, copyright, trademark, trade secret or other proprietary right of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance ("Intellectual Property Rights") furnished or used in the performance of this Contract; and
 3. The Contractor's indemnification and liability under subsection (A) is not limited by, but is in addition to the insurance obligations.
- B. In the event of a claim or suit involving third-party Intellectual Property Rights, the Contractor, at its option, may:
 1. procure for the State the legal right to continue the use of the product;
 2. replace or modify the product to provide a non-infringing product that is the functional equivalent; or
 3. in the event that the Contractor cannot do (1) or (2) refund the purchase price less a reasonable allowance for use that is agreed to by both parties.
- C. The State will:
 1. promptly notify Contractor in writing of the claim or suit;
 2. give Contractor shall have control of the defense and settlement of any claim that is subject to Section 4.1(a); provided; however, that the State must approve any settlement of the alleged claim, which approval shall not be unreasonably withheld. The State may observe the proceedings relating to the alleged claim and confer with the Contractor at its expense.
- D. Notwithstanding the foregoing, Contractor has no obligation or liability for any claim or suit concerning third-party Intellectual Property Rights arising from:
 1. the State's unauthorized combination, operation, or use of a product supplied under this Contract with any product, device, or Software not supplied by Contractor;
 2. the State's unauthorized alteration or modification of any product supplied under this Contract;
 3. the Contractor's compliance with the State's designs, specifications, requests, or instructions, provided that if the State provides Contractor with such designs, specifications, requests, or instructions, Contractor reviews same and advises that such designs, specifications, requests or instructions present potential issues of patent or copyright infringement and the State nonetheless directs the Contractor to proceed with one (1) or more designs, specifications, requests or instructions that present potential issues of patent or copyright infringement; or
 4. the State's failure to promptly implement a required update or modification to the product provided by Contractor after the Contractor has given written notice to the State of a need for such an update or modification.
- E. Contractor will be relieved of its responsibilities under Subsection 4.1(a)(i) and (ii) for any claims made by an unaffiliated third party that arise solely from the actions or omissions of the State, its officers, employees or agents.
- F. Subject to the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.), the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.) and the appropriation and availability of funds, the State will be responsible for any cost or damage arising out of actions or inactions of the State, its employees or agents under Subsection 4.1(a)(i) and (ii) which results in an unaffiliated third party claim. This is Contractor's exclusive remedy for these claims;
- G. This section states the entire obligation of Contractor and its suppliers, and the exclusive remedy of the State, in respect of any infringement or alleged infringement of any Intellectual Property Rights. This indemnity obligation and remedy are given to the State solely for its benefit and in lieu of, and Contractor disclaims, all warranties, conditions and other terms of non-infringement or title with respect to any product; and
- H. Furthermore, neither Contractor nor any attorney engaged by Contractor shall defend the claim in the name of the State of New Jersey or any Authorized Purchaser, nor purport to act as legal representative of the State of New Jersey or any Authorized Purchaser, without having provided notice to the Director of the Division of Law in the Department of Law and Public Safety and to the Director of the Division of Purchase and Property. The State of New Jersey may, at its election and expense, assume its own defense and settlement; and
- I. The State of New Jersey will not indemnify, defend, pay or reimburse for claims or take similar actions on behalf of the Contractor.

C. INSURANCE FOR STANDARD TECHNOLOGY CONTRACTS

Section 4.2 Insurance of the SSTC is supplemented with the following:

Professional Liability Insurance

The Contractor shall carry Errors and Omissions, Professional Liability Insurance, and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of this Contract. The insurance shall be in the amount of not less than \$1,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of this Contract, it shall obtain from its new

Errors and Omissions, Professional Liability Insurance, and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

D. LIMITATION OF LIABILITY FOR STANDARD TECHNOLOGY CONTRACTS

Section 4.0 Indemnification and Insurance of the SSTC is supplemented with the following:

4.3 LIMITATION OF LIABILITY

The Contractor's liability to the State for actual, direct damages resulting from the Contractor's performance or non-performance of, or in any manner related to this Contract, for any and all claims, shall be limited in the aggregate to 200% of the total value of this Contract. This limitation of liability shall not apply to the following:

- A. The Contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage, or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or materials supplied by the Contractor under this Contract caused by negligence or willful misconduct of the Contractor;
- B. The Contractor's breach of its obligations of confidentiality; and
- C. The Contractor's liability with respect to copyright indemnification.

The Contractor's indemnification obligation is not limited by but is in addition to the insurance obligations.

The Contractor shall not be liable for special, consequential, or incidental damages.

E. PERFORMANCE GUARANTEE OF THE CONTRACTOR

Section 5.11 Performance Guarantee of the Contractor of the SSTC is supplemented with the following:

1. COTS and Customized Software

- a. Unless the Contractor Standard Form Agreement provides greater coverage as determined by the State, in its sole discretion, the contractor warrants that COTS and Customized Software products licensed to the State shall operate in all material respects as described in the Solicitation and/or contractor technical documentation for ninety (90) days after Acceptance. The State shall notify the contractor of any COTS or Customized Software product deficiency within ninety (90) days after Acceptance. For a Contract requiring the delivery of COTS or Customized Software and Custom Software, a notice within one hundred eighty (180) days that describes a deficiency in functional terms without specifying whether the deficiency is with COTS, Customized Software or Custom Software shall be deemed a notice that triggers the warranty provisions in both Section 5.11(a) and 5.11(b) of this Supplement.
- b. Except for the portion of the contractor's COTS or Customized Software product that intentionally contains one or more of the following for the purpose of anti-virus protection, the contractor warrants that, at the time of delivery and installation of the COTS or Customized Software provided pursuant to the Contract, its product shall be free of what are commonly defined as viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the COTS or Customized Software, collect unlawful personally identifiable information on users, or prevent the COTS or Customized Software from performing as required under the Contract.
- c. In the event of any breach of this warranty, the contractor shall correct the product errors that caused the breach of warranty, or if the contractor cannot substantially correct such breach in a commercially reasonable manner, the State may end its usage and recover the fees paid to the contractor for the license and any unused, prepaid, technical support fees paid. Under no circumstances does this warranty provision limit the contractor's obligation in the event of a breach of confidentiality.
- d. The contractor does not warrant that COTS or Customized Software is error-free or that it will operate uninterrupted.

2. Custom Software

- a. Unless the Contractor Standard Form Agreement provides greater coverage, as determined by the State, in its sole discretion, the contractor warrants that Custom Software Deliverables shall operate in all material respects as described in the applicable specification documentation for one hundred and eighty (180) days after Acceptance. The State shall notify the contractor of any Custom Software deficiency within one hundred and eighty (180) days after Acceptance of the Custom Software Deliverable (the "Notice Period"). Where the contractor is providing multiple Custom Software Deliverables over the term of the Contract, the Notice Period shall begin to run after the Acceptance of the final Custom Software Deliverable under the Contract. At that time, the State may assert defect claims relating to any and all of the Custom Software Deliverables provided under the Contract; however, the State may also assert claims earlier, in its discretion, without waiving the Notice Period.
- b. For a Contract requiring the delivery of COTS or Customized Software and Custom Software, a notice within one hundred eighty (180) days that describes a deficiency in functional terms without specifying whether the deficiency is with COTS, Customized Software or Custom Software shall be deemed a notice that triggers the warranty provisions in both Section 5.11(a) and 5.11(b) of this Supplement.
- c. The contractor warrants that, at the time of Acceptance of the Custom Software Deliverable provided pursuant to the Contract, its product shall be free of what are commonly defined as viruses, backdoors, worms, spyware, malware and other malicious code that will hamper performance of the Custom Software, collect unlawful personally identifiable information on users, or prevent the Custom Software from performing as required under the Contract. Under no circumstances does this warranty provision limit the contractor's obligation in the event of a breach of confidentiality.
- d. In the event of any breach of this warranty, the contractor shall correct the Custom Software errors that caused the breach of warranty, or if the contractor cannot substantially correct such breach in a commercially reasonable manner, the State may

recover a portion of the fees paid to the contractor for the Custom Software with the uncorrected defect or in the event that the Custom Software is still deemed, by the State in its sole discretion, to be usable by the State even with the uncorrected defect, the State may recover a portion of the fees paid to the contractor for the Custom Software (up to the total amount of such charges for such Custom Software) to reflect any reduction in the value of the Custom Software Deliverable as a result of the uncorrected defect. Under no circumstances does this warranty provision limit the contractor's obligations in the event of a breach of confidentiality.

- e. The contractor does not warrant that Custom Software is error-free or that it will operate uninterrupted.
3. IT Services
 - a. Unless the Contractor Standard Form Agreement provides greater coverage, as determined by the State, in its sole discretion, the contractor warrants that all Services will be provided in a professional manner consistent with industry standards. The State shall notify the contractor of any Services warranty deficiencies within ninety (90) days from performance of the deficient Services.
 - b. In the event of any breach of this warranty, the contractor shall re-perform the deficient Services, or if the contractor cannot substantially correct a breach in a commercially reasonable manner, the State may end the relevant Services and recover the fees paid to the contractor for the deficient Services.
4. Hardware
 - a. Unless the Contractor Standard Form Agreement provides greater coverage, as determined by the State, in its sole discretion, the contractor warrants that the equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice.
 - b. The contractor warrants that all equipment supplied to the State and operated by electrical current is UL listed where applicable.
 - c. The contractor warrants that all new machines are to be guaranteed as fully operational for one (1) year from time of Acceptance by the State. For the avoidance of doubt, Acceptance with respect to Hardware in this subsection (d) shall occur no later than sixty (60) days after delivery, as evidenced by a signed delivery receipt. The contractor shall render prompt service without charge, regardless of geographic location.
 - d. The contractor warrants that sufficient quantities of parts necessary for proper service to equipment shall be maintained at distribution points and service headquarters.
 - e. The contractor warrants that trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice.
 - f. The contractor warrants that all Software included with the Hardware shall perform substantially in accordance with specifications, for one (1) year from the time of Acceptance. The contractor warrants that Software media will be free from material defects in materials and workmanship for a period of one (1) year from the date of Acceptance.
 - g. In the event of any breach of this warranty, the contractor shall promptly repair, replace or refund the purchase price of product rejected for failure to conform with the contractor's product specifications.
5. THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND THE CONTRACTOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

V. ADDITIONS TO THE STANDARD TERMS AND CONDITIONS FOR ALL INFORMATION TECHNOLOGY CONTRACTS WHICH INCLUDE SOFTWARE AS A SERVICE (SAAS)/CLOUD SOLUTION, AS APPLICABLE

A. ADDITIONAL TERMS FOR A CONTRACTOR'S DATA PROTECTION OBLIGATIONS

1. Data Ownership: The State will own all right, title and interest in its State Data that is related to the services provided by this contract. The Provider shall not use or access State user accounts or State Data, except (i) in the course of data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at the State's written request.

Provider shall not collect, access, or use State Data except as strictly necessary to provide its solution to the State. No information regarding the State's use of the solution may be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. This obligation shall survive and extend beyond the term of this contract.

2. Data Protection: Protection of personal privacy and data shall be an integral part of the business activities of the Provider to ensure that there is no inappropriate or unauthorized use of State Data at any time. To this end, the Provider shall safeguard the confidentiality, integrity, and availability of State Data and comply with the following conditions:
 - a. The Provider shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of Personal Data and Non-Public Data. Such security measures shall be in accordance with recognized good industry practice and not less stringent than the measures the Provider applies to its own Personal Data and Non-Public Data of similar kind.
 - b. All Personal Data shall be encrypted at rest and in transit with controlled access. Provider is responsible for encryption of the Personal Data. The level of protection and encryption for all Personal Data shall be identified and made a part of this contract.

- c. Provider shall encrypt all Non-Public Data at rest and in transit. The level of protection and encryption for all Non-Public Data shall be identified and made a part of this contract.
 - d. Personal Data shall not be stored on Mobile Devices. Where Mobile Devices are required for Provider to accomplish the work, the Provider shall ensure the Mobile Device is hard drive encrypted consistent with validated cryptography standards as referenced in FIPS 140-2, Security Requirements for Cryptographic Modules for all Personal Data.
 - e. At no time shall any data or processes, which either belongs to or are intended for the use of State or its officers, agents, or employees, be copied, disclosed, or retained by the Provider or any party related to the Provider for subsequent use in any capacity that does not include the State.
3. Data Location: Provider shall provide its services to State and its End Users solely from data centers in the U.S. Storage of State Data at rest shall be located solely in data centers in the U.S. Provider shall not allow its personnel or contractors to store State Data on Mobile Devices, including personal computers, except for devices that are used and kept within the physical structure of its U.S. data centers. Provider shall permit its personnel and contractors to access State Data remotely only as required to provide technical support or upon prior notice and approval. The Provider may provide technical user support on a seven-day by 24-hour basis, unless otherwise prohibited in this contract.
4. Security Incident and Breach of Security Responsibilities.
- a. Security Incident Reporting Requirements: Once Provider reasonably determines that a Security Incident occurred, the Provider shall report a Security Incident to the appropriate State identified contact within 24 hours by the agreed upon method as defined in the contract. Provider will provide the State regular updates and all available relevant information including a description of the incident and those measures taken by Provider in response to the Security Incident.
 - b. Breach of Security Reporting Requirements: If the Provider confirms or reasonably believes that there has been a Breach of Security, the Provider shall (1) immediately notify the appropriate State identified contact by the agreed upon method within 24 hours, unless a shorter time is required by applicable law, (2) take commercially reasonable measures to address and investigate the Breach of Security in a timely manner and (3) cooperate with the State as reasonably requested by the State and/or law enforcement to investigate and resolve the Breach of Security. Provider will provide the State regular updates and all available information to assist the State with notification to law enforcement and third parties as required by applicable law, including a description of the Breach of Security and those measures taken by Provider in response to the Breach of Security.
 - c. Incident Response: When commercially reasonable to do so, Provider may communicate with outside parties regarding a Security Incident, which may include contacting law enforcement, fielding media inquiries (subject to preapproval by the State if Provider specifically identifies the State or State Data), and seeking external expertise as mutually agreed at the time, defined by law, or contained in the SLA. Discussing Security Incidents with the State should be handled on an urgent as needed basis, as part of Provider communication and mitigation processes as mutually agreed at the time, defined by law, or contained in the SLA.
 - d. Following a Security Incident or Breach of Security, Provider shall promptly implement necessary remedial measures, if necessary, and document responsive actions taken related to the Security Incident or Breach of Security, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.
5. Termination and Suspension of Service:
- a. In the event of termination of the contract, the Provider shall implement an orderly return of State Data in a mutually agreeable format and the subsequent secure disposal of State Data remaining in Provider's possession.
 - b. Suspension of services: During any period of suspension, the Provider shall not take any action to intentionally erase any State Data.
 - c. Unless otherwise stipulated, in the event of termination of any services, SLA, or this contract in its entirety, the Provider shall not take any action to intentionally erase any State Data for a period of:
 - 1) 10 business days after the effective date of termination, if the termination is in accordance with the expiration of the defined contract term;
 - 2) 30 business days after the effective date of termination, if the termination is for convenience; or
 - 3) 60 business days after the effective date of termination, if the termination is for cause.

After such period, the Provider shall have no obligation to maintain or provide any State Data and shall thereafter, unless legally prohibited, delete all State Data in its systems or otherwise in its possession or under its control in accordance with subsection (e) below.

- d. Post-Termination Assistance: The State shall be entitled to any post-termination assistance with respect to the services unless a unique data retrieval arrangement has been established as part of the contract.
- e. Secure Data Disposal: When requested by the State, the provider shall destroy all requested data in all of its forms, including but not limited to: disk, CD/DVD, backup tape, and paper. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods and certificates of destruction shall be provided to the State.

6. **Background Checks:** The Provider shall conduct criminal background checks and not utilize any staff, including sub-contractors, to fulfill the obligations of the contract who has been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or any misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Provider shall promote and maintain an awareness of the importance of securing the State's Data among the Provider's employees and agents.
7. **Access to security logs and other reports:** The Provider shall provide logs and reports to the State in a format as specified in the contract and agreed to by both the Provider and the State. Reports shall include latency statistics, user access, user access IP address, user access history and security logs for all State Data related to this contract, including but not limited to data, file management, transactions, or tools used to provide, manage, secure, or analyze the State's Data. The Provider shall maintain the reports and logs for the contract term and for two (2) years after the conclusion of the term, and shall provide them to the State in the course of a State audit or upon written request from the State.
8. **Service Level Audit:** The Provider shall allow the State to audit conformance to the contract terms. The State may perform this audit or contract with a third party at its discretion, at the State's expense.
9. **Data Center Audit:** The Provider shall have an independent third party audit of its data center(s) performed at least annually at their own expense, and provide the audit report to the State upon request.
10. **Change Control and Advance Notice:** The Provider shall give advance notice to the State of any upgrades (e.g. major upgrades, minor upgrades, system changes) that may impact service availability and performance. Said notice shall be provided at least thirty days in advance of the upgrade, unless otherwise agreed in the SLA.
11. **Security:** The Provider shall disclose its non-proprietary security processes and technical limitations to the State by completing the State's Security Controls Checklist or equivalent system security document, available upon request from the Office of Information Technology, as updated from time to time, such that adequate protection and flexibility can be attained between the State and the Provider.
12. **Non-disclosure and Separation of Duties:** The Provider shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of State Data to that which is absolutely needed to perform job duties.
13. **Import and Export of Data:** The State shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the Provider. This includes the ability for the State to import or export data to/from other Providers.
14. **Responsibilities and Uptime Guarantee:** The Provider shall be responsible for the acquisition and operation of all hardware, software, and network support related to the services being provided. The technical and professional activities required for establishing, managing, and maintaining the environment are the responsibilities of the Provider. The system shall be available 24 hours per day, 365 days per year (with agreed-upon maintenance downtime), and Provider shall provide service to the State as defined in the Service Level Agreement.
15. **Right to Remove Individuals:** The State shall have the right at any time to require that the Provider remove from interaction with the State any Provider representative who the State believes is detrimental to its working relationship with the Provider. The State will provide the Provider with notice of its determination, and the reasons it requests the removal. If the State signifies that a potential security violation exists with respect to the request, the Provider shall immediately remove such individual. The Provider shall not assign the person to any aspect of the contract or future work orders without the State's consent.

Business Continuity and Disaster Recovery: The Provider shall provide a business continuity and disaster recovery plan upon request and ensure that the State's Recovery Time Objective (RTO) is met. The RTO shall be defined in the SLA.

B. INDEMNIFICATION FOR SAAS

Section 4.1 Indemnification of the SSTC is deleted in its entirety and replaced with the following;

4.1 INDEMNIFICATION

- A. **CONTRACTOR RESPONSIBILITIES** - The Contractor's liability to the State and its employees in third party suits shall be as follows:
 1. The Contractor shall indemnify, defend, and save harmless the State and its officers, agents, servants and employees, from and against any and all third party claims, demands, suits, actions, recoveries, judgments and costs and expenses in connection therewith:
 - i. For or on account of the loss of life, tangible property (not including lost or damaged data) or injury or damage to the person, body or property (not including lost or damaged data) of any person or persons whatsoever, which shall arise from or result directly or indirectly from the work and/or products supplied under this Contract; and
 - ii. For or on account of the use of any patent, copyright, trademark, trade secret or other proprietary right of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance

- ("Intellectual Property Rights") furnished or used in the performance of the contract; and
- iii. For or on account of a Breach of Security resulting from Contractor's breach of its obligation to encrypt Personal Data or otherwise prevent its release or misuse; and
 - iv. The Contractor's indemnification and liability under Section 4.1(A)(1) is not limited by, but is in addition to the insurance obligations contained in Section 4.2 of the State Standard Terms and Conditions.
2. In the event of a claim or suit involving third-party Intellectual Property Rights, the Contractor, at its option, may: (1) procure for the State the legal right to continue the use of the product; (2) replace or modify the product to provide a non-infringing product that is the functional equivalent; or (3) refund the purchase price less a reasonable allowance for use that is agreed to by both parties. The State will: (1) promptly notify Contractor in writing of the claim or suit; (2) Contractor shall have control of the defense and settlement of any claim that is subject to Section 4.1(A)(1); provided, however, that the State must approve any settlement of the alleged claim, which approval shall not be unreasonably withheld. The State may observe the proceedings relating to the alleged claim and confer with the Contractor at its expense. Furthermore, neither Contractor nor any attorney engaged by Contractor shall defend the claim in the name of the State of New Jersey, nor purport to act as legal representative of the State of New Jersey, without having provided notice to the Director of the Division of Law in the Department of Law and Public Safety and to the Director of DPP. The State of New Jersey may, at its election and expense, assume its own defense and settlement.
 3. Notwithstanding the foregoing, Contractor has no obligation or liability for any claim or suit concerning third-party Intellectual Property Rights arising from: (1) the State's unauthorized combination, operation, or use of a product supplied under this contract with any product, device, or software not supplied by Contractor; (2) the State's unauthorized alteration or modification of any product supplied under this contract; (3) the Contractor's compliance with the State's designs, specifications, requests, or instructions, provided that if the State provides Contractor with such designs, specifications, requests, or instructions, Contractor shall review same and advise if such designs, specifications, requests or instructions present potential issues of patent or copyright infringement and the State nonetheless directs the Contractor to proceed with one or more designs, specifications, requests or instructions that present potential issues of patent or copyright infringement; or (4) the State's failure to promptly implement a required update, use a new version of the product, or to make a change or modification to the product if requested in writing by Contractor.
 4. Contractor will be relieved of its responsibilities under Subsection 4.1(A)(1)(i), (ii), and (iii) for any claims made by an unaffiliated third party that arise solely from the actions or omissions of the State, its officers, employees or agents.
 5. This section states the entire obligation of Contractor and the exclusive remedy of the State, in respect of any infringement or alleged infringement of any Intellectual Property Rights. This indemnity obligation and remedy are given to the State solely for its benefit and in lieu of, and Contractor disclaims, all warranties, conditions and other terms of non-infringement or title with respect to any product.
 6. The provisions of this indemnification clause shall in no way limit the Contractor's obligations assumed in the Contract, nor shall they be construed to relieve the Contractor from any liability, nor preclude the State from taking any other actions available to it under any other provisions of the contract or otherwise at law or equity.
 7. The Contractor agrees that any approval by the State of the work performed and/or reports, plans or specifications provided by the Contractor shall not operate to limit the obligations of the Contractor assumed in the Contract.
 8. The State of New Jersey will not indemnify, defend or hold harmless the Contractor. The State will not pay or reimburse for claims absent compliance with Section 4.1(B) below and a determination by the State to pay the claim or a final order of a court of competent jurisdiction.
- B. STATE RESPONSIBILITIES - Subject to the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.), the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.) and the appropriation and availability of funds, the State will be responsible for any cost or damage arising out of actions or inactions of the State, its employees or agents under Section 4.1(A)(1)(i), (ii), and (iii) which results in an unaffiliated third party claim. This is Contractor's exclusive remedy for these claims.

B. INSURANCE FOR SAAS

Section 4.2 Insurance of the SSTC is supplemented with the following:

1. Professional Liability Insurance
The Contractor shall carry Errors and Omissions, Professional Liability Insurance, and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of this Contract. The insurance shall be in the amount of not less than \$1,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of this Contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance, and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.
2. Cyber Breach Insurance
The Contractor shall carry Cyber Breach Insurance in sufficient to protect the Contractor from any liability arising out of its performance pursuant to the requirements of this Contract. The insurance shall be in an amount of not less than \$2,000,000 in such policy forms as shall be approved by the State. The insurance shall at a minimum cover the following: Data loss, ransomware and similar breaches to computers, servers and software; Protection against third-party claims; cost of notifying affected parties; cost of providing credit monitoring to affected parties; forensics; cost of public relations consultants; regulatory compliance costs; costs to pursue indemnity rights; costs to Data Breach and Credit Monitoring Services analyze the insured's legal response obligations; costs of defending

lawsuits; judgments and settlements; regulatory response costs; costs of responding to regulatory investigations; and costs of settling regulatory claims.

C. LIMITATION OF LIABILITY FOR SAAS

Section 4.0 Indemnification and Insurance of the SSTC is supplemented with the following:

4.3 LIMITATION OF LIABILITY

- A. The Contractor's liability for actual, direct damages resulting from the Contractor's performance or non-performance of, or in any manner related to, the Contract for any and all third party claims, shall be limited in the aggregate to 200% of the fees paid by the State during the previous twelve months to Contractor for the products or services giving rise to such damages. Notwithstanding the preceding sentence, in no event shall the limit of liability be less than \$1,000,000. This limitation of liability shall not apply to the following:
 - i. The Contractor's indemnification obligations as described in Section 4.1; and
 - ii. The Contractor's breach of its obligations of confidentiality described in this Bid Solicitation.
- A. Notwithstanding the foregoing exclusions, where a Breach of Security is a direct result of Contractor's breach of its contractual obligation to encrypt Personal Data pursuant to this Bid Solicitation or otherwise prevent its release as reasonably determined by the State, the Contractor shall bear the costs associated with (1) the investigation and resolution of the Breach of Security; (2) notifications to individuals, regulators, or others required by federal and state laws or as otherwise agreed to; (3) a credit monitoring service required by state or federal law or as otherwise agreed to; (4) a website or a toll-free number and call center for affected individuals required by federal and state laws — all not to exceed the average per record, per person cost calculated for data breaches in the United States in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute for the public sector at the time of the Breach of Security; and (5) completing all corrective actions as reasonably determined by Contractor based on root cause of the Breach of Security.
- B. The Contractor shall not be liable for punitive, special, indirect, incidental, or consequential damages.

**State of New Jersey Standard Terms and Conditions and Waivered Contracts/Delegated Purchase Authority
Supplement to the State of New Jersey Standard Terms and Conditions
(Revised February 8, 2024)**

I HEREBY ACCEPT THE TERMS AND CONDITIONS OF THIS CONTRACT

Signature

Date

Print Name and Title

Print Name of Contractor

ATTACHMENT A4



DISCLOSURE OF INVESTIGATIONS AND OTHER ACTIONS INVOLVING THE VENDOR FORM

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE:

VENDOR NAME:

PART 1
PLEASE LIST ALL OFFICERS/DIRECTORS OF THE VENDOR BELOW.

Form with fields: NAME, TITLE, ADDRESS, ADDRESS, CITY, STATE, ZIP

Form with fields: NAME, TITLE, ADDRESS, ADDRESS, CITY, STATE, ZIP

Form with fields: NAME, TITLE, ADDRESS, ADDRESS, CITY, STATE, ZIP

Form with fields: NAME, TITLE, ADDRESS, ADDRESS, CITY, STATE, ZIP

*Attach Additional Sheets If Necessary.

PART 2
PLEASE REFER TO THE PERSONS LISTED ABOVE AND/OR THE PERSONS AND/OR ENTITIES LISTED ON THE OWNERSHIP DISCLOSURE FORM WHEN ANSWERING THESE QUESTIONS.

- 1. Has any person or entity listed on this form or its attachments ever been arrested, charged, indicted, or convicted in a criminal or disorderly persons matter by the State of New Jersey...
2. Has any person or entity listed on this form or its attachments ever been suspended, debarred or otherwise declared ineligible...
3. Are there currently any pending criminal matters or debarment proceedings...
4. Has any person or entity listed on this form or its attachments been denied any license, permit or similar authorization...
5. Has any person or entity listed on this form or its attachments been involved as an adverse party to a public sector client...

IF ANY OF THE ANSWERS TO QUESTIONS 1-5 ARE "YES", PLEASE PROVIDE THE REQUESTED INFORMATION IN PART 3.
IF ALL OF THE ANSWERS TO QUESTIONS 1-5 ARE "NO", NO FURTHER ACTION IS NEEDED; PLEASE SIGN AND DATE THE FORM.

PART 3
DESCRIPTION OF THE INVESTIGATION OR LITIGATION, ETC.

If you answered "YES" to any of questions 1 - 5 above, you must provide a detailed description of any investigation or litigation, including, but not limited to, administrative complaints or other administrative proceedings involving public sector clients during the past five (5) years.

Form with fields: PERSON OR ENTITY NAME, CONTACT NAME, PHONE NUMBER, CASE CAPTION, INCEPTION OF THE INVESTIGATION, CURRENT STATUS, SUMMARY OF INVESTIGATION

*Attach Additional Sheets If Necessary.

CERTIFICATION

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein...

Signature

Date

Print Name and Title

ATTACHMENT A5



SOURCE DISCLOSURE FORM

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE: _____

VENDOR NAME: _____

The Vendor/Bidder submits this Form in response to a Bid Solicitation issued by the State of New Jersey, Department of the Treasury, Division of Purchase and Property, in accordance with the requirements of N.J.S.A. 52:34-13.2.

PART 1

All services will be performed by the Contractor and Subcontractors in the United States. Skip Part 2.

Services will be performed by the Contractor and/or Subcontractors outside of the United States. **Complete Part 2.**

PART 2

Where services will be performed outside of the United States, please list every country where services will be performed by the Contractor and all Subcontractors. If any of the services cannot be performed within the United States, the Contractor shall state, with specificity, the reasons why the services cannot be performed in the United States. The Director of the Division of Purchase and Property will review this justification and if deemed sufficient, the Director may seek the Treasurer's approval.

Name of Contractor / Sub-contractor	Performance Location by Country	Description of Service(s) to be Performed Outside of the United States *	Reason Why the Service(s) Cannot be Performed in the United States *

***Attach additional sheets if necessary to describe which service(s), if any, will be performed outside of the U.S. and the reason(s) why the service(s) cannot be performed in the U.S.**

Any changes to the information set forth in this Form during the term of any Contract awarded under the referenced Bid Solicitation or extension thereof shall be immediately reported by the Contractor to the Director of the Division of Purchase and Property. If during the term of the Contract, the Contractor shifts the location of services outside the United States, without a prior written determination by the Director, the Contractor shall be deemed in breach of Contract, and the Contract will be subject to termination for cause pursuant to the State of New Jersey Standard Terms and Conditions.

CERTIFICATION

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I may be subject to criminal prosecution under the law, and it will constitute a material breach of my contract(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

Signature

Date

Print Name and Title

ATTACHMENT A6



DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN FORM

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE: _____

VENDOR NAME: _____

Pursuant to N.J.S.A. 52:32-57, et seq. (P.L. 2012, c.25 and P.L. 2021, c.4) any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must certify that neither the person nor entity, nor any of its parents, subsidiaries, or affiliates, is identified on the New Jersey Department of the Treasury's Chapter 25 List as a person or entity engaged in investment activities in Iran. The Chapter 25 list is found on the Division's website at <https://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf>. Vendors/Bidders must review this list prior to completing the below certification. If the Director of the Division of Purchase and Property finds a person or entity to be in violation of the law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

CHECK THE APPROPRIATE BOX

I certify, pursuant to N.J.S.A. 52:32-57, et seq. (P.L. 2012, c.25 and P.L. 2021, c.4), that neither the Vendor/Bidder listed above nor any of its parents, subsidiaries, or affiliates is listed on the New Jersey Department of the Treasury's Chapter 25 List of entities determined to be engaged in prohibited activities in Iran.

OR

I am unable to certify as above because the Vendor/Bidder and/or one or more of its parents, subsidiaries, or affiliates is listed on the New Jersey Department of the Treasury's Chapter 25 List. I will provide a detailed, accurate and precise description of the activities of the Vendor/Bidder, or one of its parents, subsidiaries or affiliates, has engaged in regarding investment activities in Iran by completing the information requested below.

Entity Engaged in Investment Activities	_____
Relationship to Vendor/ Bidder	_____
Description of Activities	_____

Duration of Engagement	_____
Anticipated Cessation Date	_____

**Attach Additional Sheets If Necessary.*

CERTIFICATION

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I may be subject to criminal prosecution under the law, and it will constitute a material breach of my contract(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

Signature

Date

Print Name and Title

ATTACHMENT A7

Certification of Non-Involvement in Prohibited Activities in Russia or Belarus

Any person or entity (hereinafter “Vendor”) that seeks to enter into or renew a contract with a State agency for the provision of goods or services, or the purchase of bonds or other obligations, must complete the certification below indicating whether or not the Vendor is identified on the Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons list, available here: <https://sanctionssearch.ofac.treas.gov/>. If the Department of the Treasury finds that a Vendor has made a certification in violation of the law, it shall take any action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

I, the undersigned, certify that I have read the definition of “Vendor¹” below, and have reviewed the Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons list, and having done so certify:

(Check the Appropriate Box)

A. That the Vendor is not identified on the OFAC Specially Designated Nationals and Blocked Persons list on account of activity related to Russia and/or Belarus.

OR

B. That I am unable to certify as to “A” above, because the Vendor is identified on the OFAC Specially Designated Nationals and Blocked Persons list on account of activity related to Russia and/or Belarus.

OR

C. That I am unable to certify as to “A” above, because the Vendor is identified on the OFAC Specially Designated Nationals and Blocked Persons list. However, the Vendor is engaged in activity related to Russia and/or Belarus consistent with federal law, regulation, license or exemption. A detailed description of how the Vendor’s activity related to Russia and/or Belarus is consistent with federal law is set forth below.

(Attach Additional Sheets if Necessary.)

Signature of Vendor’s Authorized Representative

Date

Print Name and Title of Vendor’s Authorized Representative

Vendor’s FEIN

Vendor’s Name

Vendor’s Phone Number

Vendor’s Address (Street Address)

Vendor’s Fax Number

Vendor’s Address (City/State/Zip Code)

Vendor’s Email Address

¹ Vendor means: (1) A natural person, corporation, company, limited partnership, limited liability partnership, limited liability company, business association, sole proprietorship, joint venture, partnership, society, trust, or any other nongovernmental entity, organization, or group; (2) Any governmental entity or instrumentality of a government, including a multilateral development institution, as defined in Section 1701(c)(3) of the International Financial Institutions Act, 22 U.S.C. 262r(c)(3); or (3) Any parent, successor, subunit, direct or indirect subsidiary, or any entity under common ownership or control with, any entity described in paragraph (1) or (2).

ATTACHMENT A8



MACBRIDE PRINCIPLES FORM

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # AND TITLE: _____

VENDOR NAME: _____

Pursuant to Public Law 1995, c. 134, a responsible Vendor/Bidder is required to provide a certification in compliance with the MacBride Principles and Northern Ireland Act of 1989. Pursuant to N.J.S.A. 52:34-12.2, Vendor/Bidder must complete the certification below by checking one of the two options listed below and signing where indicated. If a Vendor/Bidder that would otherwise be awarded a purchase, contract or agreement does not complete the certification, then the Director may determine, in accordance with applicable law and rules, that it is in the best interest of the State to award the purchase, contract or agreement to another Vendor/Bidder that has completed the certification and has submitted a bid within five (5) percent of the most advantageous bid. If the Director finds contractors to be in violation of the principles that are the subject of this law, he/she shall take such action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

I, the undersigned, on behalf the Vendor/Bidder, certify pursuant to N.J.S.A. 52:34-12.2 that:

CHECK THE APPROPRIATE BOX

The Vendor/Bidder has no business operations in Northern Ireland; or

OR

The Vendor/Bidder will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in section 2 of P.L. 1987, c. 177 (N.J.S.A. 52:18A-89.5) and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of its compliance with those principles.

CERTIFICATION

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I may be subject to criminal prosecution under the law, and it will constitute a material breach of my contract(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

Signature

Date

Print Name and Title

ATTACHMENT A9



CONFIDENTIALITY AND COMMITMENT TO DEFEND

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY - DIVISION OF PURCHASE AND PROPERTY
33 WEST STATE STREET, P.O. BOX 230 TRENTON, NEW JERSEY 08625-0230

BID SOLICITATION # & TITLE: _____

The Bid Solicitation advises Bidders (hereinafter "Company") that the submitted "Quotes can be released to the public pursuant to N.J.A.C. 17:12-1.2(b) and (c), or under the New Jersey Open Public Records Act (OPRA), N.J.S.A. 47:1A-1.1 et seq., or the common law right to know." In the event that the Division receives a request for documents related to above referenced Bid Solicitation, in accordance with its statutory obligations under the New Jersey Open Public Records Act and/or the common law right to know, it is the Division's intent to fulfill the request for records which may include a copy of the Company's Quote.

If Company objects to the disclosure of any portions of the Quote, the Company must advise the Division and must attach a detailed statement clearly identifying those sections of the Quote that Company claims are exempt from disclosure. In requesting any exemption, Company must identify the specific statutory or other legal justification for each requested exemption and the factual basis that supports said exemption. In addition, if Company requests any exemption to disclosure of the Quote based upon claims of confidential/proprietary information and trade secrets (setting forth the nature of the formula, process, pattern, device or compilation), in accordance with *Ingersoll-Rand Co. v. Ciavatta*, 110 N.J. 609 (1988), Company must also indicate the following with respect to the requested exemption:

- (1) the extent to which the information is known outside the owner's business;
- (2) the extent to which it is known by employees and others involved with your business;
- (3) the extent of the measures taken by your firm to guard the secrecy of the information;
- (4) the value of the information to your firm and your competitors;
- (5) the amount of effort or money expended by your firm in developing the information; and
- (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.

Further, if the Quote includes any copyright notices, within five business days, the Division will be permitted to release a copy of the Quote document(s) unless Company serves the Division with an order from a court of competent jurisdiction precluding such release.

The State reserves the right to make the final determination as to what is and is not subject to public disclosure under OPRA and/or the common law right to know, and will advise the Company accordingly. Please note that the State will not honor any claim of confidential, proprietary, trade secret, and/or copyright material that is not supported by a specific statutory or legal justification provided by the Company. The State will not honor any attempts by the Company to designate the entire Quote as proprietary, confidential and/or to claim copyright protection for its entire Quote.

Accordingly, in order to assist the Division with the fulfillment of potential document requests, please select **one** of the following:

The Company's Quote **does not include** any confidential, proprietary and/or trade secrets; and therefore, the Company does not request any redactions be made prior to the release of the documents.

OR

The Company's Quote **does include** confidential, proprietary and/or trade secrets; and therefore, the Company requests that certain portions of the Quote be redacted prior to the release of the documents.

The requested redactions are set forth in the attached statement which specifically identifies the portions of the Quote by section, page number, paragraph and or line; and identifies the specific statutory or other legal reason for each requested exemption.

In the event of any challenge to the Company's assertion of confidential/proprietary information, the Company shall be solely responsible for defending its designation. Company agrees that it shall defend and cooperate in the defense of an action against the State of New Jersey arising from or related to the non-disclosure, due to the Company's request, of documents submitted to the State of New Jersey, and relating to a Quote submitted by the Company in response to the above referenced Bid Solicitation, which was the subject of a request for government records under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq. ("OPRA"), or the common law right to know. The Company further agrees to indemnify and hold harmless the State against any judgments, costs, or attorneys' fees assessed against the State in connection with any action arising from, or related to, the non-disclosure, due to the Company's request, of documents submitted to the State, which are the subject of a request for government records under OPRA.

The Company makes the forgoing agreement with the understanding that the State may immediately disclose any documents withheld without further notice if the Company ceases to cooperate in the defense of an action against the State arising from or related to the above described non-disclosure due to the Company's request, and will disclose such documents withheld if so ordered by a court of competent jurisdiction.

The undersigned certifies that s/he is duly authorized to make this commitment on behalf of the Company.

Company Name

Signature

Date

Print Name and Title

DESCRIPTION OF VENDOR REQUESTED QUOTE REDACTIONS*

Quote Section, Form or Document	Page Number	Paragraph and/or line	Description of item to be redacted	Statutory or other legal reason for each requested exemption

* Home address and/or unlisted telephone/cell phone numbers must be listed on this form if they are to be redacted.

ATTACHMENT A10



**STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY**

**33 WEST STATE STREET, P.O. BOX 0230
TRENTON, NEW JERSEY 08625-0230**

**VENDOR/BIDDER CERTIFICATION AND POLITICAL CONTRIBUTION DISCLOSURE FORM
PUBLIC LAW 2005, CHAPTER 271**

CONTRACT #: _____ **VENDOR/BIDDER:** _____

At least ten (10) days prior to entering into the above-referenced Contract, the Vendor/Bidder must complete this Certification and Political Contribution Disclosure Form in accordance with the directions below and submit it to the State contact for the referenced Contract.

NOTE that the disclosure requirements under Public Law 2005, Chapter 271 are separate and different from the disclosure requirements under Public Law 2005, Chapter 51 (formerly Executive Order 134). Although no Vendor/Bidder will be precluded from entering into a contract by any information submitted on this form, a Vendor's/Bidder's failure to fully, accurately and truthfully complete this form and submit it to the appropriate State agency may result in the imposition of fines by the New Jersey Election Law Enforcement Commission.

DISCLOSURE

The following is the required Vendor/Bidder Disclosure of all Reportable Contributions made in the twelve (12) months prior to and including the date of signing of this Certification and Disclosure to: (i) any State, county, or municipal committee of a political party, legislative leadership committee, candidate committee of a candidate for, or holder of, a State elective office, or (ii) any entity that is also defined as a "continuing political committee" under N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.

The Vendor/Bidder is required to disclose Reportable Contributions by: the Vendor/Bidder itself; all persons or other business entities owning or controlling more than 10% of the profits of the Vendor/Bidder or more than 10% of the stock of the Vendor/Bidder, if the Vendor/Bidder is a corporation for profit; a spouse or child living with a natural person that is a Vendor/Bidder; all of the principals, partners, officers or directors of the Vendor/Contractor and all of their spouses; any subsidiaries directly or indirectly controlled by the Vendor/Bidder; and any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the Vendor/Bidder, other than a candidate committee, election fund, or political party committee.

"Reportable Contributions" are those contributions that are required to be reported by the recipient under the "New Jersey Campaign Contributions and Expenditures Reporting Act," P.L. 1973, c.83 (C.19:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-10.1 et seq. As of January 1, 2005, contributions in excess of \$300 during a reporting period are deemed "reportable."

Name and Address of Committee to which a Reportable Contribution was made	Date of Reportable Contribution	Amount of Reportable Contribution	Contributor's Name
<i>Indicate "NONE" if no Reportable Contribution was made.</i>			
		\$	
		\$	
		\$	
		\$	

Attach additional sheets if necessary

CERTIFICATION

I, the undersigned, certify that I am authorized to execute this certification on behalf of the Vendor/Bidder, that the foregoing information and any attachments hereto, to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying on the information contained herein, and that the Vendor/Bidder is under a continuing obligation from the date of this certification through the completion of any contract(s) with the State to notify the State in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I will be subject to criminal prosecution under the law, and it will constitute a material breach of **my** agreement(s) with the State, permitting the State to declare any contract(s) resulting from this certification void and unenforceable.

Signature

Date

Print Name and Title

ATTACHMENT A11

**STATE OF NEW JERSEY
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY**

**Disclosure Report of Political Contributions
by Investment Management Firm**

Pursuant to N.J.A.C. 17:4A-3.5, promulgated by the Board of Trustees (the "Board") for the Police and Firemen's Retirement System of New Jersey (the "PFRSNJ"), each investment management firm seeking to provide investment management services to the Board is required to disclose prior to engagement, on a form provided by the PFRSNJ, all political contributions and payments to political parties made or paid by the firm, its parent company, or any other controlling person or entity, any investment management professional associated with the firm, any political action committee controlled by any of the above persons or entities, or any third party solicitor associated with the firm. Each investment management firm that is engaged by the PFRSNJ is further required to make quarterly disclosures by the last day of the month following the end of each calendar quarter during the term of engagement; provided, however, that no report is required for any calendar quarter in which the investment management firm has no additions or revisions to information that was already reported in a prior report. (All terms used in this form have the definitions set forth in the Appendix to this form.)

Name of Investment Management Firm: _____

Disclosure Report Period (check one):

Initial Report:

From: _____
(Two years prior to date of engagement)

Through: _____
(Date of engagement)

Quarterly Report:

From: _____
(First day of calendar quarter)

Through: _____
(Last day of calendar quarter)

Part 1: Designation of Investment Management Professionals

Please provide, in the table below, the names of those persons who qualify as “investment management professionals,” using the attached definition, and a brief description of the activities that cause such person to be an investment professional (e.g. investment manager, advisor/manager to investment management entity, financial advisor/consultant, client development, solicitation of business, supervisor, member of executive management committee).

Attach additional sheets, if necessary.

Name of Investment Professional	Description of Activities
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	

Check here if there are no changes from the investment management professionals previously designated by the investment management firm:

Check here if investment management professionals are listed on a separate page:

Part 2: List of Political Contributions and Payments to Political Parties

Please provide the requested information in the following table with respect to all political contributions and payments to political parties made by:

1. The investment management firm, its parent company, or any other person or entity that controls the investment management firm;
2. Any investment management professional listed in Part 1;
3. Any third party solicitor associated with the investment management firm¹;
4. Any political action committee controlled by the investment management firm, its parent company, or any other entity that controls the investment management firm, or by an investment management professional of such investment management firm or controlling entity; or
5. Any individual or entity for the 12-month period prior to such individual or entity becoming an investment management firm, investment management professional, or third party solicitor.

Political contributions made to State officials for whom the contributor was/is entitled to vote need not be reported so long as such contributions did/do not exceed \$300.00 per State official per election. Payments to a political party need not be reported, so long as such payments did/do not exceed \$300.00 per political party per year. Political contributions and payments to a political party listed on an earlier Disclosure Report need not be restated on this Disclosure Report.

Attach additional sheets, if necessary.

Name and Address of Person or Entity Making Political Contribution or Payment to Political Party:	Name and Title of State Official or Political Party Receiving Political Contribution or Payment to Political Party:	Amount and Date of Political Contribution or Payment to Political Party:

Check here if contributions or payments are listed on a separate page:

¹ A third party solicitor shall include any “indirect” solicitor known to be compensated by the “primary” solicitor to solicit investment management business from the State or State official on behalf of the investment management firm.

Part 3: Exemptions from Disqualifications Pursuant to N.J.A.C. 17:4A-3.9

Pursuant to N.J.A.C. 17:4A-3.9, an investment management firm that would otherwise be prohibited from being engaged to provide investment management services to the Board under N.J.A.C. 17:4A- 3.2 shall be exempt from such prohibition if the investment management firm demonstrates in writing that: (1) the investment management firm discovered such contribution or payment (which contribution or payment did not exceed \$300.00) within four (4) months of the date of contribution or payment and the contributor obtained a return of the contribution or payment within sixty (60) calendar days of the date of discovery; or (2) the violation of N.J.A.C. 17:4A-3 caused by such contribution or payment was unintentional and inadvertent, and the Board determines that the beneficiaries of the PFRSNJ, the State taxpayers, and the public are best served by such an exemption.

Only one (1) exemption is available for each investment management professional or third party solicitor (regardless of time period), and the investment management firm is entitled to not more than two (2) exemptions in any 12-month period.

Please provide the requested information in the following table with respect to all exempt political contributions and payments to political parties.

Name and Address of Person or Entity Making Political Contribution or Payment to Political Party:	Name and Title of State Official or Political Party Receiving Political Contribution or Payment to Political Party:	Amount and Date of Political Contribution or Payment to Political Party:	Date of Discovery/Date of Return of Political Contribution or Payment to Political Party:	Date of Exemption:

Part 4: Information Regarding Third Party Solicitors

Please provide in the following table the name and business address of any third party solicitor, the services provided by the solicitor, the compensation arrangement between the investment management firm and the solicitor for such services, and the total dollar amount of payments made to the solicitor during the report period. The disclosure below should include any “indirect” solicitor known to be compensated by the “primary” solicitor to solicit investment management business from the State or a State official on behalf of the investment management firm.

Attach additional sheets, if necessary.

Name and Business Address of Solicitor:	Services Provided by Solicitor:	Summary of Terms of Compensation (indicate whether payment is made to primary or indirect solicitor):	Total Dollar Amount of Payments Made to Solicitor During Report Period:

Check here if third party solicitors are listed on a separate page:

Check here if supporting documentation is attached:

I hereby certify as an officer or authorized representative of the investment management firm identified below that such investment management firm has not either directly or indirectly, through or by any other person or any means whatsoever, done any act which would violate the provisions of N.J.A.C. 17:4A-3.2 or 3.3. I further certify that, to the best of my knowledge and belief, the foregoing statements and disclosure made by me are true, accurate and complete. I am aware that if any of the statements are willfully false, I am subject to punishment.

Name of Investment Management Firm: _____

Signed:

Print Name: _____

Title: _____

Date: _____

Appendix

DEFINITIONS

For the purposes of this Disclosure Report, the following words and terms shall have the following meanings, as provided in N.J.A.C. 17:4A-1, unless the context clearly indicates otherwise:

“Control” means the power to exercise a controlling influence over the management or policies of an investment management firm or political action committee.

“Investment management firm” means one or more natural persons, corporations, partnerships, or other entities, incorporated or unincorporated, that provide investment management services.

“Investment management professional” means:

1. Any person associated with an investment management firm who is primarily engaged in the provision of investment management services;
2. Any person associated with an investment management firm involved in client development or the solicitation of business from pension fund clients, including pension fund clients other than the PFRSNJ;
3. Any person associated with an investment management firm who is a supervisor of any person described at paragraphs 1 or 2 above, up through and including, the chief executive officer or similarly situated official; or
4. Any person associated with an investment management firm, its parent company, or any other entity that controls the investment management firm, who is a member of the executive or management committee of such firm or controlling entity, or similarly situated officials, if any.

“Investment management services” means:

1. The business of making or recommending investment management decisions for, or on behalf of, the PFRSNJ;
2. The business of advising or managing a separate entity that makes or recommends investment management decisions for, or on behalf of, the PFRSNJ, including as general partner, investment manager, or similar entity of an investment vehicle; or
3. The provision of financial advisory or investment consulting services to the PFRSNJ.

“Payment” means any gift, subscription, loan, advance, or deposit of money or anything of value.

“Political contribution” means any gift, subscription, loan, advance, or deposit of money or anything of value made:

1. For the purpose of influencing any election for State office;
2. For the purpose of influencing any election for local office by a person who is also a State official or an employee or advisor of either the State or a State official;

3. For payment of debt incurred in connection with any such election; or
4. For transition or inaugural expenses incurred by the successful candidate in any such election.

“Political party” means any political party or political committee organized in the State, including, without limitation, State legislative leadership committees, county committees, and independent committees. The term “political party” does not include a Federal or national campaign committee or a non-State political committee, even if such Federal or national or non-State political committee makes payments or contributions to which this subchapter would otherwise apply.

“State official” means any person (including any election or political action committee for such person) who was, at the time of the political contribution, an incumbent, candidate, or successful candidate for Governor or for a seat in the Legislature. Communication with a State official includes communication with the employees and advisors of such official.

“Third party solicitor” means a third-party placement agent or lobbyist who solicits investment management business through direct or indirect communication with a State officer, employee, or official on behalf of an investment management firm, but does not include any person whose sole basis of compensation from the investment management firm is the actual provision of legal, accounting, engineering, real estate, or other professional advice, services, or assistance. The term “third-party solicitor,” when used with respect to a particular investment management firm, shall not include a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the investment management firm; a third-party placement agent or lobbyist who solicits clients other than the PFRSNJ to engage that investment management firm to provide investment management services; or a third-party placement agent or lobbyist who solicits the PFRSNJ on behalf of another investment management firm.

ATTACHMENT B
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

TECHNICAL REQUIREMENTS AND QUESTIONS

MINIMUM REQUIREMENTS

- B.1 Describe specifically how your firm and its personnel meet each of the Minimum Requirements listed in this RFP (Section 1.3).

FIDUCIARY STATUS

- B.2 Will your firm contract as a fiduciary?

OPERATIONAL DUE DILIGENCE & COMPLIANCE

Please answer all applicable/relevant questions.

- B.3 Please provide a brief history of your firm, including when the firm was founded and any changes in ownership over time (including names and dates).
- B.4 Describe your firm's current capital structure and ownership structure. Also describe the extent to which your firm's investment professional's own equity in the firm.
- B.5 Please give succession plans for key employees. Please note if retirements are planned within two years.
- B.6 Is your firm, parent, or any affiliate a broker/dealer? Does your firm trade for client accounts through this broker/dealer? If, so what percentage of your total trades are through your broker/dealer?
- B.7 Does your firm calculate and present account performance in compliance with the CFA Institute's Global Investment Performance Standards (GIPS)? If so, please include a copy of the most recent verification report. If the composite performance presented above is not in compliance with GIPS, please describe why.
- B.8 Does your firm have any affiliates and/or controlling parties? If so, please describe.
- B.9 What is the legal structure of your firm?
- B.10 Have there been changes in your firm's ownership over the last five years? Does your firm contemplate any changes in ownership within the next 12 months?

- B.11 Please comment on the financial solvency of your firm.
- B.12 What is the minimum asset level required for your firm to remain profitable?
- B.13 Please provide the date the firm was first registered with the SEC along with a copy of your current Form ADV Parts I and II.
- B.14 Is your firm a registered investment advisor under the Investment Advisors Act of 1940?
- B.15 Describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or any of its current or past owners, principals or employees in the past five (5) years immediately preceding your response to this RFQ. Include: (i) the nature and current status of the matter; (ii) the individuals involved; (iii) the findings/resolution, if any, and provide a copy of any decision or report; (iv) describe any changes to your firm's internal procedures and/or controls that were implemented as a result of such litigation/investigation.
- B.16 List any sanctions or penalties brought against your firm or any of its personnel (including suspension and disbarment) by any regulatory or licensing agencies over the past 7 years. Include a description of the reasons for the sanctions or penalties and whether such sanctions are subject to appeal.
- B.17 Identify any existing or potential conflicts of interest, or any relationship that might be considered a conflict of interest that may affect your ability to serve the Board.
- B.18 Please describe the firm's internal controls designed to assure compliance with the Fund/Firm's Investment Policy prohibited transaction provisions.
- B.19 Outline the levels of insurance that your firm has in the following areas: fidelity bonds, errors and omissions insurance, or any other insurance coverage the firm has to indemnify clients against losses and/or misconduct.
- B.20 Is your firm a Qualified Professional Asset Manager as defined in Department of Labor PTE 84-14?
- B.21 Who is your designated Chief Compliance Officer? How many employees are in the compliance function? Please provide biographical data and areas of responsibility for all senior compliance staff.
- B.22 Please provide a copy of the Table of Contents for your Compliance Manual and Code of Ethics. Have there been any material breaches of compliance of your code of ethics in the past five years?
- B.23 Does your firm's compliance policies allow staff to own individual securities? If so, please describe how that does not constitute a conflict of interest with regards to the allocation of employees' time and research efforts between your clients and the employee's own personal investments.
- B.24 Has your firm adopted the CFA Institute's Code of Ethics?

- B.25 When was that last time your firm was audited by the SEC/FINRA or other regulatory entity? Why were you audited and what were the findings?
- B.26 Does your firm and/or the product have audited financial statements prepared annually? If so, please provide the most recent audited financial statements.
- B.27 Do you perform daily trade and settlement reconciliation with custodian banks and brokers?
- B.28 Do you have a formal disaster and data recovery plan in place? Briefly describe and include the name of any third-party providers that assist in the plan.
- B.29 Is your data backed up real time or daily? Where is the backup data stored? Has the system been tested, when and how often? Does the plan include pandemic-related issues?
- B.30 Describe your data integrity and protection plans, including the names of any third-party providers you use.
- B.31 Does your firm currently have cybersecurity insurance coverage? If so, what types of incidents are covered by the plan? Please provide the declaration page showing the carrier's name, amount of coverage, policy number and expiration date.
- B.32 Has your firm engaged a third-party to perform a cybersecurity assessment (advise on connectivity, non-compliant systems etc.)? If so, please provide the name of the firm that completed the assessment, summarize the results of the assessment and any actions taken based on the assessment.
- B.33 Does the firm have an incident report policy? If so, is the incident response plan tested at least annually?
- B.34 Has the firm had any cybersecurity-related incidents, impacts to business, or user/client experience? If so, describe.
- B.35 Do you engage third parties for ongoing cybersecurity management? If so, which service providers do you use and what functions do they perform?
- B.36 Please review the attached Investment Regulations for PFRSNJ. Please outline the impact these regulations will have on the ability for you to manage your strategy.
- B.37 Please disclose any third-party marketing relationships your firm has. Please disclose any relationships involved or may be involved with the PFRSNJ relationship.
- B.38 Please list all strategies your firm manages in this asset class.
- B.39 Include a description of the participation of women, minorities, and/or LGBTQ+ persons in your firm.

B.40 What is the state of incorporation of your firm? Also, describe your firm’s physical presence in the State of New Jersey, including number of offices, the number of employees and type of business activity conducted in the State.

FIRM

B.41 Provide your firm’s name, headquarters mailing address, and headquarters telephone number including country code.

B.42 Provide the following information of the individual(s) completing this RFP: name, phone number, e-mail address, and business address (if different from above).

B.43 Provide the address of the office that would service this account.

B.44 Indicate whether your firm has a physical presence in the United States. Identify if anyone involved with the proposed strategy works primarily in the United States.

- B.45 Provide the classification of your firm:
- Bank
 - Insurance company
 - SEC-registered investment advisor
 - Non-U.S. registered investment manager. Provide country: _____
 - Other: _____

B.46 Describe the firm’s ownership structure by percentage. List any individual or entity that controls more than 50% of the firm. Indicate if there have been any material changes to the firm’s ownership structure in the last five years. State if any material ownership changes are planned or anticipated at this time.

B.47 Complete the following table, listing the number of individuals in each job function. If individuals hold multiple job functions, only count them once under their primary responsibility.

	Strategy	Other Products	Total
Management			
Portfolio Managers/Advisors			
Economic Analysts			
Research Analysts			
Traders			
Operations / IT			
Client Service / Marketing			
Legal / Compliance			
Other			
Total			

B.48 Complete the following tables, listing the investment personnel who joined or departed the firm over the last five years, and indicate whether they were or are involved with managing the proposed strategy.

Additions to Staff

Name	Title	Product or Area of Responsibility	Date Joined Firm

Departures from Staff

Name	Title	Product or Area of Responsibility	Date Joined Firm	Date Left Firm	Reason

- B.49 Describe the firm’s compensation program for investment professionals, including a description of any deferred bonus, profit sharing, or equity arrangements. Please be as thorough as possible without being specific to any individual.
- B.50 Indicate whether your firm is a parent, subsidiary, or affiliate of another firm and describe any such relationships. Identify your firm’s ultimate parent firm (if any) and describe the relationship between your firm and its ultimate parent firm.
- B.51 Indicate whether your firm is a Minority or Women Owned Business Enterprise (MWBE)? If so, describe the factors that qualify your firm as an MWBE.
- B.52 Indicate who conducts marketing for the firm’s strategies: client service or marketing staff, portfolio managers/advisors, and/or third-party marketing firms.
- B.53 Does your firm utilize third-party marketers? Are third-party marketers involved in this bid?
- B.54 Discuss to what extent key employees’ personal and retirement investment assets are invested in your firm’s investment strategies.
- B.55 Provide a breakdown of the firm’s assets under management (“AUM”) by investment vehicle, e.g., separate account, commingled trust, mutual fund, exchange-traded fund, etc.
- B.56 For each vehicle type, include the percentage of total firm AUM and the number of accounts.
- B.57 Provide a breakdown of the firm’s AUM by investor type, e.g., pension, endowment, family office / high net worth, Taft-Hartley, corporate, insurance, etc. For each investor type, include the percentage of total firm AUM and the number of accounts.
- B.58 Provide the firm’s total AUM for each of the last six years as of calendar year-end.

B.59 Provide information regarding your firm’s five largest public fund clients. Provide the name (if allowed to disclose), the product(s) they are invested in, and the amount of assets you manage for them in each product.

Client Names	Product(s)	Assets (\$MM)	% of firm assets
Public #1			
Public #2			
Public #3			
Public #4			
Public #5			

B.60 Specify if your firm regularly reconciles its record of securities positions and market values with client account custodial statements. If so, provide an example of a recent reconciliation. If not, explain why.

B.61 Indicate whether your firm has any clients that require pre-trade approval.

RISK MANAGEMENT

B.62 Specify if your firm has a dedicated risk management and oversight officer or function. Indicate whether this officer/function operates independently from portfolio managers/advisors or other staff responsible for establishing investment policy. If there is no dedicated risk management and oversight officer, describe how the firm monitors investment risk and by whom it is monitored.

B.63 Indicate if your firm has undergone an independent evaluation of its internal control policies and procedures. If so, provide a copy of the evaluation. Highlight your firm’s internal control policies and procedures related to the investment process, including but not limited to:

- Portfolio trade processing
- Portfolio accounting and reconciliation
- Compliance with firm and client-specified investment guidelines

B.64 Describe how exceptions to client-specific investment guidelines are identified and maintained. Specify who internally receives reports of such exceptions and the procedures for reversing non-compliant trades. Indicate if your firm has formal audit and reconciliation procedures to monitor compliance with written policies and regulatory requirements.

PROPOSED INVESTMENT STRATEGY

B.65 Provide a breakdown of the proposed strategy’s AUM by investment vehicle, e.g., separate account, commingled trust, mutual fund, exchange-traded fund, etc. For each vehicle type, include the percentage of total strategy AUM and the number of accounts.

B.66 Provide a breakdown of the proposed strategy’s AUM by investor type, e.g., pension, endowment, family office / high net worth, Taft-Hartley, corporate, insurance, etc. For each investor type, include the percentage of total strategy AUM and the number of accounts.

- B.67 Provide the proposed strategy’s total AUM for each of the last six years as of calendar year-end.
- B.68 Specify the capacity of the product(s) and describe how it is determined.
- B.69 Provide a representative client list for the proposed strategy and at least three client references, at least one of which is based in the United States. Include the client’s name, the length of the relationship, and the client’s e-mail address and phone number.
- B.70 Indicate the number of clients that have terminated accounts for the proposed strategy over the last three years. Provide a breakdown of the clients by investor type, approximate market value of the account, and reason for the termination.
- B.71 Provide information regarding the five largest clients in the proposed strategy. Provide the name (if allowed to disclose), and the amount of assets.

Client Names	Assets (\$MM)	% of strategy assets
Client #1		
Client #2		
Client #3		
Client #4		
Client #5		

- B.72 Provide the number of accounts gained and lost in each of the last five calendar years. Also provide the market value of the assets gained and lost:

Year	Gains		Losses	
	Number of Accounts	Market Value	Number of Accounts	Market Value

- B.73 Specify the benchmark(s) your firm utilizes to evaluate the performance of the proposed strategy.
- B.74 Complete the following table to identify all principal officers, portfolio managers/advisors, and analysts involved in managing the proposed strategy.

Name	Title	Years of Industry Experience	Years with Firm	School	Degree

- B.75 Provide the biographies of the key team members managing the proposed strategy, highlighting their experience and expertise.
- B.76 List any other investment strategies that members of this team also manage.
- B.77 Describe the firm’s succession plans for the team managing the proposed strategy.
- B.78 Specify the frequency with which you typically conduct due diligence / performance review meetings with existing clients. Detail the timing and method of communication for significant firm or strategy changes, such as personnel or ownership shifts, to clients and consultants.
- B.79 Briefly describe your firm’s investment philosophy for the proposed strategy. How has it changed since the inception of the proposed strategy?
- B.80 Describe in detail your firm’s investment process for the proposed strategy. If applicable, discuss any screening process, macroeconomic analysis, sector analysis, security analysis, technical analysis, risk modeling, and portfolio construction methods.
- B.81 Describe the team’s competitive edge that has the ability to generate excess returns.
- B.82 Describe how your firm’s investment process for the proposed strategy is differentiated from and superior to those of peers. Indicate why your firm believes that this investment process will be successful in the future.
- B.83 Describe the importance of sell-side research relative to internally-generated research within your investment process.
- B.84 Describe the relative importance of quantitative analysis, fundamental analysis, and technical analysis within your investment process.
- B.85 Describe the role that quantitative analysis plays in your risk management and portfolio construction process.
- B.86 Under what economic and/or market scenarios is the portfolio likely to outperform its benchmark? Please provide examples.
- B.87 Under what economic and/or market scenarios is the portfolio likely to underperform its benchmark? Please provide examples.
- B.88 Relative to the MSCI Emerging Markets Small Cap Index, has the portfolio historically been distinguished by any particular factor(s) such as value, dividend yield, volatility, quality, momentum, etc.?
- B.89 Relative to the MSCI Emerging Markets Small Cap Index, has the portfolio historically been distinguished by any particular region, country, sector, or industry exposures?
- B.90 Specify any targeted active share or tracking error for the proposed strategy.

- B.91 With the exception of client-specific guidelines, do you use a model portfolio for client accounts? Do individual portfolio managers/advisors have discretion to construct portfolios that are unique to their perspective clients?
- B.92 Confirm if there is an investment committee and describe its role in the investment process. Specify the level of oversight the investment committee has over individual portfolio manager/advisor decisions.
- B.93 Describe the types of research services, computer software, securities databases and pricing sources utilized as part of your investment process. Do you use any proprietary analytical programs or models? If so, describe them.
- B.94 State the recommended ranges for region, country, sector, and industry relative to the benchmark. Identify any other categories monitored relative to the benchmark and specify their allowed ranges.
- B.95 Specify the recommended concentration limits on individual securities.
- B.96 Describe the expected cash allocation within the portfolio.
- B.97 Describe the approach to managing non-USD and USD currency exposures in the portfolio, specifically in relation to hedging strategies.
- B.98 Indicate the typical number of securities held for the proposed strategy.
- B.99 Indicate the typical holding period for the proposed strategy.
- B.100 Indicate the average annual turnover for the trailing 10-year period for the proposed strategy.
- B.101 Describe the sell criteria for the proposed strategy.
- B.102 Describe how, if at all, you utilize currency hedges, cross hedges, and/or overlays. Please provide recent examples, if any.
- B.103 List the recommended asset classes for the proposed strategy.
- B.104 Describe your firm's intention to use a subcontractor(s), if any, for the proposed strategy.
- B.105 Review the proposed Investment Advisor Agreement and the included guidelines. Determine if the proposed strategy can be managed within the current constraints of the Investment Advisor Agreement and the guidelines. Specify any recommended changes to the guidelines to better align them with the proposed strategy.
- B.106 State the legal structure of this investment product (e.g., CIT, UCITS, '40 Act Mutual Fund, LP). Indicate the domicile of each legal structure. If multiple structures are available, describe each in detail.
- B.107 Provide a copy of your IRS Code Section 408(b)(2) Fee Disclosure Statement for each legal structure and share class for the product.

B.108 Provide a copy of the governing documents, i.e., Offering Memorandum, Trust or Prospectus, along with any Subscription Documents and disclosure statements.

B.109 Provide a list of all the individual securities currently held in each product structure for the referenced strategy.

PORTFOLIO CHARACTERISTICS

B.110 State the frequency with which your firm provides periodic reports to clients on account holdings, investment characteristics, and performance.

B.111 Provide the sector exposures for the proposed strategy and the MSCI Emerging Markets Small Cap Index, based on the most recent available data.

B.112 Provide the country exposures for the proposed strategy and the MSCI Emerging Markets Small Cap Index, based on the most recent available data.

B.113 Provide the weighted average market capitalization of the portfolio's holdings.

B.114 Provide the portfolio's average active share over the last five years.

PERFORMANCE

B.115 Provide the following data for the proposed strategy: 3- and 5-year Beta, Sharpe ratio, R-squared, tracking error, and standard deviation vs. the MSCI Emerging Markets Small Cap Index.

B.116 Provide the following information regarding the dispersion of account returns within the composite being presented for the previous five calendar years:

	20xx	20xx	20xx	20xx	20xx
Composite Return					
Best Performing Account					
Worst Performing Account					
25th Percentile Account					
75th Percentile Account					
Std. Deviation					

B.117 Provide the upside and downside capture for the last five years, using monthly data.

B.118 Explain how the firm controls dispersion of returns among client accounts with similar investment mandates.

B.119 For the previous ten calendar years (on an annual and quarterly basis), provide attribution analysis by country, sector, and quintile/bin ranges for any unique characteristics to your portfolio (e.g., ROIC, dividend yield, etc.). Please provide any commentary on the attribution below.

B.120 Describe any periods when performance failed to meet expectations and what changes were made thereafter, if any, to your investment process.

- B.121 If the product has targeted levels for absolute or excess return (alpha) and risk or active risk (tracking error), describe those targets as well as when and how they were established.
- B.122 Describe how the performance composite presented is constructed, including the number of accounts in the composite, total assets and percentage of firm assets represented by the composite, and whether segments of multi-asset accounts (e.g., the equity only portion of balanced accounts) are included in the composite.
- B.123 Specify if you target a particular ratio (e.g., information ratio) for the proposed product/strategy.
- B.124 Provide a copy of the most recent marketing presentation for the proposed strategy.
- B.125 Describe your securities pricing policies. What percentage of your holdings do not have daily publicly-traded prices? Describe in detail the process for valuing these securities. Is a third party involved, who and in what capacity?

TRADING

- B.126 Describe your trading practices. Indicate whether you have full-time traders or if portfolio managers/advisors handle trading. Provide biographical background information for all dedicated traders.
- B.127 Describe your trading systems and how they are integrated with your securities pricing systems, your risk/compliance systems, and the portfolio accounting system.
- B.128 Specify the trade order compliance systems you use to pre-clear trades and ensure they adhere to client-specific investment policy guidelines.
- B.129 Explain how you ensure trade orders are allocated properly to avoid disadvantaging any client in the trading process.
- B.130 Describe your process for selecting brokers for trading. Detail how you allocate trades among these brokers.
- B.131 State your average trading cost. Indicate if you have third-party evaluations of your trading costs, and if so, provide the evaluator's name and the results.
- B.132 Indicate whether your firm directs commissions at the request of any clients.
- B.133 Specify any trading cost differential between directed trades and your normal execution.
- B.134 Indicate the percentage of your firm-wide trades that are soft-dollar trades.
- B.135 State the annual total dollar value of your firm's soft dollar trades and specify the services they cover.
- B.136 Provide the percentage of your firm's trades executed through electronic crossing networks and dark pools.

CLIENT SERVICE

- B.137 Describe how the account will be serviced. Detail the division of client service and communication responsibilities among portfolio managers/advisors, client service, and marketing professionals. Specify how often portfolio managers/advisors meet with clients to review portfolios.
- B.138 List the primary individual(s) that would be your firm's primary client relationship contact for this account, their physical location, and provide their biography.
- B.139 Provide your current fee schedules for the proposed strategy, including all versions of the product (e.g., SMA, commingled fund, mutual fund). Include the minimum dollar size investment required for each. Indicate if there are different fee classes or founder share fee classes with varying fee schedules. Specify if clients receive fee breaks for using multiple investment strategies from your firm.
- B.140 Indicate the notice period required for redemptions and the timing for cash availability after valuation (e.g., T+1).
- B.141 Indicate how much notice is required for contributions and/or withdrawals.
- B.142 Specify if you require a transaction/trade form for contributions or withdrawals. If so, provide a copy of the applicable documentation for processing transactions.
- B.143 Provide a sample client reporting package.

United Nations Principles for Responsible Investment Questions (ESG Questions). For these UNPRI questions, please answer any relevant questions.

- B.144 Does your investment policy refer to your ESG integration practices? If so, please enclose.
- B.145 Which person/team/committee is responsible for implementing a responsible investment program and who is responsible for ESG analysis within the investment process?
- B.146 Does your organization have a dedicated ESG team?
- If so, then please describe:
 - how the investments team works with the ESG team;
 - the ESG team's responsibilities and how their work is used by the investments team;
 - how the ESG team interacts with the investments team and how often;
 - where the ESG team is located relative to the investment advisors (e.g., same building, same floor).
 - If not, please describe
 - if mainstream analysts/managers/advisors have been trained on ESG issues, and how;
 - what ESG research mainstream analysts/managers/advisors conduct.

- B.147 What are some specific examples of how ESG factors are incorporated into your investment analysis and decision-making process (e.g., asset allocation, definition of the investment universe, portfolio construction, fundamental or sector analysis, stock selection)?
- B.148 What ESG data, research, resources, tools and practices do you use to integrate ESG factors into your investment process, valuations and decisions?
- B.149 What weighting do ESG factors have on the decision-making process and investment decisions?
- B.150 How often do you review the ESG risk exposure of the portfolio and how often do you review your past ESG research and investible universe?
- B.151 How do you attend to both financial and ESG criteria during stock analysis and portfolio construction?
- B.152 How do your active ownership practices impact investment decisions?
- B.153 What are some specific examples of how information acquired from voting and engagement activities translates into investment decisions?
- B.154 How are portfolio managers/advisors involved in active ownership activities?
- B.155 How often and how (e.g., meetings, written reports) will you report on ESG integration activities and performance?
- B.156 How do you communicate your ESG integration performance to your stakeholders (e.g., investors, staff, consultants, service providers, intermediaries)?

Diversity, Equity, and Inclusion

- B.157 Provide your firm's Diversity, Equity, and Inclusion ("DEI") policy. Describe details on its implementation and practices.
- B.158 How does your firm measure and track its DEI efforts at different levels (internal, external, portfolio company, Board, etc.)?
- B.159 Does your firm have an internal DEI Officer, Committee, or similar role? Describe its function within the firm and within the investment process.
- B.160 Describe your firm's process to recruit, develop, promote, and retain diverse talent within your organization.
- B.161 Describe how your firm's proxy policies address DEI topics.
- B.162 Is your firm a member or signatory of any DEI focused organizations? Please list them.
- B.163 Does your firm utilize any internal or third-party DEI research to assist in its DEI initiatives or the investment process? Provide the source of the research or product used.

B.164 Report on the number and percentage of female, disabled, veteran, and racially diverse talent hired overall (all positions, including Admin/Entry Level) at your firm.

B.165 Report on the number and percentage of female, disabled, veteran, and racially diverse talent promoted to senior management / executive level positions.

ATTACHMENT C
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Advisory Fee Schedule and Calculation

For such time as the Agreement shall be in effect, the Client agrees to pay the Advisor for services rendered hereunder for the preceding quarter within sixty (60) calendar days after the advisor invoice has been received by the Client. The advisory fee will be calculated in adherence to the fee schedule below and based on the total Net Asset Value (NAV) of the account determined by the Client's custodian on the last calendar day of the preceding quarter. The fee shall be calculated on a pro-rata basis in the event contributions or liquidations occur during the billing quarter. The formula to be utilized in calculating this proration of fees is shown below and uses actual rather than standard days. Contributions or liquidations based on Transfers-In-Kind will use Close Of Business (COB) prices using the Client's established pricing waterfall applied by the Client's custodian to determine value of Transfer Amount. Prices will be as of the COB the last business day prior to transfer date. The Client may add to or reduce account assets at its sole discretion any time in the future upon written notice to the Advisor.

Annual Fee Schedule

Formula

NAV_f = Net Asset Value of account on final business day of the billing quarter from Custodial Accounting records
R = Applicable Rate from fee schedule above
D_q = Days in billing quarter
D_y = Days in billing year
TA = Transfer Amount (contribution or liquidation)

For contributions (quarterly fee less days the contribution were NOT in the account):

Total Qtrly Fee = (NAV_f)*(R)*(D_q/D_y) – (TA)*(R)*(Date of Transfer – End Date of Previous Quarter)/D_y

For liquidations (quarterly fee less days the contribution were NOT in the account):

Total Qtrly Fee = (NAV_f)*(R)*(D_q/D_y) + (TA)*(R)*(Date of Transfer + End Date of Previous Quarter)/D_y

Assumptions

- Day count for first period does not include the partial funding date.
- In the event multiple contributions or liquidations occur during a billing quarter, the adjustments will be applied in reverse chronological order. The last contribution or liquidation will be subtracted/added to the quarterly fee first, followed by the second to last contribution or liquidations. This will continue until all contributions or liquidations are accounted for.
- The minimum fee paid by the Client to the Advisor will be \$0.00

Fee calculation example:

If the fee schedule is:

NAV _f is \$0 - \$250,000,000	30 bps
NAV _f is >\$250,000,000 and <= \$500,000,000	25 bps
NAV _f is > \$500,000,000	20 bps

Net Asset Values and Transfer Amounts/Dates

3/31/2024	\$240,000,000	
6/30/2024	\$550,000,000	(6/30/2024 – 3/31/2024 = 91 days)
4/16/2024	\$60,000,000 Contribution	(4/16/2024 – 3/31/2024 = 46 days)
5/16/2024	\$250,000,000 Contribution	(5/16/2024 – 3/31/2024 = 16 days)
Days in 2024 = 366		

The hypothetical Q22024 Advisory Fee would be calculated as follows:

Quarterly Fee	+ [250,000,000*0.0030 + 250,000,000*0.0025 + 50,000,000*0.0020]*(91/366)] =	\$366,734.97
Last 250MM Contr.	- [50,000,000*0.0020*(46/366) + 200,000,000*0.0025*(46/366)] =	\$75,409.84
First 60MM Contr.	- [50,000,000*0.0025*(16/366) + 10,000,000*0.0030*(16/366)] =	\$6,775.96
Total Quarterly Advisory Fee		\$284,549.18

ATTACHMENT D
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

Emerging Markets Small Cap Active Investment Guidelines

Emerging Markets Small Cap Public Equity Program

The Emerging Markets Small Cap Public Equity Program is designed for actively managed portfolios that seek to capitalize on investment opportunities in small cap companies across emerging markets. Investment Advisor(s) are entrusted with making recommendations to allocate assets based on their expertise and investment processes, ensuring that their recommendations are aligned with generating long-term capital appreciation.

While flexibility is key to navigating the dynamic and diverse landscape of emerging markets, Investment Advisor(s) must operate within the established investment guidelines. This includes adhering to predefined risk management parameters, sector and country allocations, and permissible investments.

The mandate's primary objective is to outperform the MSCI Emerging Markets Small Cap Excluding Prohibited and Exclusionary Investments Index while carefully considering risk, trading expenses, and other associated costs. The mandate seeks to provide PFRSNJ with exposure to emerging markets small cap equities while balancing the inherent risks in this investment universe. Investment Advisor(s) are expected to refine and adjust the portfolio to capitalize on opportunities and mitigate risks, while remaining within the framework of the mandate's guidelines.

Investment Advisor(s) shall be responsible for making an independent analysis of its securities and their suitability as investments for PFRSNJ. Therefore, Investment Advisor(s) shall adhere to PFRSNJ investment regulations and specific investment, security, liquidity, diversification limits, and performance objectives established in these investment guidelines.

Performance Objective

The performance objective of this mandate is to generate annualized returns in excess of the MSCI Emerging Markets Small Cap Excluding Prohibited and Exclusionary Investments Index over a rolling three-year period, net of fees. It aims to achieve this outperformance while maintaining a risk profile (as measured by standard deviation and tracking error) in line with the guidelines, while controlling for trading costs and other portfolio expenses.

Benchmark

MSCI Emerging Markets Small Cap Excluding Prohibited and Exclusionary Investments Index

Investment Universe

Emerging Markets Small Cap Investment Manager Universe

Risk Management

Decisions as to the number of securities as well as security, sector, and country weights within the portfolio shall be the responsibility of the Investment Advisor as long as they are within the below guidelines.

Individual Security Exposure

- Individual security exposure is limited to a maximum of 5%. ETFs used for country exposure are exempt from these individual security weight limits, while ETFs used for cash management are capped at 2%.

Sector Exposure

- The weight of any sector should not exceed 15% above the benchmark's sector weight. For instance, if a sector has a 20% weight in the benchmark, the portfolio's allocation to that sector must be 0% to 35%.
- Sector exposure will be based on Global Industry Classification Standard (GICS) Level 1.

Geography

- The weight of any country should not exceed 15% above the benchmark's country weight. For instance, if a country has a 20% weight in the benchmark, the portfolio's allocation to that sector must be 0% to 35%.

Market Classification

- A maximum of 20% of the portfolio can be allocated to Developed Markets and Frontier Markets combined. Additionally, no more than 10% of the portfolio can be allocated specifically to Frontier Markets.
- Market classification will follow the MSCI Market Classification guidelines.

Market Capitalization

- A maximum of 15% of the portfolio can be allocated to securities that fall outside the market capitalization range of the index.

Permissible Investments

- Global equity investments
 - Global equity investments mean common stock, convertible and non-convertible preferred stock, rights, convertible debt issues, or any other security representing an ownership interest in a corporation, bank, master limited partnership, limited liability company, limited liability partnership, or other form of legal entity. Global equity

investments may also include investments in exchange-traded funds and closed-end global, regional, or country Funds.

- Foreign currency transactions
- Initial public offerings

Non-Permissible Investments

- Investments listed on the PFRSNJ Prohibited List
- Investments listed on the PFRSNJ Exclusionary List
- Investments not expressly permitted
- Futures
- Derivatives

Overall Account Limitations

- The PFRSNJ's total assets with the Investment Advisor shall not exceed 20.0% of the Investment Advisor's total assets.
- 3.5% limit to private placements.
- The Investment Advisor may retain any distribution received as a result of a corporate action, even if the security distributed does not meet the requirements set forth. If the security does not meet the requirements set forth after receipt, then it shall be prudently disposed of.
- The Investment Advisor may not enter into any short positions, except for forward contracts related to currency.
- The portfolio is expected to remain nearly fully invested, with a preference for minimizing the allocation to cash. The allocation to cash may vary based on the Investment Advisor's discretion if deemed necessary to manage market conditions, risk, or liquidity needs. Any cash in the account will be swept overnight by PFRSNJ.

Global Equities

- The Investment Advisor may invest and reinvest the moneys of the portfolio/fund in global equity investments traded on a securities exchange or the over-the-counter market, or offered and sold through a private placement.
- In addition to the above, the Investment Advisor may:
 - Exercise the rights or conversion privileges of any global equity investment acquired under the Global Equity Investments subchapter of the PFRSNJ investment regulations;
 - Purchase the convertible preferred stock or rights of an entity, or the common stock of such entity that qualifies for investment under the Global Equity Investments subchapter of the PFRSNJ investment regulations;
 - Purchase the convertible debt issue of an entity, or the common stock of such entity that qualifies for investment under the Global Equity Investments subchapter of the PFRSNJ investment regulations;
 - Purchase stock in new public offerings of entities; and
 - Retain any distribution received as a result of a corporate action, even if the security distributed does not meet the requirements of the Global Equity Investments subchapter of the PFRSNJ investment regulations.

- At the time of initial purchase, the following conditions shall be met:
 - The total amount directly invested in the equity and fixed income obligations of any one issuer and affiliated entities that is not a constituent of the index shall not exceed 5.0% of the assets of the fund;
 - The total amount of a particular class of stock directly purchased or acquired of any one entity shall not exceed 10.0% of that class of stock outstanding;
 - The total amount of shares or interests directly purchased or acquired of any one exchange-traded fund or closed-end global, regional, or country fund shall not exceed 10.0% of the total shares outstanding or interests of such fund; and
 - The total amount directly invested in equity investments issued through a private placement by the eligible fund shall not exceed 3.5% of the assets of the eligible fund.

Foreign Currency Transactions

- The Investment Advisor may enter into spot contracts for the purpose of settling investment transactions denominated in foreign currency.
- The Investment Advisor may enter into forward contracts for the purpose of hedging the portfolio.
- At the time of each transaction, the counterparty (or any guarantor pledging its full faith and credit to the transaction) shall have at least two of the three following ratings or one of the following ratings if only one rating is available: a long-term credit rating of Baa2 or higher by Moody's Investors Service, Inc., BBB or higher by Standard & Poor's Corporation, or BBB or higher by Fitch Ratings.
- The portfolio should be unhedged, except when unusual circumstances exist in which hedging would serve to improve and protect the inherent returns of the portfolio.

ATTACHMENT E
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

You are here: [Reference](#) > [Process Server](#) > [Order Imports](#) > Order Import Text File Requirements

Search Tips

Order Import Text File Requirements

This topic describes the Charles River IMS order import file requirements and how to create an order import file. It provides checklists to help you prepare and use your order import file to send orders to the Process Server.

Order Import File Format

The order import file is a tab-delimited text file. It can contain as many records as desired. Each record represents a single allocation on an order. If a record is rejected, all fields, including optional fields, appear in the Reject File.

The following requirements apply to order import text files:

- » Each order record must end with a carriage return. Each field within a record must end with a tab.
- » If you omit an optional field within a record, you must insert a tab for that field. You can omit fields at the end of a record without entering extra tabs. For example, if you omit the Executing Broker ID field, insert a tab before the Basket field value. If a record ends with Limit Price, insert a carriage return after that value.
- » Comment lines must start with a double slash (//).
- » Blank lines are not allowed.

This table lists the order import file fields in the order in which they must appear in the file.

Order	Field	Description	Required/Optional
1	Transaction Type	<p>The Charles River Transaction type for the order. Valid values are:</p> <ul style="list-style-type: none"> » BUYL = Buy » SELLL = Sell » BUYS = Cover » SELLS = Short 	<p><i>Required.</i></p> <p>The value must be uppercase.</p>
2	Security Lookup	<p>The value used to look up the security in the Charles River security table. It may be the Ticker, External Security ID, CUSIP, Sedol, Valoren, RIC, ISIN, or Charles River Security ID.</p>	<p><i>Required.</i></p> <p>For an Oracle database, CUSIP, RIC, SEDOL, or Valoren values must be uppercase. Ticker or External Security ID may be mixed case.</p>
3	Security Lookup Type	<p>A one-character code specifying the type of Security Lookup identifier.</p> <p>Valid values are:</p> <ul style="list-style-type: none"> » T - Ticker » C - CUSIP » E - External Security ID » O - OCC Symbol » I - ISIN » S - Sedol » R - RIC » L - CLIP » V - Valoren » W - WPK 	<p><i>Optional, but recommended.</i></p> <p>If blank, the system checks the Security Lookup value using the sequence that is specified in the SEC_LOOKUP_IDS parameter.</p>

Order	Field	Description	Required/Optional
4	Account Code	The Charles River account code.	<i>Required.</i>
5	Target Quantity	The target quantity for the order. For asset-backed securities, this is the Original Face. Since the Factor cannot be imported for asset-backed orders, the Order Import process will use the value defined in the Security table.	<i>Required.</i>
6	Executing Broker ID	The Charles River code for the executing broker.	<i>Optional.</i>
7	Basket	The Charles River basket into which the order will be placed. The value may be the basket ID or the basket name. Note: It is possible to have duplicate basket names.	<i>Required.</i> The order will be assigned to the basket owner.
8	Limit Price	The limit price for the order. It may be any currency.	<i>Required</i> only if a limit Order Instruction is specified.
9	Ref ID	A cross-reference ID for the imported trade, limited to 25 characters.	<i>Optional.</i>
10	Special Inst	Special instructions that should be added when creating the order. Limited to 250 characters.	<i>Optional.</i>

Order	Field	Description	Required/Optional
		The account's default special instructions, if present, will be added to the beginning of this field.	
11	Tax Lot ID	The Charles River internal tax-lot ID or the external tax-lot ID. The Charles River internal ID is defined in the TAX_LOT_ID column in the TS_TAX_LOT table; the external tax-lot ID is defined in the EXT_TAX_LOT_ID column of the TS_TAX_LOT table.	<i>Required</i> only if Tax Lot Qty is specified.
12	Tax Lot Qty	The quantity to be used from the selected tax lot.	<i>Required</i> only if Tax Lot ID is specified.
13	Precedence	The order of precedence used when assigning tax lots.	<i>Optional.</i>
14	Trade Program	The program identifier. If it exists in the Charles River database, the order will be rejected.	<i>Optional.</i> If Program is specified without a Trader, the order will still be created, but will not be part of a program.
15	Trader	The trader assigned to the program.	<i>Optional.</i> You can specify a Trader without a Program.
16	Order Instruction	Valid values are: ➤ FRX - Forex	<i>Optional.</i> If you specify a limit order instruction, Limit Price is

Order	Field	Description	Required/Optional
		<ul style="list-style-type: none"> » LIM - Limit » LOB - Limit or Better » LOC - Limit on Close » LWW - Limit With or Without » MC - Market on Close » MKT - Market » OB - On Basis » OC - On Close » PEG - Pegged » PI - Previously Indicated » PQ - Previously Quoted » STL - Stop Limit » STP - Stop Loss » WOW - With or Without 	required.
17	Program Manager ID	Program Manager ID. If one does not exist, a new Program Manager ID is created.	<i>Optional.</i>
18	Trader Program Type	Valid values are: <ul style="list-style-type: none"> » U - Unrestricted » R - Restricted 	<i>Optional.</i>
19	Reason Code	Order reason code, limited to 10 characters.	<i>Optional.</i>

Tax Lot Checklist

If your site uses tax-lot processing ([TAX_LOT_PROC](#) system parameter is set to Y), you can designate existing tax lots for sell or cover orders in the import file. Tax lot information will be maintained even after qualifying orders are merged; multiple rows will be inserted into the TS_TAX_LOT_ALLOC table to represent the tax lot quantities.

The following rules apply to tax lot imports:

- » Tax lots are allowed for SELLL and BUYS transaction types only.
- » Both a valid tax lot ID and a tax lot quantity are required. The tax lot ID must be the Charles River internal ID or the external tax lot ID.

Orders that do not conform will be rejected.

Program Trading Checklist

Charles River Program Trading permits a group of equity orders to be treated as a single entity for the purpose of soliciting bids, placing orders, and executing orders. It also handles a fixed income quote list. You can use the Order Import process to import orders to a trader program in the Charles River database. In this case, the following rules apply:

- » Each order must have both a program and a trader. All orders with the same program must have the same trader.
- » The program identifier must *not* already exist in the Charles River database. Otherwise, the order(s) for that program will be rejected.
- » Orders in the program must have the *same* basket. If you have multiple orders for the same program, but with different baskets, the Order Import process will accept the orders with the *first* basket only. The orders in the other baskets will be rejected.

You can also create or add orders to a restricted or unrestricted Manager program. If the manager program does not exist in the database, it is created.

Sample Order Import Text File

This sample order import text file includes five orders.

```

Example.order.txt - Notepad
File Edit Format View Help
BUYL AMZN T CRDQA71 5000 CRDCREDIT SA1 12.4
SELLL AMZN T DOMEQUITY 100 SAMPLE 12
SELLL AMZN T DOMEQUITY 100 SAMPLE 12
BUYL DELL T DOMEQUITY 2000 SAMPLE 20
BUYL 370442105 C DOMEQUITY 100 SAMPLE

```

Here's a description of each order entry in the above sample order import text file:

- » Line #1 Buy 5000 shares of Amazon.com for the CRDQA71 account. Use the CRDCREDIT Broker to purchase the shares. Assign the order to the SA1 basket. The limit price is \$12.40.
- » Line #2 Sell 100 shares of Amazon.com for the DOMEQUITY account. Assign the order to the SAMPLE basket. The limit price is \$12. The Tax Lot ID is CRD_700503385, the Tax Lot Quantity is 50, and the Tax Lot Precedence is 1.
- » Line #3 Sell 100 shares of Amazon.com for the DOMEQUITY account. Assign the order to the SAMPLE basket. The limit price is \$12. The Tax Lot ID is CRD_700503389, the Tax Lot Quantity is 50, and the Tax Lot Precedence is 2.
- » Line #4 Buy 2000 shares of Dell Computer for the DOMEQUITY account. Assign the order to the SAMPLE basket. The limit price is \$20.
- » Line #5 Buy 100 shares of General Motors (CUSIP 370442105) for the DOMEQUITY account. Assign the order to the SAMPLE basket. No limit price is specified.

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ATTACHMENT F
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY



**Police & Firemen's Retirement System of New Jersey
Investment Policy Statement**

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Chapter I: Introduction

A. Purpose

The purpose of this Investment Policy Statement (the “Policy” or “IPS”) is to provide clear guidelines for the management of the retirement fund assets or plan assets by or on behalf of the Board of Trustees for the Police and Firemen’s Retirement System of New Jersey. This Policy establishes principles, policies, procedures, and guidelines for the investment practices of the Board and the Board’s representatives. The Board shall endeavor to review and revise the Policy periodically and make changes as necessary. The Policy outlines fundamental objectives, goals, restrictions, and responsibilities to assure that:

1. The Board, Staff, Investment Consultants, Investment Advisors and Investment Managers clearly understand the relevant objectives and policies of the Board and the Plan;
2. The Investment Advisors shall be given guidance and limitations on the investment of the Plan’s assets; and,
3. The Board has a meaningful basis for evaluating the investment performance of individual Investment Advisors and Investment Managers, as well as for evaluating overall success in meeting its objectives.

This Policy has been drafted by the Investment Committee and approved by a majority of the Board. Material deviation from this document is not permitted without explicit written permission, in advance, from the Board.

B. Investment Objectives

The overall investment objective of the Plan is to support PFRS’ mission to provide secure and sustainable retirement benefits for its members. Meeting this objective necessitates making active decisions about financial markets in a long-term framework which, by its nature, involves taking reasonable risks.

The structuring of the investment Fund should be considered in conjunction with the funding level, volatility, and direction of the economic and actuarial funded status of the Plan. The investment Plan should be considered in conjunction with the funding level, volatility, and direction of the contribution rates that will need to be paid by both employees and employers in the Plan.

C. Investment Principles

This Policy requires that PFRS develop and maintain a set of Investment Principles. Managing the investment program requires PFRS to provide a consistent and transparent framework to guide the PFRS investment decision making process. These beliefs reflect the PFRS Board's fiduciary responsibility to plan members and beneficiaries.

- We believe in keeping our members and their beneficiaries at the forefront of all we do and providing them with a secure pension which requires an investment program designed to maintain the sustainability of on-going benefits. The investment program is designed to:
 - Accumulate sufficient assets to fund the retirement benefits of PFRS members and beneficiaries over the long term.
 - Maintain sufficient liquidity to pay such benefits as they become due.
 - Receiving the actuarially determined contributions is critical to ensuring the accumulation of sufficient assets.
- We believe a strong governance structure is crucial to our success. A strong governance structure includes:
 - A common understanding of our fiduciary responsibility and mission.
 - A well-defined and documented system of checks and balances, which recognizes the need for organizational agility.
 - Clearly delineated roles and responsibilities:
 - It is the responsibility of the Retirement Board to set policy.
 - It is the responsibility of the Executive Director and Chief Investment Officer and staff to implement policy and maintain operations.
 - Internal policies and procedures which set forth clear expectations and processes to ensure a culture of integrity, respect, accountability, transparency and compliance.
 - Valuing broad and diverse input.
- We believe as fiduciaries, we must be responsible and thoughtful stewards of the fund, acting for the exclusive benefit of the contributing employers, active and retired members of the retirement system and surviving beneficiaries. Responsible stewardship includes:
 - Making prudent investment choices, consistent with our fiduciary duties under a disciplined risk-controlled strategy.
 - Promoting responsible corporate governance, consistent with our Duty of Loyalty to act for the exclusive benefit of PFRS members and beneficiaries.
 - When feasible taking an active role in our investments, including but not limited to:
 - Voting proxies.
 - Participating on Vendor Advisory Committees.
 - Capitalizing on the System's assets to achieve investment goals and objectives in a responsible manner.
 - Collaborating with other institutional investors to harness collective influence in engagement efforts.
 - Participating in external organizations to help shape future rules and regulations related to long term investing. (Efforts to advocate for uniform reporting and disclosure templates).
- We believe the most significant contributor to the fund's long term investment performance is asset allocation. The asset allocation process is designed to:

- Maximize the likelihood the Fund meets its expected return and liquidity requirements.
- Ensure the overall portfolio is broadly diversified, subject to statutory requirements.
- Minimize risk.
- PFRS is a universal owner of the global public markets, with a highly diversified, long term portfolio. We hold the following beliefs about the capital markets:
 - Markets are generally efficient.
 - Passive management provides broad, diversified exposure, while active management can yield benefits when the investment advisor has an informational, technical or operational advantage.
 - Alternative investments allow the System to expand the opportunity set beyond public markets and can be used to enhance returns and diversify risk.
- Cost, diversification, risk and return should be considered within the context of the attributes of each asset class, individually, and its contributions to the portfolio as a whole.
- Performance will be monitored and evaluated net of fees and costs.
- We believe risk is inherent in all investments and must be managed.
 - PFRS is set up to assess and address risk, including the ability to manage the Funds' assets relative to liabilities, meet liquidity requirements and maintain funding levels.

Chapter II: Governance and Responsibilities

A. Legal Authority and Fiduciary Obligations

The enabling statutes that created the independent Board of Trustees (“Board”) for the Police and Firemen’s Retirement System of New Jersey (“PFRSNJ”) are located in Public Law 2018, Chapter 55. Specifically, the act that created the independent Board and retirement system states that “[t]he board of trustees shall have authority to formulate and establish, amend, modify or repeal such policies as it may deem necessary or proper, which shall govern the methods, practices or procedures for investment, reinvestment, purchase, sale or exchange transactions to be followed by the Division of Investment.” N.J.S.A. 43:16A-13(19); N.J.S.A. 43:16A-14.

The general responsibility for the proper operation of this retirement system is hereby vested in the Board, and, as specified, the parties established pursuant to subsection D. of this subsection. N.J.S.A. 43:16A-13.

The legislature directed that the Board shall act exclusively on behalf of the contributing employers, active members of the retirement system, and retired members as the fiduciary of the system. The primary obligation of the Board shall be to direct policies and investments to achieve and maintain the full funding and continuation of the retirement system for the exclusive benefit of its members. N.J.S.A. 43:16A-13.

The Board may also review and approve agreements which may be necessary or convenient for the management of the investments of the retirement system. The Board shall also have the authority to inspect and audit the respective accounts and funds of the Retirement System administered by the Division of Investment, or a successor entity, and take appropriate action as necessary to effectuate the long term viability of the system. N.J.S.A. 43:16A-13.

B. Fiduciary Responsibilities

The primary responsibility of the Board, as a fiduciary, is to manage the PFRS plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits and paying plan expenses. Fiduciaries must act prudently and must follow the law and the terms of plan documents, in our case, the Investment regulations of N.J.A.C. 17:4A, this Investment Policy Statement, and such other policies and procedures as may be approved by the Board from time to time.

A fiduciary must avoid all conflicts of interest. Being a fiduciary imposes the highest standard recognized under the law, to protect the plan assets against, waste, mismanagement, fraud, or personal gain. It also requires fiduciaries of the plan to apply the prudent person standard to their conduct, to ensure that appropriate due diligence is undertaken before making either a benefit or investment decision that will affect the specific plan or its participants, and to only take such decisions as the fiduciary believes are in the best interests of the plan participants.

The fiduciary standard protects the PFRS's assets by requiring any person or entity that exercises discretionary control or authority over the plan administration or asset management, as well as

anyone who provides investment advice to a plan for compensation, to act solely in the best interest of the plan participants.

In acquiring, retaining, selling, exchanging and managing investments, the Board shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. [N.J.S.A. 52:18A-89]

The Board shall have the authority to direct investment policy, which includes asset allocation, investment strategy, rebalancing, and investment advisor selection. The Board shall have the authority to direct the investment and reinvestment policies for or on behalf of the PFRS, with the exception of those monies held by Common Pension Fund L. [N.J. S.A. 52:18A-89]

Fiduciaries must avoid all conflicts of interests to protect plan assets against waste, mismanagement, fraud, or personal gain. In this regard, no Board member, member of a Committee of the Board, or employee of the Board, shall accept from any person, whether directly or indirectly any gift, favor, service, employment, or offer of employment, or any other thing of value, including contributions to the campaign of a member or employee as a candidate for elective public office. [N.J. Stat. § 43:16A-13] In light of this, the Board has adopted an ethics policy, which may be amended from time to time at the Board's discretion, and which must be either identical to the "New Jersey Conflicts of Interest Law," P.L. 1971, c.182 (C.52:13D-12 et seq.) or more restrictive, but not less restrictive. Furthermore, the Board or any employee of the Board shall be prohibited from: (1) having any direct interest in the gains or profits of any investments of the PFRS; (2) using the moneys of the Retirement System, directly or indirectly, except to make such current and necessary payments as are authorized by the Board; or, (3) becoming an endorser or surety, or in any manner an obligor for moneys loaned to or borrowed from the Retirement System. [N.J. Stat. § 43:16A-14.]

C. Policy Review & History

It is the intent of the Board to establish and implement a review process in which this Policy will be reviewed periodically. Some of the objectives of the review process are:

- To review past decisions guided by the Policy relative to the stated investment principles
- To review the appropriateness of all supplemental policies including the Asset Allocation Policy
- To assure compliance with the Policy
- To keep the Policy current to new investments and investment strategies
- To establish and maintain the Investment Policy Statement history
- To develop new policies as needed

The date of revisions to the Policy shall be listed in Addendum A to the Policy.

D. Roles and Investment Responsibilities

1. Board of Trustees

In order to fulfill its duties and responsibilities the Board, pursuant to this Policy, shall undertake each of the following:

- Establish the asset allocation, sub-asset allocation, and policy benchmark.
- Approve the investment structure for applicable asset classes identified in the Asset Allocation Policy and Investment Regulations.
- Select qualified Investment Consultant(s) and Alternative Investment Manager(s) and Investment Advisor(s) to assist in all aspects of the management of the fund.
- Monitor and review the performance of selected Alternative Investment Manager(s) and Investment Advisor(s) to determine achievement of goals and compliance with policy guidelines.
- Monitor the Fund for compliance with Board policies, regulations, directives and applicable laws.
- Periodically monitor the costs of the investment operations.
- At least annually, review and adopt policies, objectives or criteria for the operation of the investment operation and make such changes as appropriate.
- Review applicable investment plan(s) prepared by the staff and/or Investment Consultant(s). As conditions warrant, revise the investment plan(s).
- Retain administrative and professional staff and consultants as required to implement its duties and responsibilities.
- Make and execute agreements which may be necessary or convenient for the management of the investments of the retirement system.
- Inspect and audit from time to time the accounts and funds administered by the Division or successor entity.
- Fulfill any other responsibilities as provided in the enabling statute, investment regulations, or any future document(s) that pertain to the investment of plan assets or as may be required of a fiduciary in the circumstances.

2. Investment Committee

The Investment Committee is responsible for reviewing and recommending to the Board for approval all policies, strategies, procedures, investment consultants, advisors, and investment funds.

The Investment Committee is responsible for monitoring the effectiveness of each investment advisor or investment consultant. The Investment Committee shall recommend to the Board for approval the termination of any investment advisor or consultant. If approved, the Investment Committee shall report the effectuation of any such termination to the Board through the Chairman immediately upon occurrence.

3. Executive Director

In accordance with Chapter 55, "The Board of Trustees shall select and employ an executive director, who shall be responsible for recommending and implementing the strategic direction of the board from an operational perspective. The executive director shall provide strategic direction, planning, and leadership to the board; organize, develop, and supervise a management team to provide optimal results; maintain oversight of administrative operations conducted by the board; develop an annual budget and a salary and compensation guide for any managerial positions that are not subject to Title 11A, Civil Service, of the New Jersey Statutes, arrange board agendas with the approval of the board's chair; appoint administrative staff; execute contracts on behalf of the board; and perform any other responsibilities designated to the executive director by the board... The executive director shall act as a fiduciary to the retirement system and shall be under a duty to perform the obligations set forth herein according to the interest of the beneficiaries of the system."

In order for the Executive Director to fulfill the statutory and fiduciary obligation to the retirement system and beneficiaries of the system, he/she will:

- Participate as a non-voting member of the Investment Committee in order to advise the Chief Investment Officer and Trustee(s) as needed.
- Work with the Chief Investment Officer and Director of Legal affairs on all contracts and agreements from Investment Consultant(s) and Alternative Investment Manager(s) and Investment Advisor(s).
- Assist the Chief Investment Officer in recruiting all members of the investment staff.
- In coordination with the Chief Investment Officer, maintain an operating budget for investment needs, including but not limited to all investment infrastructure and Investment operations.
- Coordinate fiduciary training for trustees in accordance with Chapter 55.

- Develop a strategic direction in accordance with the Chief Investment Officer and Board's approved Asset Allocation policy.
- Any other responsibilities designated by the Board.

4. PFRS Investment Staff

Investment Staff will be responsible for assisting the Board on fulfilling the Board's fiduciary responsibility of monitoring all portfolios that contain plan assets. In assisting the Board with monitoring the Plan, PFRS Investment Staff is expected to monitor/review:

- The Plan's performance.
- The Plan's Asset Allocation and investment strategies as well as their implementation.
- The Plan's compliance with applicable Board directives, regulations, and applicable laws.
- Investment Advisors.

Staff will also be responsible for the preparation and regular reporting of all monitoring activities.

Investment Staff will be responsible for developing, with the assistance of investment consultants, the asset allocation policy and all investment strategies.

Investment Staff will be responsible for leading all investment consultant, investment advisor, investment manager and investment fund searches with the assistance of a general investment consultant ("General Investment Consultant").

5. General Investment Consultant

A General Investment Consultant will be hired by the Board. This consultant will work closely with the Investment Committee and the Investment Staff. The General Investment Consultant will be responsible for:

- a) Performing an asset/liability study every third year or as requested.
- b) Developing an Asset Allocation Policy for consideration by the Board, including the development of capital market assumptions for relevant asset classes.
- c) Developing asset class strategies for consideration by the Board.
- d) Assisting in the search for external advisors.
- e) Assisting in the search for alternative investment funds.
- f) Producing and delivering Quarterly Performance Reports for the Investment Committee.
- g) Assisting in monitoring all public market portfolios.
- h) Assisting in trustee education as requested.
- i) Assisting in special projects as requested from time to time.

6. Asset Class Consultant(s)

As needed, the Board will retain specialty consultants for specific asset classes. These consultants are responsible for:

- a) Assisting the Investment Staff and General Investment Consultant in developing specific asset class strategies.
- b) Monitoring all asset class portfolios assigned.
- c) Assisting in selecting and performing due diligence of asset class specific funds.
- d) Assisting in creating asset class pacing and investment plans.
- e) Assisting in trustee education as requested.
- f) Working with the General Investment Consultant to produce and deliver Quarterly Performance Reports for the Investment Committee.
- g) Assisting in special projects as requested.

7. External Portfolio Advisors

As needed, the Board will retain external portfolio managers as advisors for specific allocation mandate classes. These advisors are responsible for:

- a) Advising the Board in regard to specific portfolio allocations.
- b) Recommending buy and sell transactions within specific markets.
- c) Producing and delivering Quarterly Performance Reports for the Investment Committee.
- d) Assisting in trustee education as requested.
- e) Assisting in special projects as requested.
- f) Ensuring compliance with applicable laws, regulations and directives.
- g) Fulfilling any audit requests internally or externally as requested.

8. Custodian

The New Jersey State Treasurer is the statutory custodian for all of the PFRS investment assets and shall on behalf of PFRSNJ, select the depositories, negotiate custody contracts and fees.

The Chief Financial Officer of the Plan shall monitor the selected custodian and ensure the proper maintenance of the official accounting book of record for PFRS, which shall provide the financial statements of the system.

The custodial bank is responsible for the safekeeping of all securities, income and principal collection and the settlement of transactions within the portfolios of the Retirement System as well as other ancillary services as selected by the Investment Committee and the Board. In coordination with the custodial bank, the accounting book of record shall be used to calculate all rates of return for all portfolios, aggregates, and total fund level of the Retirement System, whether through the custodian or a third party.

In order to ensure the accuracy of the valuations and returns of the Retirement System, reconciliations will be completed comparing the accounting book of record to the investment manager records for the portfolio which will validate at a minimum, security holdings and market value.

In addition, the Valuation Committee shall review and determine the pricing hierarchy of the custodian as well as interim valuation methods for nonpublic securities that will be used to determine the fair value of the Retirement System's investments for financial and performance reporting, respectively. The custodian does not provide valuation on private investments or private investment funds. The custodian records and accounts for the valuations provided by the manager or general partner.

Chapter III: Strategic Investment Planning

A. Investment Philosophy

The investment philosophy of the Board and Investment Committee is based on the mission of PFRS to support the retirement income security of its beneficiaries. As an institutional investor with significant liability duration, the Board intends take a long-term perspective, which is consistent with the duration of the financial obligations of the retirement program. These statements represent the core values and beliefs that form the basis of the investment program.

It is the duty of the Board to make the long-term asset allocation decisions. Investment Staff are tasked with implementation through prudent and sound strategic decisions. Asset allocation studies should focus on the Retirement System's liabilities, anticipated liquidity needs, risk tolerance and the probability of achieving its long-term return goals. However, the cyclical nature of the economy means asset classes or investment strategies may be more or less attractive relative to each other in given economic environments. It is the intention of the Board to maintain flexibility in its asset allocation to preserve Retirement System assets and capitalize on this cyclicity within prudent risk constraints.

The Board seeks to achieve the objectives of the investment program by supporting a culture that focuses on consistent positive performance over the long-term while not engaging in undue risk. The success of the investment program is enhanced by leveraging the competitive advantages of the investment program, including the use of external portfolio advisors to take advantage of performance differences in asset classes, strategies, and styles. Trustees should focus on long-term investment horizons despite potential short-term underperformance.

Portfolio construction should focus first on the allocation and balancing of risk; it is the allocation of risk that drives portfolio returns. It is the Board's philosophy that understanding and balancing risks across asset classes improves the consistency of returns for a given level of risk. Returns are the end product, where risks are the inputs. Investment risk cannot be avoided but can be managed and it is necessary to assume a prudent level of risk to achieve a desired level of return. The management of investment risk is an important part of the investment program but, because of its complexity, a more robust discussion is provided below in Chapter VII: Risk Management.

Portfolio diversification is critical to minimize the risk of excessive losses. Effective portfolio diversification requires a fundamental understanding of the economic drivers of risk and return. Therefore, it is the Board's intention to construct a portfolio that is positioned for various economic conditions, including the preservation of Retirement System assets during market downturns.

Costs matter and need to be effectively managed. Decisions to invest cannot be made without considering costs, and costs must be actively and prudently managed whenever possible to maximize investment returns. Costs should always be evaluated relative to net returns.

B. Performance Objectives

1. Retirement System: The performance objective for the total Retirement System asset portfolio is to obtain overall investment returns over the long term in excess of the approved actuarial assumed rate of return and the investment benchmark adopted by the Board. The total Retirement System should also achieve investment results commensurate to the amount of active risk (tracking error or other appropriate risk measurement metrics) assumed. At a minimum, active returns are expected to exceed benchmark returns net of fees and costs.
2. Asset Classes: The performance objective in each asset class is to obtain overall investment returns over a full market cycle in excess of the adopted benchmark returns or stated return objective. Active returns over the adopted benchmark returns are expected to exceed the cost of management (for external advisors) and be proportionate to the amount of active risk (tracking error) assumed at the asset class level. The expected excess returns for the public market investments are a function of the active return expected per unit of active risk. Alternative Investments are evaluated over rolling 10-year periods or other specified time periods using realized internal rates of return (“IRR”) and gross realized multiples.

C. Asset Allocation

Asset allocation involves establishing asset class allocation policy targets and ranges and managing those asset class allocations within their policy ranges. The Board recognizes that the majority of the variation in investment returns of a large, well-diversified pool of assets can typically be attributed to asset allocation decisions. The performance objective is to achieve positive active asset allocation returns over full market cycles. The Asset Allocation Policy shall be developed with the following objectives:

1. A rate of total return sufficient to meet or exceed the actuarial expected rate of return benchmarks developed by the Investment Committee and approved by the Board within prudent levels of risk and liquidity;
2. Sufficient diversification to minimize the risk of significant loss in any single investment and preserve capital to the extent possible;
3. Adherence to the asset class policy ranges approved by the Investment Committee, with any rebalancing being performed efficiently and prudently;
4. Adequate liquidity to meet cash needs; and
5. Positive returns through any active asset allocation decisions subject to policy ranges and risk limits.

D. Asset Classes/Sub-Asset Classes, Range Limitations and Restrictions

1. Overview

The Board shall set long-term asset allocation targets that are expected to prudently meet the needs of the beneficiaries. The targets and associated ranges are outlined in the Rebalancing Policy, Referenced Policy A. The Board has set the ranges with an expectation that the Investment Committee and Staff will be prudent in its implementation decisions in an effort to prudently manage risk and maximize the expected return given that risk.

Formal experience studies will be conducted at least every three years by the system's actuary. The Funding Level study will be conducted annually, by the system's actuary. There will be ongoing annual reviews of the asset allocation strategy based on updated capital market assumptions.

Within each asset class included in the Asset Allocation Policy and Investment Strategy, the Investment Committee shall adopt portfolio implementation strategies and investment styles to meet the overall investment objective of each asset class. The appropriate external consultant for each asset class will present to the Investment Committee at least annually an overview of their program, including the last three years (if available) of performance and a strategic plan for the asset class.

2. Primary Investment Objectives

Each asset class and sub-asset class will be evaluated on its contribution to:

- a) Cash Management
- b) Income
- c) Growth
- d) Risk Management

3. Definition of “Asset Class”

An asset class is a category of financial instruments. These categories can be physical assets or financial assets. The assets are grouped into classes based on whether they show similar characteristics, behave in the same way in the market, or are governed by the same laws and regulations. Asset classes also have defined markets and long-term history of quantifiable performance and risk. Asset classes are not investment objectives (income, growth, risk management, etc.). The definition of certain asset classes are included in the Board’s investment regulations at N.J.A.C 17:4A.

4. Definition of “Sub-Asset Class”

A sub-asset class is a strategic part of an asset class that is meant to establish strategic means to experience positive alpha or manage risk. The best example is the domestic equity market which has 9 sub-asset classes and even more divisions of sectors and industries.

E. Rebalancing Guidelines

Rebalancing is a vital part of the discipline of investing in multiple asset class portfolios. Rebalancing guidelines are established and approved by the Investment Committee and implemented by the Staff. The approved Rebalancing Guidelines appear in the Rebalancing Policy, Referred Policies A.

For alternative investment asset classes, a current pacing plan must be utilized in projecting the necessary rebalancing schedule.

F. Permissible Assets

All investments held in the PFRS portfolio must fall within the approved asset classes. The list of approved asset classes appears in Referenced Policy B, Permissible Investments Policy and must be in compliance with the Board approved Investment Regulations. This list will be reviewed annually, and all additions or subtractions will be presented to the Investment Committee for review and recommendation and approved by the Board. Any required revisions to the Investment Regulations will be recommended to the Board by the Investment Committee.

G. Benchmarks

Benchmarks establish target investment exposures and provide a relative measure to gauge whether a particular investment strategy is meeting stated goals and objectives. Benchmarks should be derived from the asset allocation process and not from the selection of portfolio strategies. The Retirement System benchmarks shall be established to manage portfolio risk and return characteristics. Benchmarks should be established for the total portfolio, each asset class, sub-asset class and portfolio or advisor used in implementation.

Policy benchmarks shall be set by the Investment Committee for each asset class. Changes to the construction rules of any policy benchmark shall be reviewed and approved by the Committee, with any modifications deemed material requiring review and approval by the Committee. In preparation for any such review, Investment Staff and the appropriate consultant shall analyze the expected effect of the benchmark modification on the total portfolio risk and return characteristics. See Referenced Policies C, Policy Benchmark for the current benchmarks as set by the Investment Committee.

Chapter IV: Investment Implementation

A. Portfolio Implementation

Annually, or as needed, the Investment Committee will review the Asset Allocation Policy and the portfolio strategies to assure that both remain in line with the objectives of the Board. At such time that the Asset Allocation Policy must be adjusted, the Investment Committee will recommend the adjustments to the Board for approval.

B. External Investment Advisor Selection

PFRS will seek external investment advisors to help implement the asset allocation. If/when it is appropriate to retain an external investment advisor for a public markets portfolio, PFRS will engage in a public RFQ process. The public RFQ will be recommended by the Investment Committee to the Board for approval.

The completed RFQs will be evaluated by the Investment Staff and General Investment Consultant. Finalists will present to the Investment Committee. The Investment Committee will recommend the external manager/advisor to the Board for approval. A pool of such approved managers/advisors may be maintained by the Board for ease of administration.

At all times, the Board, Investment Committee and the Investment Staff will adhere to the applicable State procurement laws under N.J.S.A. Title 52. In compliance with the State procurement laws, the Board has determined that its retention of external investment advisors shall be in compliance with the Referenced Policy D, Procurement Procedures: Investment Advisor and Investment Consultant.

C. Alternative Investment Selection

If/when it is appropriate to invest in an alternative investment fund, or establish a separately managed account by the general partner of a fund, the Investment Staff will perform the due-diligence in accordance with Referenced Policy E, Alternative Due Diligence Procedures.

The Investment Staff will coordinate the search efforts with the relevant Asset Class Consultant and the General Investment Consultant. Recommendations to the Investment Committee must include opinions from two of the following three sources: General Investment Consultant, Asset Class Consultant and the Investment Staff. All three sources will provide an independent recommendation.

The Investment Committee will review the three recommendations and will have the option to interview any of the recommended managers and/or investment funds. The Investment Committee will recommend the manager to the Board along with all terms of the mandate including, size, objective, duration and cost.

D. Advisor Termination Procedures

Consistent with IPS Section I.D.2, the Investment Committee is responsible for monitoring the effectiveness of each investment manager, Investment consultant or investment advisor. The Investment Committee shall recommend to the Board for approval the termination of any investment manager, consultant or advisor. If termination is recommended, the Investment Committee shall report the effectuation of any such termination recommendation to the Board through the Chairman immediately upon occurrence.

Chapter V: Security Transactions

Security Transactions refer to the buying and selling of securities on any established market. Chapter 55 establishes that the execution of trades is the responsibility of the Division of Investments.

The Division of Investments has established trading policies for all of the Division's public market portfolios. When the portfolio is managed internally by Division staff, the Division staff have the authority and responsibility to buy and sell securities. When the portfolio is managed by an external advisor, the Division has procedures to review transactions prior to execution.

In accordance with case-law, prior to any transaction performed by an external manager, a list of the daily purchases and sales will be sent to the Division of Investment for review.

Chapter VI: Securities Lending

The Executive Director and the Chief Investment Officer are authorized to implement a securities lending program in accordance with the risk profile established by the Board. The program will adhere to an approved list of brokers, lending limitations and collateral guidelines as established, reviewed by the Investment Committee, and approved by the Board each of which can be changed as market conditions evolve but must be brought before the Board for approval prior to implementation.

The Chief Financial Officer will monitor the securities lending program for compliance with the Investment Regulations approved by the Board. If there is an area of non-compliance, the Chief Financial Officer will report the issue to the Executive Director immediately upon discovery. The Chief Financial Officer will also maintain the Referenced Policy E, Securities Lending Policy.

The Chief Financial Officer, with assistance of the Investment Staff, will monitor the effectiveness of the securities lending program using the same methodology for the system's external managers where applicable. The main reporting areas will be, but not limited to, returns, collateral, risk to the dollar value and securities usage levels.

Periodically, the Chief Financial Officer will provide a written report to the Board evaluating the previous year's performance and compliance. The report will also recommend any revisions to the securities lending program.

Chapter VII: Risk Management

A. Investment Risks

The Board recognizes there are many types of investment risks. As an institutional investor with significant liability duration, the Board takes a long-term perspective. These statements represent the core values and beliefs that form the basis of the risk philosophy for the Retirement System.

1. The Retirement System investment program is structured to address systematic risk (or market risk) and nonsystematic risk (risks associated with individual securities).
2. Risk management recognizes that some risks are quantitative or statistically measurable while others are not.
3. Risk reporting should be timely, relevant, and understandable.

The risk management framework is established through the adoption of this Policy and the strategic asset allocation and reasonable risk limits within this Policy for the implementation of the investment program.

The goal is not to eliminate risk but to strive to achieve a balance between risk and return. The Chief Investment Officer is responsible for reporting and effectively communicating risk management results to the Board on a regular basis. Implementation of a risk management plan is a primary responsibility for the Investment Staff and investment results will be reviewed in the context of risk-adjusted returns.

- A. Investment risk cannot be eliminated; therefore, PFRS invests in a risk-aware manner in order to generate returns required to pay promised benefits, subject to its risk tolerance. PFRS will seek to understand investment risks and provide a process for overall investment risk management at both the Total Fund and asset class level.

B. Risk Management Framework

The PFRS investment risk framework is expected to evolve over time in alignment with industry best practices. The framework shall address the identification, measurement, assessment, and ongoing monitoring of investment risk.

C. Risk Limits

Total Fund active risk limits are specified in Referred Policy A of this document. In concert with the PFRSNJ's investment regulations and Referred Policy B Permissible Investments Policy.

Chapter VIII: Performance Reporting

A. Investment Reporting to the Board

1. Quarterly, the Chief Investment Officer will report to the Board both in written and oral presentation the most current balances of the Total Portfolio and each asset class as identified in the Asset Allocation Policy. The Quarterly report must also disclose current absolute and relative performance of the Total Retirement System and each asset class. The Chief Investment Officer will also make available the Quarterly Performance Report as prepared by the General Investment Consultant or an acceptable summary.
2. Annually, the Chief Investment Officer will provide a review of the Asset Allocation Policy and any recommendations from the Investment Committee for adjustments.

B. Investment Monitoring

The Investment Staff, with the assistance of the investment consultants, will present to the Investment Committee quarterly Portfolio Monitoring Reports. These reports will be applicable to all portfolios managed internally or externally. The investment staff will maintain a long-term perspective but will be tasked to identify issues within each portfolio.

Chapter IX: Proxy Voting

PFRSNJ Board believes that global public equity proxies are valuable and should be voted in the long-term interests and objectives of the Plan, in accordance with Referenced Policy F, Proxy Voting Policy. The Chief Investment Officer in coordination with the Chief Financial Officer shall maintain a Proxy Voting Policy for approval by the Board. Common stock proxies may be executed by the Chief Investment Officer, or his or her agent. The Chief Investment Officer or his or her agent that exercises a proxy vote shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto and the policies set forth in any further detailed PFRSNJ Proxy Voting Policy. Staff shall provide an annual summary report of proxy voting actions to the Board.

Chapter X: Class Action

PFRSNJ believes that class actions play a vital role in the recoupment of any losses or expenses related to the Retirement System's investments. The Board will approve an agent that will file class actions on their behalf. Staff will periodically present the results of the class action filings to the Board for review. PFRSNJ will not act as a lead plaintiff unless specifically approved by the Board.

Chapter XI: Code of Ethics

In compliance with Chapter 55, the board shall adopt an ethics policy identical to the provisions of the "New Jersey Conflicts of Interest Law," P.L.1971, c.182 (C.52:13D-12 et seq.). All trustees, officers, and employees of the Board shall participate in annual ethics training on the Board's policy, the New Jersey Conflicts of Interest Law, and any other applicable law, rule, or standard of conduct relating to the area of ethics as directed by the Board's Executive Director.

Additionally, the Board has voted to establish the Office of Chief Ethics Officer who serves as the ELO for the agency.

The ethics rules cover both general conduct required for employees of the State of New Jersey, such as the anti-kickback provisions, as well as the specific rules governing material knowledge that could be used to benefit an individual because of the interactions with the plan's assets. The ELO and Chief Compliance Officer shall maintain the Referenced Policy G, Ethics Policy.

Addendum A: Policy Revisions and History

Investment Policy Statement Approved by PFRSNJ Board as of May 9, 2022.

Referenced Policies as approved (pending) by the PFRS Board:

- A. Rebalancing Guidelines Policy
- B. Permissible Investments Policy
- C. Policy Benchmark
- D. Procedures: Investment Advisor and Investment Consultant
- E. Securities Lending Policy
- F. Proxy Voting Policy
- G. Ethics Policy

ATTACHMENT G
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY



**Police & Firemen's Retirement System of New Jersey
External Advisor Trade Approval Policy**

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Chapter I: Introduction

A. Purpose

The purpose of the External Advisor Trade Approval Policy (“Policy”) is to provide clear instruction on the procedure and required criteria for approval of public market trade executions carried out by External Investment Advisors. This Policy will lay out the relevant parties and their responsibilities as they pertain to trade approval and execution.

This Policy has been drafted by staff, reviewed by the Investment Committee and approved by a majority of the Board. Material deviation from this document is not permitted without explicit written permission, in advance, from the Board.

B. Investment Objectives

To ensure all public trade executions carried out for the benefit of the PFRSNJ, or with PFRSNJ assets, are approved by the PFRSNJ.

Chapter II: Governance and Responsibilities

A. Board of Trustees

The Board of Trustees will review any suggested changes to the Policy recommended by the Investment Committee for potential approval. Any changes approved by the Board will be in accordance with all applicable fiduciary responsibilities.

B. Investment Committee

The Investment Committee will review any suggested changes to the Policy recommended by the Chief Investment Officer and determine whether or not to make recommendations for changes to the Board. The Investment Committee will review the implementation of the Policy and any subsequent changes.

C. Chief Investment Officer

It is the responsibility of the Chief Investment Officer to maintain the Policy. It is the duty of the Chief Investment Officer to ensure retained Investment Advisors comply with the Policy and PFRSNJ Investment Staff pre-approve and verify all trades. It is the Chief Investment Officer's responsibility to create and maintain the PFRSNJ Pre-Trade Approval Designees list. It is the responsibility of the Chief Investment Officer to monitor the approved PFRSNJ Pre-Trade Approval Designees list and remove any individual who should no longer be approved for designation.

D. PFRSNJ Investment Staff

PFRSNJ Investment Staff shall review all trades recommended by Investment Advisors for potential approval in accordance with procedures provided by the PFRSNJ. PFRSNJ Investment Staff shall review the daily trade blotters to ensure all trades executed were previously approved. PFRSNJ Staff will compile a monthly trade blotter of all executed trades and provide it to the Division of Investment ("DOI")

E. Division of Investment

The DOI shall receive any proposed changes to this policy. The DOI will receive the monthly trade blotter provided by the PFRSNJ. The DOI shall advise the PFRSNJ on the recipients to receive both reports. The DOI will advise the PFRSNJ as appropriate of any recommended changes.

Chapter III: The Program

A. External Advisor Trade Approval Process

This Policy will be followed for public market trade executions carried out by external investment advisors for the benefit of the PFRSNJ.

This Policy shall be maintained by the PFRSNJ Chief Investment Officer, recommended by the Investment Committee, and approved by the Board. Any updates to this Policy shall be provided to the Division of Investment prior to Board approval.

Investment Advisors will perform the actual trading for PFRSNJ assets for which they advise, but final approval of trades shall be retained by the PFRSNJ. Investment Advisors will follow the procedures as provided by PFRSNJ Investment Staff.

PFRSNJ Investment Staff will review all trades and verify daily trade blotters to confirm all executed trades were approved. The PFRSNJ will provide the DOI with monthly trade blotters for their review. Daily trade blotters will be available to the DOI, upon request. The DOI will then have the rights provided for in the Memorandum of Understanding by and among the PFRSNJ and the DOI

PFRSNJ Investment Staff will review all trades based on the PFRSNJ Trade Approval Review process. The process will review all trades to ensure no securities are on the PFRSNJ Prohibited or Exclusionary Lists. The PFRSNJ Prohibited List will include all securities prohibited by United States or New Jersey law.

External Investment Advisors, per their Investment Advisor Agreements with the PFRSNJ must follow the Policy. The Policy requires advisors to seek approval or rejection of requested trades from PFRSNJ Pre-Trade Approval Designees. These PFRSNJ Pre-Trade Approval Designees will act as an extension of the Board in approving and rejecting individual transactions recommended by the External Investment Advisors. Transactions will be reviewed for potential breaches of federal law, New Jersey Law, PFRSNJ's Investment Regulations, and the individual advisor's Investment Guidelines.

In retaining its investment decision-making authority, the PFRSNJ reserves the right to approve or reject trades in the best interest of the fund.

A list of PFRSNJ Pre-Trade Approval Designees will be maintained by the Chief Investment Officer. The PFRSNJ Pre-Trade Approval Designees list will be reviewed, at a minimum, annually. The Chief Investment Officer is responsible for maintaining the PFRSNJ Pre-Trade Approval Designees list and removing persons from the list as applicable.

ATTACHMENT H
RFP FOR EMERGING MARKETS SMALL CAP PUBLIC EQUITY INVESTMENT
ADVISOR FOR THE
POLICE AND FIREMEN'S RETIREMENT SYSTEM OF NEW JERSEY

ST-4 (05-12, R-15)

State of New Jersey
DIVISION OF TAXATION

SALES TAX

FORM ST-4

ELIGIBLE NONREGISTERED
PURCHASER: SEE INSTRUCTIONS **

PURCHASER'S NEW JERSEY
TAXPAYER REGISTRATION NUMBER*

216000928

EXEMPT USE CERTIFICATE

To be completed by purchaser and given to and retained by seller.
Please read and comply with the instructions given on both sides of this certificate.

TO _____ Date _____
(Name of Seller)

Address _____ City _____ State _____ Zip _____

The undersigned certifies that there is no requirement to pay the New Jersey Sales and/or Use Tax on the purchase or purchases covered by this Certificate because the tangible personal property or services purchased will be used for an exempt purpose under the Sales & Use Tax Act.

The tangible personal property or services will be used for the following exempt purpose*:
State Government

The exemption on the sale of the tangible personal property or services to be used for the above described exempt purpose is provided in subsection N.J.S.A. 54:32B- 9(a) (See reverse side for listing for principal exempt uses of tangible personal property or services and fill in the block with proper subsection citation).

I, the undersigned purchaser, have read and complied with the instructions and rules promulgated pursuant to the New Jersey Sales and Use Tax Act with respect to the use of the Exempt Use Certificate, and it is my belief that the seller named herein is not required to collect the sales or use tax on the transaction or transactions covered by this Certificate. The undersigned purchaser hereby swears under the penalties for perjury and false swearing that all of the information shown in this Certificate is true.

State of NJ - Treasury Fiscal & Resources

NAME OF PURCHASER* (as registered with the New Jersey Division of Taxation)

50 West State Street, PO Box 211, Trenton NJ 08625

(Address of Purchaser)*

Governmental Entity

TYPE OF BUSINESS*

By 
(Signature of owner, partner, officer of corporation, etc.)*


(Title)

*Required

MAY BE REPRODUCED
(Front & Back Required)